

# A FORCE FOR GOOD



**CREATING AND SCALING GROWTH ENGINES  
FOR A GROWING ECONOMY**



**INTEGRATED ANNUAL REPORT 2023-24  
GRASIM INDUSTRIES LIMITED**



**Mr. Aditya Vikram Birla**

14.11.1943 - 01.10.1995

**WE LIVE BY HIS VALUES.  
INTEGRITY, COMMITMENT, PASSION,  
SEAMLESSNESS AND SPEED**

## **OUR GROUP PURPOSE STATEMENT**

**TO ENRICH LIVES, BY BUILDING DYNAMIC AND  
RESPONSIBLE BUSINESSES AND INSTITUTIONS,  
THAT INSPIRE TRUST.**



## MESSAGE FROM THE CHAIRMAN



*In its more than 76 years of operations, Grasim has successfully developed global-scale businesses by continually innovating, investing in capacity building, and pursuing new high-growth opportunities. In FY 2023-24, your Company along with its subsidiaries executed its largest-ever capital expenditure, investing over ₹20,000 crore."*

**Kumar Mangalam Birla**  
Chairman

### Dear Shareholders,

In an era marked by unprecedented global challenges, the imperative for businesses to transcend conventional paradigms has never been more pressing. At Aditya Birla Group, we recognise that our success is intrinsically tied to the well-being of society and the planet we inhabit. As custodians of progress and stewards of sustainable growth, we embrace the ethos of being 'A Force For Good' in all facets of our operations. At the heart of our philosophy lies the conviction that business can and must catalyse for positive change. Beyond the pursuit of profit margins, we envision a world where economic prosperity harmonises with social welfare and environmental stewardship.

This vision guides our strategic decisions, propelling us to harness the transformative power of business to create collective prosperity. Being a force for good entails a multifaceted approach that extends across our entire value chain. Our commitment to operating responsibly is woven into our business endeavours, from enabling inclusive growth and empowering local communities to mitigating environmental impact and creating prosperity for our nation and people. It is part of our DNA and our legacy. It defines who we are.

By creating value for all stakeholders – shareholders, employees, customers, and society at large – we aim to nurture an ecosystem of mutual benefit and collective advancement. This philosophy underpins our dedication to ethical governance, transparent communication, and responsible business practices. As we navigate the complexities of a rapidly

evolving world, we remain steadfast in our commitment to being agents of positive change.

Guided by our Purpose 'To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust', and by leveraging our resources, expertise, and influence, we aspire to be a catalyst for meaningful impact, shaping a future where business serves as a force for good in everything that we touch and do.

### Global Economy: Resilience in Motion

The global economy exhibited remarkable resilience and divergence during 2023, defying fears of stagflation and recession. Increased government spending, notable labour force participation, and continued household consumption growth supported global economic growth last year. Despite substantial interest rate hikes by central banks, economic activities worldwide grew steadily, buoyed by household demand fuelled by pandemic savings and supportive policies in mortgage and housing markets. These growth drivers mitigated the impact of policy rate increases. Major central banks, led by the US Federal Reserve, have likely reached their peak rate hikes. Expectations are for rate cut initiations during the latter part of 2024, signalling cautious optimism for the global economy and financial markets. Global economic growth is estimated at 3.2% in 2023 and projected to continue at the same pace in 2024 and 2025, albeit these growth rates are at historically low levels.

The US economy was a standout in 2023, with GDP growth exceeding long-run averages at 4.9% in Q3 and 3.4% in Q4, driven by robust services growth and a resurgence in manufacturing activity. Simultaneously, as the Fed raised rates and supply constraints eased, inflation declined to 1.7% in Q4, undershooting the 2% target. This 'miracle' of strong growth and low inflation defied the recessionary predictions of most economists.

In contrast, Europe slowed to just 0.4% GDP growth in 2023, weighed down by reduced household spending from elevated energy costs tied to the Russia-Ukraine conflict and tighter monetary policy. Prospects for 2024 remain subdued at 0.8% growth, constrained by strained fiscal positions limiting any growth impetus.

China experienced a 5.2% growth rate in 2023 and is projected to expand by 5% in 2024 and 4.5% in 2025, bolstered by policy support measures. However, a protracted property crisis remains a major drag on growth.

Global economic prospects have improved as major economies have averted a severe downturn, reducing inflation without raising unemployment. However, the outlook remains cautiously optimistic. Persistent challenges include prolonged high interest rates, debt sustainability issues, ongoing geopolitical tensions, and escalating climate risks, all of which continue to impede growth.

MESSAGE FROM THE CHAIRMAN



*Birla Pivot, the B2B E-commerce business for Construction Materials, has crossed a milestone of ₹1,000 crore revenue in its first year of operations. With successful deliveries to over 200 cities across 25 states, it has established a robust network of suppliers and logistics providers, facilitating seamless operations, and ensuring a Pan-India reach."*

India: Leading the Way

For India, the picture is promising amidst a globally uncertain macroeconomic environment. India's economy has shown resilience, with real GDP growth of 8.2% in 2023-24, making it the fastest-growing major economy and the fifth-largest globally. Structural reforms and domestic household demand are key drivers of India's growth. Inflation has eased, supported by monetary policy actions and supply-side interventions. India is expected to grow at 7.2% in FY 2024-25.

The banking sector has seen improvements in earnings, governance, and balance sheets. Non-banking financial companies (NBFCs) also show sound performance, contributing to credit growth in the private sector. Prudent policies and regulatory measures aim to safeguard financial stability in India. The Indian Rupee has managed relative stability supported by improved external balances, including a moderation in the current account deficit and robust forex reserves. Increased services exports have been supportive of the external balance. India's FinTech ecosystem, supported by initiatives like the Unified Payments Interface (UPI), has transformed financial services, promoting inclusion and digitisation.

Hence, despite global challenges, the Indian economy is poised for sustained growth. We believe collective actions and focused measures by the government have helped overcome past challenges and will realise India's growth potential in the future. To summarise, the Indian economy has demonstrated resilience, supported by reforms, low core inflation, and a sound financial sector. Continued focus on reforms will see India emerge as a key global growth engine.

Aditya Birla Group: In Perspective

Amid this economic backdrop, the Aditya Birla Group's strong performance in FY 2023-24 stands as a testament to our commitment to purpose-driven growth, driving sustained value creation for stakeholders across our diverse business portfolio.

This success is underpinned by our exceptional talent pool, whose dedication and entrepreneurial spirit are the true catalysts for our sustained achievements.

This year, we have advanced our purpose-driven approach to business by integrating our purpose in every stage of the employee life cycle: hiring, induction, learning, performance appraisal and continuous employee connect.

Being the Force for Good for ABGites by enabling employees to develop capabilities and achieve their true potential. 186 learning events covering 4,700+ ABGites were held by Gyanodaya, our Learning and Leadership Development Centre. In addition, 14,000+ ABGites were covered through outreach programmes, done closer to the employees in our units/offices all over the globe. Robust digital learning, enabled 81% of the employees to learn at their convenience on topics of interest and need.

Our leaders play a crucial role in strengthening the succession pipeline. Through Business and Functional Talent Councils, they set the vision for their respective areas, identify the future capabilities needed for success, review the availability of talent, and agree on actions to enhance the talent pipeline. This year, over 12,000 employees (99% of the eligible population) underwent potential assessments, enabling us to identify high-potential talent across all levels and prepare them for leadership succession. As a result, 56% of critical mid and senior-level positions were filled through our internal pipeline. Additionally, the internal and external hiring ratio for senior management roles has improved from 59:41 to 75:25 over the past three years.



*During the last five financial years, from FY 2019-20 to FY 2023-24, your Company has added nearly ₹56,000 crore in consolidated revenues, recording a compounded annual growth rate (CAGR) of 15%. This growth has come with the highest-ever operating profit, registering a CAGR of 11%."*

Our strong employer brand enabled us to attract high-quality talent for three new businesses built grounds-up: Birla Opus, Birla Pivot and Novel Jewels. We hired 14,800+ employees across levels in the management cadre, 75% of whom are millennials and Gen Z.

We have maintained our focus on strengthening gender diversity, ensuring more women are in mainstream roles and leading strategic responsibilities across various functions and regions. Currently, women make up 15.6% of our management cadre, with 277 women holding senior and top leadership positions. We are also making a special effort to increase the representation of women in technical roles. For example, we have appointed our first female unit head for the battery enclosure plant, enrolled 25 women in a one-year apprenticeship programme in core mining who will be placed in UltraTech, and have women serving as Territory Sales Managers at Birla Opus.

We strive to enrich the lives of our employees through integrated healthcare solutions that focus on their physical and emotional well-being, as well as that of their families. Our Digital Health and Well-being app, AB Multiply, has enrolled 26,000 employees for holistic wellness services. Additionally,

over 9,000 employees have benefited from company-sponsored annual physical health checkups. We have made significant efforts to reduce the stigma associated with mental health, ensuring that employees and their families can access professional and confidential counselling services when needed. Last year, over 1,000 employees or their family members sought help, marking an increase of more than 25%.

The results of ABG Vibes 2023, our annual engagement survey, reflect our commitment to being a force for good for our employees. The scores have improved in all areas across employee segments compared to the previous cycle: 91% of employees are proud to be associated with the Group, 93% would recommend the Group as a great place to work, and 87% see themselves working with the Group two years from now (an 8% increase from the last cycle). Additionally, 89% of employees find a sense of meaning and purpose in their work, and 91% are optimistic about the future of the business.

Indeed, the Aditya Birla Group stands at an exciting juncture. Many of our businesses are poised for transformational growth, while new ventures are emerging with a lot of promise. We are not just expanding in size but also diversifying in scope across various industries and regions.

Your Company's Performance

Your Company has achieved an exceptional milestone with the highest-ever annual revenue of ₹1,30,978 crore for the financial year FY 2023-24, surpassing \$15 billion in consolidated revenues. During the year, Grasim recorded revenue growth of 11% YoY, adding an incremental revenue of over \$1.2 billion. The Company has also achieved its highest-ever consolidated EBITDA of ₹20,837 crore. Cement and Financial Services businesses contributed to strong growth, complemented by stable performance from Cellulosic Fibres and Textiles. Your Company achieved record sales volumes in Cement, Cellulosic Fibres, Chlor-Alkali, and Speciality Chemicals businesses. The Financial Services business under Aditya Birla Capital achieved the highest ever combined (NBFC + HFC) loan book of ₹1,24,059 crore and the highest ever AUM of ₹4,36,442 crore in FY 2023-24.

During the year, your Company commenced trial runs at three paint plants, while construction work for the remaining three plants remains on schedule. All six plants will be operational in FY 2024-25, positioning Birla Opus as the second largest player, by capacity, in the Indian decorative paints industry.



MESSAGE FROM THE CHAIRMAN

Your Company has announced its ambition to reach a revenue target of ₹10,000 crore in paints and break even within the first three years of full-scale operations.

Birla Pivot, the B2B E-commerce business for Construction Materials, has crossed a milestone of ₹1,000 crore revenue in its first year of operations. With successful deliveries to over 200 cities across 25 states, it has established a robust network of suppliers and logistics providers,

facilitating seamless operations, and ensuring a Pan-India reach. The business aspires to achieve an annual revenue of \$1 billion in three years.

The Company's Renewables business, Aditya Birla Renewables, is poised to capitalise on the economy's green transition and the rising demand for sustainable solutions. The Aditya Birla Renewables project portfolio has reached ~1GW capacity and is expected to double to ~2GW by CY 2024.

Growth Capex to Fuel India's Future

In its more than 76 years of operations, Grasim has successfully developed global-scale businesses by continually innovating, investing in capacity building, and pursuing new high-growth opportunities. In FY 2023-24, your Company along with its subsidiaries executed its largest-ever capital expenditure, investing over ₹20,000 crore. In the last five years, your Company and

its subsidiaries have allocated over ₹50,000 crore in capital expenditure, with 77% directed towards growth capex. This investment has been largely driven by consistent free cash flow from core businesses, supplemented by proceeds from a rights issue and optimised financial leverage.

For your Company, Building Materials is a key segment expected to be on a high growth trajectory given the growing demand for housing and infrastructure in India. We remain committed to playing a pivotal role in fulfilling India's infrastructure growth aspirations and being future ready. The capacity expansion would further strengthen our businesses in India.

Our new growth engines, the decorative paints business under the brand 'Birla Opus' and the B2B E-commerce business under the brand 'Birla Pivot' are poised to offer differentiated business solutions and lead the way in meeting India's infrastructure development needs, a true testament to being A Force for Good.

Value Creation-led Strategy

During the last five financial years, from FY 2019-20 to FY 2023-24, your Company has added nearly ₹56,000 crore in consolidated revenues, recording a compounded annual growth rate (CAGR) of 15%. This growth has come with the highest-ever operating profit, registering a CAGR of 11%. This growth is reflected in our market capitalisation crossing

the milestone of ₹1,50,000 crore, adding over ₹45,000 crore value and generating over 40% returns for investors during the year. The year also earmarked a milestone event for your Company with fundraising of ₹4,000 crore by way of a rights issue which was oversubscribed by nearly two times. My special thanks to all our shareholders for the trust you have reposed in us. Your continued faith and support in our transformational journey is truly appreciated.

Your Company has constantly demonstrated growth amidst dynamic macroeconomic conditions, driven by a cohesive strategy based on five pillars— Leadership, Innovation, Sustainability, Capital allocation and Cost leadership. These pillars of strategies are synchronous across the Company's diversified business segments fostering an ecosystem that promotes long-term value creation. Such value creation is enabled by Grasim's structure of managing a portfolio of companies comprising businesses and offerings that are closely linked to India's growth mega-trends of infrastructure and housing demand, increasing financialisation, aspirational consumption, focus on manufacturing growth, fast-growing renewable energy sector and a growing digital economy. Your Company, which derives a majority of its revenues from the domestic market, commands a leadership position across these key components of a growing economy.

Sustainability

Your Company has a long track record of building sustainable practices, developing communities, building partnerships, and initiating various sustainability efforts even before they were mandated by law. The Company has implemented robust processes for ESG reporting and assurance, ensuring the comprehensive capture and accountability of non-financial data to achieve environmental and social targets effectively. In FY 2023-24, we have strengthened our efforts to combat climate change by developing a comprehensive net zero roadmap with defined strategies to reduce our carbon footprint. By leveraging our technical expertise, investing in research and development, and collaborating with stakeholders across the value chain, we aim to drive innovation and accelerate the transition to a low-carbon future.

Conclusion

Your Company's multidimensional achievements underscore what has been a foundational philosophy of our group that true corporate success is measured by the enduring value we create for all our stakeholders. And that is our legacy, our promise, and our future.

Yours sincerely,

Kumar Mangalam Birla  
Chairman



Mr. Kumar Mangalam Birla at the Birla Opus launch

# ABOUT THE REPORT

Grasim Industries Limited (hereon referred to as 'Grasim,' 'Our Company,' or 'We') is proud to present its fifth Integrated Annual Report, with the theme 'A Force for Good' for the Indian FY 2023-24. This annual publication discloses our progress and challenges in creating sustainable value for our 45,000+ workforce, 2,52,000+ shareholders, society, and customers.

Throughout FY 2023-24, we have reached significant milestones in our commitment of balancing profitability with societal and environmental responsibilities. This Report details our advancements in fiduciary duties, generating ROI for our capital providers and shareholders, responsible resource management, operational efficiencies, innovation, and community engagement. It also outlines our robust governance practices, ensuring accountability and ethical business conduct.

## Scope of Reporting

### Value Creation Model

For over 76 years, we have delivered consistent financial and non-financial value to our stakeholders while growing into one of India's leading companies. Today, our mission is driven by a strategic value creation model designed to produce lasting value through our five pillars of strategy i.e. leadership, innovation, sustainability, capital allocation and cost leadership. This model utilises various forms of capital inputs, their effective deployment in value-enhancing activities, the influence we have on these capitals, and the value we produce.

### Reporting Period

1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024

### Frameworks and Standards

This Report has been structured in accordance with the International Financial Reporting Standards (IFRS) and the principles of the Integrated Reporting Framework. We have compiled the report with reference to the 2021 Global Reporting Initiative (GRI) Standards, ensuring compliance with a broad range of regulatory and standard frameworks.

We have also incorporated the Business Responsibility and Sustainability Report (BRSR), as mandated by SEBI for the top 1000 listed companies in India.

The data and insights presented in this report conform to numerous esteemed global and national guidelines and standards, including:

- Indian Accounting Standards
- Securities and Exchange Board of India (SEBI)
- Listing Obligations and Disclosure Requirements Regulations, 2015
- Secretarial Standards promulgated by the Institute of Company Secretaries of India
- Companies Act, 2013 and its subsidiary rules
- National Guidelines on Responsible Business Conduct (NGRBC)
- United Nations Global Compact (UNGC)
- United Nations Sustainable Development Goals (UN SDGs)
- CDP (formerly the Carbon Disclosure Project)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Global Reporting Initiative (GRI)
- Dow Jones Sustainability Index (DJSI), as maintained by S&P Global

## Reporting Boundary

The Report includes financial information for both individual and consolidated accounts. All the Capitals of the Integrated Reporting Framework, Social Disclosures and BRSR apply to our standalone operations. Environmental disclosures are specific to our sites (listed below).

### Cellulosic Staple Fibre (CSF)

Nagda, Harihar (including Pulp), Kharach, Vilayat

### Chemicals

Nagda, Vilayat, Veraval, Karwar, Rehla, Renukoot, Balabhadrapuram, Ganjam

### Textiles

Rishra, Malanpur, Kolhapur

### Insulators

Halol, Rishra

### Cellulosic Fashion Yarn (CFY)

Veraval, Kalyan

## Assurance

BDO India LLP has provided reasonable assurance on BRSR Core Indicators and limited assurance on selected non-financial indicators in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', and ISAE 3410, 'Assurance Engagements on Greenhouse Gas Statement', issued

by the International Auditing and Standards Board. Detailed descriptions of the assurance scope, criteria, and procedures conducted, as well as the conclusions of the assurance, are presented in the accompanying assurance report found at the end of this document. Additionally, the financial information has been audited and reviewed by BSR & Co. LLP and KKC & Associates LLP.

## Materiality

This Report provides a comprehensive overview of material topics that impact our business and stakeholders. Our growth and operational strategies are formulated to address these key issues, identified through a consultative process involving discussions with major stakeholders, secondary research on industry trends, and a review of peer performance. All data and insights in the report are grounded in the economic, environmental, and social aspects of our business activities.

## Disclaimer

This Integrated Report incorporates the Management Discussion and Analysis (MDA) as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Readers should note that all regulatory requirements set forth with respect to information presented in the MDA,

including but not limited to discussions on operations, financial performance, risks, and future outlook, can be found across various sections of this Integrated Report. This approach aligns with our commitment to integrated thinking and reporting, providing a more holistic view of our business, strategy, and performance.

## Limitations

It is important to note that some remarks in this Report regarding our business operations are predictive in nature, reflecting our expectations and plans based on market analysis, financial standing, strategic planning, and future goals. Such forward-looking statements are recognised by terms like 'anticipates,' 'expects,' 'intends,' 'may,' 'will,' 'believes,' 'estimates,' 'outlook,' and other phrases indicating future operational, environmental, social, and financial outcomes. These statements are contingent upon our current projections, reasonable assumptions, and evaluations of upcoming trends. However, they are subject to uncertainties and variables beyond our control, which may lead to disparity between actual events and the expectations set forth in these statements. We advise readers to carefully consider the possible risks and uncertainties when interpreting these forward-looking statements. We are under no obligation to publicly update or modify these statements, unless required by law. Slight variations in data and percentages within the graphs and tables may occur due to rounding.



### Feedback

Please direct any feedback or inquiries regarding this report to [grasim.secretarial@adityabirla.com](mailto:grasim.secretarial@adityabirla.com)



Further Information can be found online at [grasim.com](https://grasim.com)



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Grasim Industries Limited

## GRASIM AT A GLANCE

Grasim Industries Limited, a flagship Company of Aditya Birla Group (ABG), is one of the leading diversified companies in India. Grasim is a prominent producer of Cellulosic Staple Fibre (CSF), globally and in India. CSF is a subset of global markets of man-made textile fibres. Also, we are one of the India's largest manufacturer of Chlor-Alkali and Speciality Chemicals (Epoxy Polymers and Curing Agents). Through our subsidiaries, UltraTech Cement, Aditya Birla Capital and Aditya Birla Renewables, we are also India's premier cement producer, one of the leading diversified financial services player and a clean energy solutions provider, respectively. We also have significant presence in Sustainable Textiles such as Linen & Cotton Fabrics and Woolen Yarn. We have entered into two high growth businesses namely Paints and B2B E-commerce for Construction Materials.

### 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 trusted business houses – The Aditya Birla Group. With over \$66 billion in revenues and operations spanning more than 40 countries, the Group is a global leader in many businesses within its wide-ranging portfolio across cement, metals, pulp and fibre, chemicals, carbon black, telecom and textiles. The Group is guided by its Purpose 'To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust'. Thus, it is renowned as a value creator, a social steward, and an environmental custodian with its holistic stakeholder-centric, long-term business approach.



### FINANCIAL HIGHLIGHTS

₹1,52,876 crore

Market capitalisation\*

₹1,30,978 crore

Consolidated revenue

₹20,837 crore

Consolidated EBITDA

### NON-FINANCIAL HIGHLIGHTS

45,929

Total workforce

11%

Renewable power share

7.5 lakh+

Trees planted (cumulative)

\* As on 31<sup>st</sup> March 2024

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## MESSAGE FROM THE MANAGING DIRECTOR

A FORCE FOR  
GOOD IS A FORCE  
MULTIPLIER

*Together, each of our businesses is a force for good, creating a multiplier effect on building a just and prosperous future. It enables us to deliver consistent growth, drive innovation, embed sustainability in every aspect of our operations, and act with integrity and fairness."*

**Harikrishna Agarwal**  
Managing Director

**Dear Stakeholders,**

It gives me immense pleasure to present to you the fifth Integrated Annual Report of the Company for FY 2023-24. With India taking confident strides into the future, we are committed to playing a pivotal role in the nation's transformative growth story. Our diversified businesses, by virtue of their leadership position in their respective industries, are well-positioned to capitalise on opportunities across the key themes playing out in the Indian economy.

At Grasim, we harness the collective strengths of our resources and capabilities, embrace strategies that prioritise the long-term well-being over short-term gains, and implement responsible practices to build an inclusive and sustainable future. Together, each of our businesses are a force for good, creating a multiplier effect on building an equitable, inclusive and prosperous future. It enables us to deliver consistent growth, drive innovation, embed sustainability in every aspect of our business, and act with integrity and fairness.

Before I dive deep into the performance for FY 2023-24, it is important to outline the external environment we are currently operating in. The global economy continues to face multiple challenges stemming from muted growth, escalating geopolitical tensions and inflation. Amid these global headwinds, India has emerged as a symbol of strength, growing at the fastest pace among major economies, driven by continued government thrust on infrastructure and housing, increasing share of manufacturing in GDP, and enhancing the conditions of living for a large population. Further, long-term structural drivers such as young population, increasing disposable income and digitisation at scale make India a multi-decadal opportunity.

**Fortifying our  
Conglomerate Structure**

FY 2023-24 was a remarkable year for Grasim, replete with milestones and accomplishments. We achieved highest ever consolidated revenue of ₹1,30,978 crore and highest-ever EBITDA of ₹20,837 crore, recording a CAGR of 15% and 11%, respectively, over the last five years. Such growth also testifies to our prudent capital allocation. Total capital expenditure over the past five years stood over ₹50,000 crore, of which growth capex stood at ₹38,800 crore. Approximately 65% of this growth capex is spent over the last two years positioning your Company for a transformational growth journey.

In FY 2023-24, our Cement business under subsidiary UltraTech recorded 13% YoY growth in total grey cement sales volumes, reaching high of 117 MT. We continued to expand our domestic grey cement capacity, adding 13.8 MTPA in FY 2023-24, taking our total installed capacity (India + overseas) to over 146.2 MTPA. We plan to take the total capacity to 200 MTPA by FY 2026-27.

This expansion aligns with India's growing infrastructure needs and the Government's push for housing and rural development. Further, we continued to make steady progress in increasing the green power mix, lower fuel costs and drive operating leverage, which has resulted in further improvement in our domestic EBITDA/tonne. During FY 2023-24, our Cement revenue grew 12% YoY to ₹70,908 crore while EBITDA improved 22% YoY to ₹13,586 crore, driven by lower logistics and energy costs.

Our Financial Services business under subsidiary Aditya Birla Capital has envisioned 'One ABC One P&L' approach, to focus on a strategy that revolves around the three levers of One Customer, One Experience and One Team. Strengthening its digital propositions, the business

has launched new platforms – ABCD (Aditya Birla Capital Digital) and Udyog Plus, and the response to the same is overwhelming. Over the past two years, Aditya Birla Capital has achieved significant milestones, highlighted through its robust growth and profitability across businesses. The NBFC loan book has grown by about two times to over ₹1,00,000 crore, becoming the fourth-largest diversified NBFC in the country. The housing finance loan portfolio has also witnessed an accelerated growth of 33% YoY to ₹18,420 crore. The health insurance business has grown by 46% over the past 2 years, becoming the fastest growing Standalone Health Insurance player in the market. The total premium of life insurance business stood at ₹17,260 crore, recording growth of 15% YoY. The average AUM of the AMC business stood at ₹3,12,764 crore, recording growth of 12% YoY.

Cellulosic Staple Fibre (CSF) segment achieved record sales volume of 810 KT in FY 2023-24, recording a 16% YoY growth, driven by stable domestic demand. Given the increasing demand for sustainable and eco-friendly products driven by heightened consumer awareness and regulatory changes, we continue to focus on innovation and sustainability to drive long-term growth. Our focus on high-quality products, customer-centric innovations and value added services position us well in a volatile market. Making strides in responsible sourcing and environmental conservation, we have been able to retain the Dark Green Shirt in Canopy's Hot Button report for the fourth time in a row. Aligned with environmental stewardship and innovation, we launched Birla Viscose Ecosoft, a new variant of cellulosic fibre, made from bamboo pulp. Bamboo, being one of the fastest-growing species, is widely considered less resource-intensive to cultivate versus other natural fibres



## MESSAGE FROM THE MANAGING DIRECTOR



*As on 31<sup>st</sup> March 2024, the cumulative capital expenditure for our Paints business stood over ₹7,000 crore, ~70% of the total planned capital outlay. We commenced production at three of our state-of-the-art plants, while construction of the remaining three is progressing as per schedule."*

and hence, increasingly seen as an eco-friendly solution for textile needs. We also partner with various start-ups and innovators promoting textile circularity. Our Cellulosic Fashion Yarn (CFY) segment reported marginal de-growth in revenues, as low priced exports from China continued to pose challenges to an already weak demand environment.

Our Chemicals business posted its highest ever volumes on the back of stable domestic demand. We would further strengthen our business with capacity expansion in the Chlor-Alkali segment to 1.5 MTPA in FY 2024-25. Commissioning of new Epichlorohydrin (ECH) plant and plans for other complex chlorine chemistries would result in Chlorine Derivatives reaching 1.2 MTPA by FY 2027-28. Such enhanced capacities would cater to increasing demand for Chlor-Alkali and Chlorine Derivatives across major end-use applications. Speciality Chemicals capacity doubled to 246 KTPA during the year, with commissioning of 123 KTPA in December 2023. During FY 2023-24, caustic realisations faced double whammy from sharp correction of international prices from their highs and oversupply in domestic market. This resulted in a decline in revenue and EBITDA to ₹8,213 crore and ₹1,054 crore, respectively. The business posted the highest-ever Chlorine Integration of 62%, however subdued demand from selected

end-user industries and oversupply of Chlorine derivatives impacted profitability. During the year we made progress in reducing power costs, achieving a 13% renewable energy share compared to 8% in last year. The target is to increase the renewable energy share to 25% by FY 2024-25. Such transition enhances our cost efficiency and at the same time, supports our sustainability goals.

Our Textiles business has made continuous efforts to shift from pure manufacturing to establishing iconic brands in niche categories like Linen and Premium Cotton Fabrics. B2C revenues for FY 2023-24 stood at its highest levels. 'Linen Club', 'Soktas' and 'Giza House' are expanding its retail footprint and now available across 230+ EBOs and 9000+ MBOs.

Our Renewables business is spearheading the industry's transition towards a more sustainable future. It plays a key role in fulfilling the Group companies renewable energy demands and decarbonisation targets. The business has set its sight on doubling its capacity to ~2 GW.

### Building on our New High-growth Businesses

The Decorative Paints market in India is growing at a healthy pace driven by urbanisation, strong housing demand and growing aspirations. Our entry into Indian Decorative Paints market through our brand 'Birla Opus' would

cater to the growing demand for premium high quality products. Birla Opus aspires to reach a revenue of ₹10,000 crore by FY 2027-28. As on 31<sup>st</sup> March 2024, the cumulative capital expenditure for our Paints business stood over ₹7,000 crore, ~70% of the total planned capital outlay. We commenced production at three of our state-of-the-art plants, while construction of the remaining three plants is progressing as per schedule. Once completed, it would catapult us to the position of the second-largest player by capacity at the end of FY 2024-25. Further, our painting services brand 'PaintCraft' has been well received by customers. We have also initiated deep engagements with painters and contractors through the 'Udaan Partnership Programme', that supports the growth of our partners and enhances their brand loyalty.

Last year we launched our B2B E-commerce business 'Birla Pivot' to provide a one-stop digital solution for construction materials requirements. The business aspires to reach revenue of \$1 billion in three years, leveraging consistent double-digit demand growth across construction materials categories led by India's continued thrust on infrastructure development and housing. Moreover, digital penetration in the industry remains abysmally low at 2%, which provides long runway of growth opportunities. During FY 2023-24, Birla Pivot crossed



*By constant innovation in products and processes we have created a culture of continuous improvement ensuring that Grasim delivers superior value to all stakeholders."*

₹1,000 crore revenue milestone in its first year of operations. The business has expanded its offerings across 35 product categories sourced from 150+ international and Indian brands.

### Making a Lasting Impact

Sustainability is deeply ingrained in our corporate ethos, driving our business operations and strategic decisions. Our sustainability initiatives include focus on increasing the share of renewable power in our total energy consumption. This year, we achieved a renewable power share of 11%, up from 8% in the previous year. Further, water conservation is another critical area of focus. We increased the proportion of recycled water to our total water consumption, to 50% this year, compared to 46% in FY 2022-23. Our efforts in this domain have been recognised with multiple awards, including the CII-ITC Sustainability Awards for our excellence in environmental management. Your Company's commitment towards Sustainability was further recognised with an investment of ₹1,250 crore in Sustainability Linked Bonds from the International Finance Corporation (IFC), the private sector arm of the World Bank Group. IFC's investment will accelerate Grasim's decarbonisation drive through the increased adoption of renewable energy and water recycling in the paint manufacturing process.

We focus on offering circular solutions in the textile industry. In collaboration with SaXcell, we have offered Lyocell fibre with 30% recycled cotton content which has been received well in the market. We also produce Liva Reviva with 30% circulose pulp (recycled cotton pulp).

We have also continued to develop and launch eco-friendly products. Collaborations with biotechnology firms like Nanollose reflects our commitment to sustainable product development. We are determined to build on these achievements, striving to align with global best practices and ensuring that our growth contributes positively to society and the environment. We have also committed to be a net zero carbon company by 2050.

### Pioneering Change and Looking Beyond

As we look ahead, we aim to leverage our diversified portfolio to capitalise on emerging opportunities across our core businesses. Our investments in new high growth businesses and enhancing R&D capabilities ensure that we are well-prepared to meet the increasing demand for sustainable and innovative solutions. Our approach includes robust modernisation and maintenance initiatives to ensure peak efficiency, better productivity and lower costs. We also deploy cutting-edge technologies to drive efficiency across

our diverse businesses and also invest in renewable energy projects. By constant innovation in products and processes, we have created a culture of continuous improvement ensuring that Grasim continues to deliver superior value to all stakeholders.

I extend my heartfelt gratitude to our esteemed shareholders for their trust and support. The recent successful rights issue is a testament to our commitment to create sustainable value for all our stakeholders. I also wish to thank our customers, bankers, media partners, and vendors for their support and invaluable contribution to your Company's success. My deepest appreciation goes to our Government, Board of Directors, Management team and all the Employees. Thank you for your continued confidence in Grasim. Together, we will drive forward with purpose and passion and achieve new milestones.

Best regards,

**Harikrishna Agarwal**  
Managing Director

# A FORCE FOR GOOD

In an era where opportunities and challenges are more intertwined than ever, the transformative power of unity and purpose transcends individual interests. Advocating for a world where economic growth and social equity advance in sync, collective prosperity is both a moral and strategic imperative for building resilient and future-ready enterprises.

At Grasim, we harness the collective strengths of our resources and capabilities, embrace strategies that prioritise long-term value, and implement responsible practices. Yet, each of our businesses brings a unique perspective, shaping the industries they operate in while contributing to nation building. At the same time, they reinforce the belief that the pursuit of a shared future is also profitable and sustainable.

Thus, being A Force For Good is not just a purpose principle.;

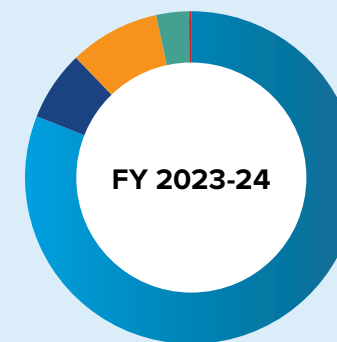
It is a call to action, standing at the cusp of economic, environmental and social issues, while breaking systemic barriers and entrenched inequalities. Our greatest strength lies in our ability to come together – to innovate, embed sustainability in our manufacturing, explore opportunities to develop environment-friendly products while demonstrating compassion at every step.

## ECONOMIC VALUE DISTRIBUTED

(GRI: 201, 2016) (Consolidated)

Economic value distributed refers to the allocation and dispersion of economic value generated by us among our various stakeholders.

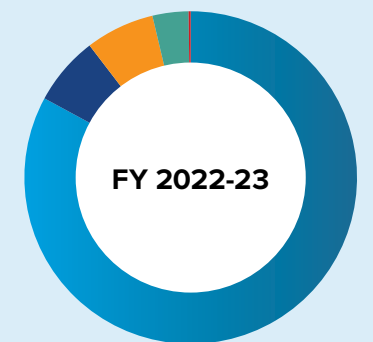
**₹1,32,243 crore**  
Economic Value Generated



| (₹ in crore)          | FY 2023-24 | FY 2022-23 |
|-----------------------|------------|------------|
| Operating Costs       | 95,239     | 88,341     |
| Employee              | 7,963      | 7,194      |
| Providers of Capitals | 10,402     | 7,198      |
| Government            | 3,747      | 3,714      |
| CSR                   | 248        | 222        |

**₹1,17,599 crore**  
Economic Value Distributed

**₹1,21,239 crore**  
Economic Value Generated



**₹1,06,669 crore**  
Economic Value Distributed

## CREATING SHARED VALUE



### SHAREHOLDERS

**41%\***

Total Shareholders Return (TSR)



### EMPLOYEES

**3+ lakh**

Total training hours



### COMMUNITIES

**12+ lakh**

CSR beneficiaries



### ENVIRONMENT

**50%**

Wastewater recycled

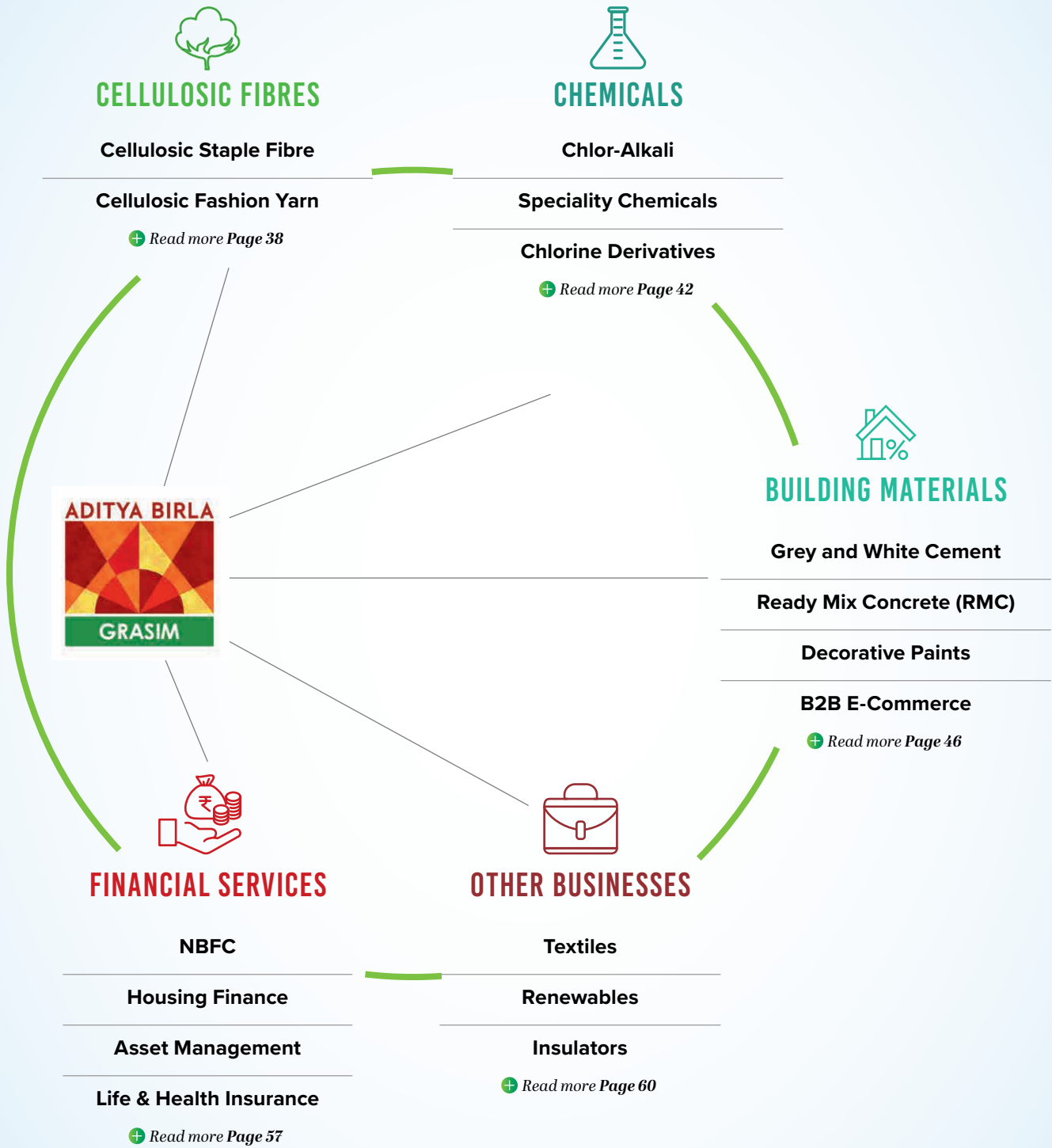
\* Market Price Appreciation + Dividend Paid



BUSINESSES

# DRIVING DIVERSE OPPORTUNITIES

Our business segments enhance our competitive edge, fostering resilience, and driving innovation, all within the framework of our overarching corporate goals.





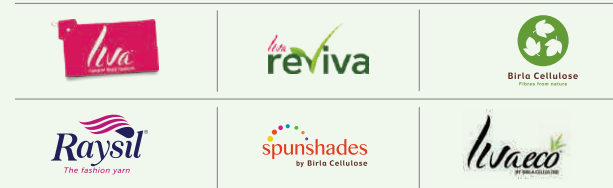


## BUSINESSES

### CELLULOSIC FIBRES

With a total global scale capacity of 842 KTPA of Cellulosic Staple Fibre (CSF) we are a significant player in the man-made textile fibres industry. Through indigenously developed second and third generation fibres, like Birla Modal and Birla Excel (Lyocell), we have pioneered CSF market in India with high-quality, eco-friendly products. We have successfully created 'LIVA' brand for development of textile value chain using CSF products in India. We are also prominent manufacturer of Cellulosic Fashion Yarn (CFY) in India, with an annual capacity of 51 KTPA. CFY is widely used in high-end special textile applications like fashion apparel, home textile, embroidery, etc.

#### Key Brands



**810 KT**  
Highest-ever CSF  
Sales Volumes

**67%**  
EBITDA  
Growth YoY

[+ Read more Page 38](#)

### CHEMICALS

Our Chemicals business encompasses three categories: Chlor-Alkali, Chlorine Derivatives, and Speciality Chemicals. We are the premier manufacturer of caustic soda in India, with a capacity of 1,359 KTPA, and produce a range of Chlorine Derivatives used in industries such as water treatment, plastics, and pharmaceuticals. Our Speciality Chemicals segment, epoxy polymers and curing agents, serves applications across automotive, construction, and electronics sectors.

#### Key Brands



**1,205 KT**  
Highest-ever Caustic  
Sales Volume

**62%**  
Chlorine Integration

[+ Read more Page 42](#)

### FINANCIAL SERVICES

Aditya Birla Capital Limited (ABCL), Grasim's financial services arm, offers a suite of financial products across financing, protecting, investing and advisory services. With omni-channel architecture, ABCL provides customers complete flexibility to choose their channel of interaction. Digital presence includes platforms like ABCD Application and Udyog Plus. Offline presence include 1,474 branches across businesses and co-located branches include 769 branches across 220 locations. This platform offers seamless, paperless transactions across a spectrum of financial services.

#### Key Brands



**₹4,36,442 crore**  
Assets Under Management

**₹34,008 crore**  
Total Revenue

[+ Read more Page 57](#)



### CEMENT

UltraTech Cement Limited, a subsidiary of Grasim Industries Limited, ranks as India's largest manufacturer of cement and world's third-largest cement producer outside China, with a total production capacity exceeding 150 MTPA (as on April 2024) in India. It is also a leading player of ready mix concrete, white cement and cement-based putty.

#### Key Brands



**119 MMT**  
Highest-ever Cement  
Sales Volumes

[+ Read more Page 46](#)

### DECORATIVE PAINTS

Birla Opus, Grasim's decorative paints brand, leverages state-of-the-art manufacturing and a range of high-quality products to disrupt and lead the Indian decorative paints landscape.

#### Key Brands



**1,200+ / 145+**  
SKUs / Products launched,  
biggest launch in Indian  
Decorative Paints industry

[+ Read more Page 49](#)

### B2B E-COMMERCE

Birla Pivot, Grasim's B2B E-Commerce platform, revolutionises the construction sector by providing a comprehensive range of construction materials and financial solutions to MSMEs.

#### Key Brands



**₹1,000+ crore**  
Revenue generated in the first  
year of operations

[+ Read more Page 53](#)

### TEXTILES

The textiles division excels in premium sustainable clothing with presence in fibres like linen, wool, and cotton, leading with the Linen Club and Soktas brands. It focuses on expanding iconic retail brands and enhancing sustainability.

#### Key Brands



**₹583 crore**  
Highest-ever B2C revenue

[+ Read more Page 60](#)

### RENEWABLES

Aditya Birla Renewables (ABReL) is expanding its clean energy portfolio, targeting a 2 GW total capacity by 2024 with projects in solar, wind, and hybrid to support India's sustainability goals. ABReL also plays a key role in fulfilling the Group companies' renewable energy demands and decarbonisation targets.



**894 MW**  
Cumulative renewable  
energy capacity

[+ Read more Page 63](#)

### INSULATORS

Aditya Birla Insulators is India's leading manufacturer of high-performance ceramic and composite insulators for transmission and distribution, sub-stations, and railway electrification, ranking among the global top four.



**₹477 crore**  
Revenue

[+ Read more Page 66](#)



## MILESTONES

## LEGACY OF LEADERSHIP

Over the years, Grasim Industries Limited has charted an extraordinary path of growth, innovation, and leadership. Founded in 1947, Grasim has evolved into a powerhouse conglomerate, making advances in the sectors of Cement, Cellulosic Staple Fibre, Chemicals and Decorative Paints. Our journey is distinguished by persistent efforts to act as 'A Force for Good' for all our stakeholders, striving for collective growth and sustainable impact.

## 1947-1956



- Grasim Industries incorporated
- Production of rayon based fabric begins at Gwalior
- CSF production commences at Nagda (Madhya Pradesh)

## 1957-1996

- CSF and Pulp plants at Harihar commissioned, based on in-house engineering
- Setup its in-house research centre for fibres
- Caustic Soda production commences at Nagda for captive use
- Vikram Cement, Grasim's first Cement plant goes on stream at Jawad (Madhya Pradesh)



## 1997-2006



- De-merger of the cement business of Indian Rayon into Grasim. Grasim acquires the cement business of L&T (renamed as UltraTech) through a composite scheme of arrangement and listing of UltraTech.
- ABNL entered in JV with SunLife Insurance to foray into Financial Services Business
- AV Group - First Overseas acquisition (Canada) to form a JV for backward integration of Pulp

## 2007-2018

- Acquired stake in Domsjo, Sweden to further integrate Pulp
- R&D focus on expanding specialty pulp through Centralised Clonal Production (CPC)
- Commissioned single largest CSF plant at Vilayat (Gujarat)
- Consolidated Caustic Soda capacity with merger of Aditya Birla Chemicals (India) Ltd. with Grasim. Positioned as India's largest caustic manufacturer post addition of capacity at Vilayat
- Expanded downstream value-added products portfolio - Major producer of Epoxy
- Merger of ABNL with Grasim and subsequent listing of Aditya Birla Capital Limited (Grasim Subsidiary)
- Acquisition of rights to operate and manage CFY business of Century Textiles

## 2019-2020

- UltraTech crosses grey cement capacity of 100 MTPA
- Commissioned a new state-of-the-art Lyocell plant at Kharach, based on in-house technology
- Acquired the Chlor-Alkali business of KPR Industries India Limited
- Entered a JV with Maschinenfabrik Reinhausen GmbH (MR), Germany for Composite Hollow Core Insulators ('CHCI') to serve the power transmission and distribution industry globally
- Divestment of its Fertiliser business to Indorama India Private Limited
- Acquired Saktas India Private Limited (now merged with Grasim Industries Limited)



## 2021-2022

- Vilayat CSF brownfield expansion of 219 KTPA commissioned, taking the total capacity to 824 KTPA
- Caustic Soda brownfield expansion Rehla (Jharkhand) 91 KTPA commissioned
- Chloromethane plant of 50 KTPA at Vilayat commissioned
- Foray into Paints Business with Pan-India presence
- Caustic Soda brownfield expansion Phase-1 of 73 KTPA at Balabhadrapuram (Andhra Pradesh) commissioned
- Foray into B2B E-commerce platform for Building Materials

BIRLA  
PIVOT

## From Steel To Tiles

Complete range of building materials online for residential, commercial and infrastructure projects.

18000+ SKUs | 150+ Brands

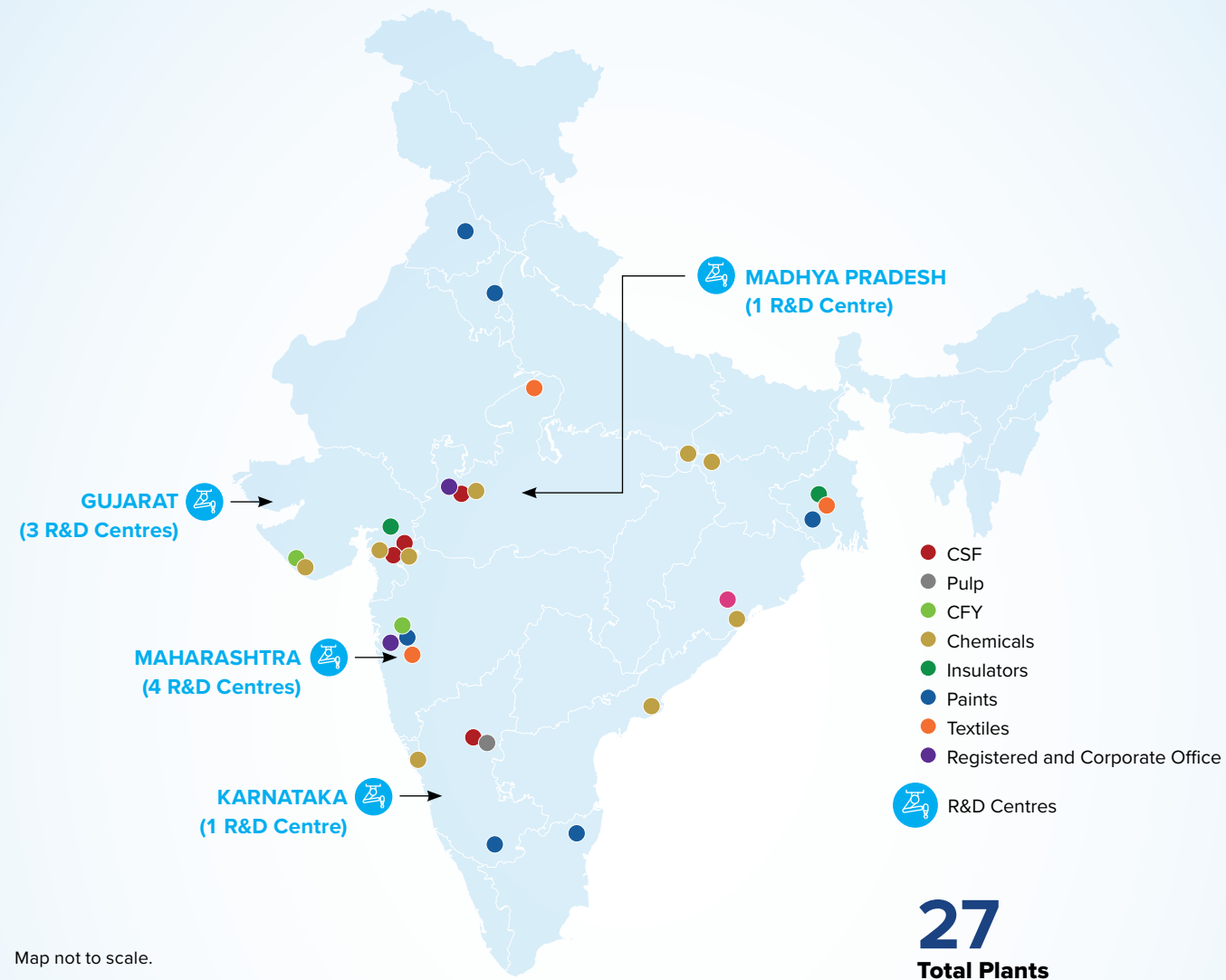
Submit enquiry

## 2023-2024



- UltraTech crosses grey cement capacity of 150 MTPA (April 2024)
- Commissioned Birla Opus pilot plant at three locations with capacity of 636 MLPA
- Completed rights issue of ₹4,000 crore with over subscription of nearly two times
- Birla Pivot achieved milestone revenue of ₹1,000 crore in its first year of operations
- Aditya Birla Capital launches ABCD (Aditya Birla Capital Digital) Application with comprehensive financial offerings for customers
- Aditya Birla Renewables capacity reached 894 MW
- Commissioned Speciality Chemicals (Epoxy) plant at Vilayat, Gujarat doubling the capacity to 246 KTPA
- Grasim partners with Lubrizol and Project work initiated for construction of CPVC resin plant for Phase I of 50 KTPA (of total 100 KTPA) at Vilayat
- Raises its first Sustainability Linked Non-Convertible Debentures (NCDs) of ₹1,250 crore from the International Finance Corporation (IFC)

# PRESENCE



## Manufacturing Sites

### CSF (842 KTPA)

Kharach, Gujarat  
Vilayat, Gujarat  
Nagda, Madhya Pradesh  
Harihar, Karnataka

### PULP (74 KTPA)

Harihar, Karnataka

### CFY (51 KTPA)

Veraval, Gujarat  
Kalyan, Maharashtra

### CHEMICALS (1,359 KTPA)

Renukoot, Uttar Pradesh  
Rehla, Jharkhand  
Nagda, Madhya Pradesh  
Ganjam, Odisha  
Vilayat, Gujarat  
Veraval, Gujarat  
Vilayat, Gujarat (Speciality Chemicals)  
Balabhadrapuram, Andhra Pradesh  
Karwar, Karnataka

### INSULATORS

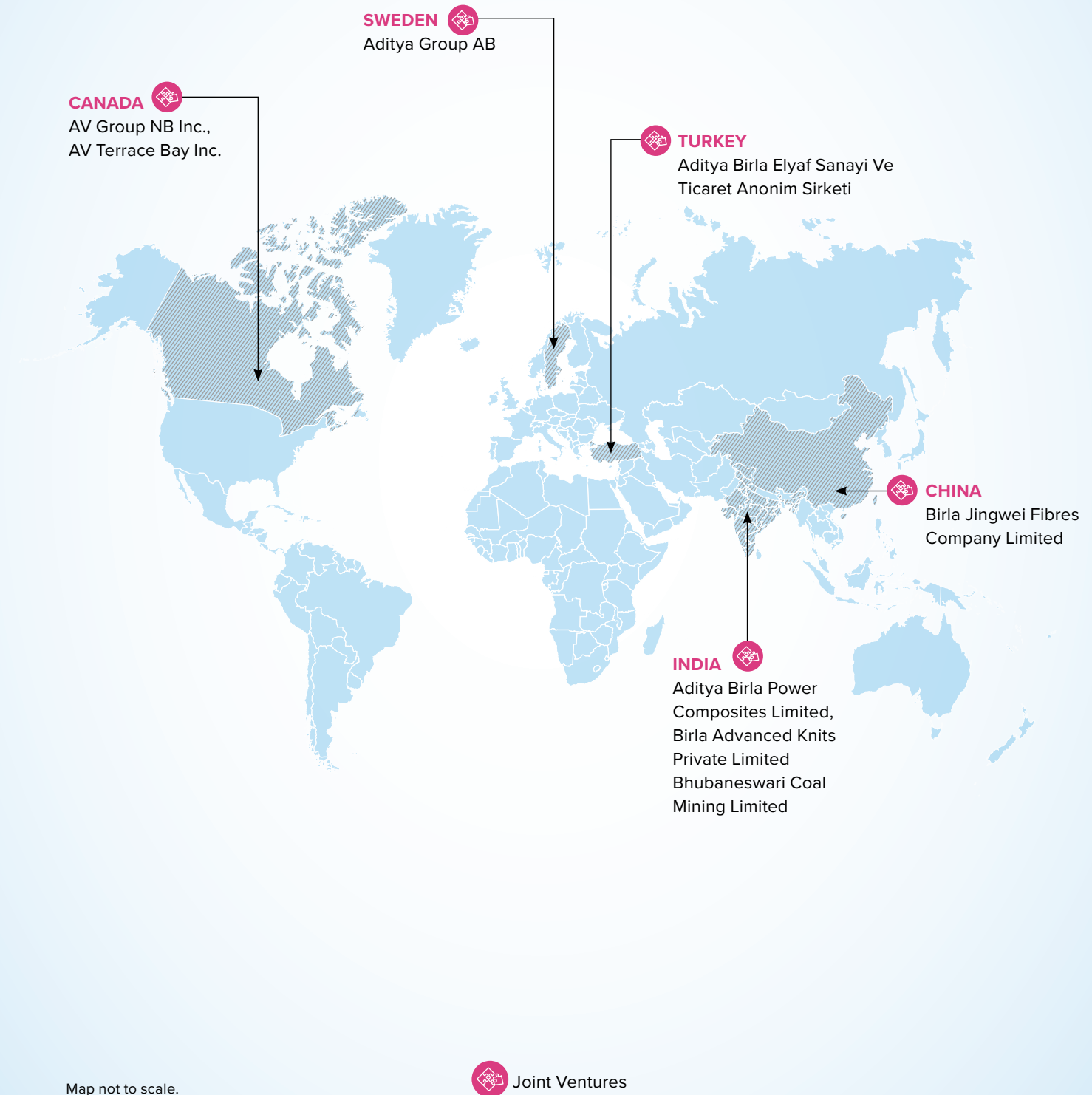
Halol, Gujarat  
Rishra, West Bengal

### PAINTS (1,332 MLPA)

Ludhiana, Punjab  
Panipat, Haryana  
Cheyyar, Tamil Nadu  
(To be commissioned)  
Mahad, Maharashtra  
Kharagpur, West Bengal  
Chamarajanagar, Karnataka

### TEXTILES

Kolhapur, Maharashtra  
Malanpur, Madhya Pradesh  
Rishra, West Bengal





## OUR APPROACH TO CORPORATE GOVERNANCE

# LEADING WITH EXCELLENCE

Our governance philosophy is built on transparency and responsibility, guiding our Company towards ethical business practices and long-term success. Central to our ethos are diligence, fairness, and effective governance, which are crucial in our commitment to ethics, integrity, and accountability. We integrate ESG principles into our decision-making processes, emphasising both financial performance and positive social and environmental impacts.

Our governance framework, overseen by a competent and diverse Board of Directors, ensures ethical operations and compliance with regulations, thereby promoting a culture where responsible governance and sustainability are deeply intertwined, fostering a resilient and purpose-driven organisation.

### FOUNDATIONS OF OUR GOVERNANCE: SIX CORE TENETS



### OUR APPROACH

#### Business Values and Ethics

| Code of Conduct for Board Members and Senior Management                  | Policies                                                                                  | Systems and Standards                           |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------|
| Establishes the guiding principles for adherence across the organisation | Ensures alignment with regulatory requirements, commitments, and stakeholder expectations | Internal directives that shape daily operations |

### BOARD'S ROLE

The Board plays a pivotal role in overseeing operations and guiding strategic decision-making on key issues such as risk management, financial integrity, and compliance. By prioritising transparency and ethical conduct, the Board promotes trust among stakeholders and facilitates holistic and inclusive value creation.

Additionally, our [Board Diversity Policy](#) reinforces our commitment to inclusion and equitable representation across all levels of governance.

### BOARD EXPERTISE

Our Board of Directors holds rich expertise across domains and functions, equipping them to drive our Company toward sustained success. Their collective insights enable us to navigate complex challenges effectively, identify and mitigate risks, tap into opportunities and make insightful, data-driven decisions. Their commitment to understanding industry trends and adopting best practices underscores our dedication to responsible business practices.

### BOARD COMPETENCIES



**Corporate governance, legal & compliance**



**Financial literacy**



**Industry knowledge**



**Innovation, technology & digitisation**



**Strategy**



**Sustainability**



**General management**



**Human resource development**



**Marketing**



**Risk management**

**61 years**  
Average age of Board Members

**9 years**  
Average tenure of Board

**92%**  
Average attendance rate in Board Meetings

### Board Experience\*\*



### Board Age Profile



### Board Diversity



\*\* On the Board of Grasim Industries Limited.

# BOARD OF DIRECTORS

## GUIDING THROUGH VISION



**Mr. Kumar Mangalam Birla**  
Chairman, Non-executive Director

**M**



**Mrs. Rajashree Birla**  
Non-executive Director

**C**



**Mr. Cyril Shroff**  
Independent Director

**M**



**Dr. Thomas M. Connelly, Jr.**  
Independent Director

**MM**



**Ms. Anita Ramachandran**  
Independent Director

**CCM**



**Ms. Ananyashree Birla**  
Non-executive Director



**Mr. Aryaman Vikram Birla**  
Non-executive Director



**Mr. N. Mohan Raj**  
Independent Director

**CC**



**Mr. V. Chandrasekaran**  
Independent Director

**CM MMM**



**Mr. Adesh Kumar Gupta**  
Independent Director

**MMM**



**Mr. Harikrishna Agarwal**  
Managing Director

**CM MMMMM**



**Mr. Sushil Agarwal\***  
Non-executive Director



**Mr. Raj Kumar**  
Non-executive Director



**Mr. Yazdi Piroj Dandiwala**  
Independent Director

**MM**

■ Nomination & Remuneration Committee  
■ Corporate Social Responsibility Committee

■ Risk Management & Sustainability Committee  
■ Stakeholders' Relationship Committee

■ Finance Committee  
■ Audit Committee

■ PIT Regulation Committee  
■ Rights Issue Committee

C – Chairperson

M – Member

\* Appointed w.e.f. 8<sup>th</sup> February 2024.



# BUSINESS INTEGRITY

## BUILDING A RESPONSIBLE BUSINESS

At Grasim, we uphold a strict mandate that our employees, partners, vendors, and others lead with ethical conduct in all transactions. We enforce robust anti-bribery and anti-corruption policies and conduct regular risk assessments to identify and mitigate potential threats. Our internal monitoring system is designed to detect and address instances of corruption promptly. Strict guidelines govern record-keeping, approval procedures and business conduct, ensuring transparency and integrity across all operations. All employees undergo mandatory anti-bribery and anti-corruption training to understand the provisions and stay compliant. They also formally renew their acceptance to follow the policy every year.

Grasim is also committed to addressing risks related to conflicts of interest and lapses in business ethics, with clear roles and responsibilities assigned to the Board and management. Ethical risk assessments are conducted regularly, and operating guidelines are continuously reviewed and updated. Employees receive annual training on the Company's Code of Conduct, which guides ethical behaviour. We maintain a strict policy of non-involvement in political and lobbying activities, further reinforcing our commitment to upholding the highest standards of integrity and accountability.

### Grievance Redressal Mechanism

All our stakeholders have access to a transparent grievance mechanism that allows them to raise any concerns freely and without any fear of reprisal through the official telephone number or a dedicated email ID. The Admin and Liaison Officer ensures the grievances are addressed appropriately through established processes and outcomes are communicated with the complainant. We actively promote awareness of the redressal procedure and available channels across stakeholder groups.



Grievance Handling Policy: <https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf>

### Roles and Responsibilities

#### Grievance Committee

Functional Heads - HRM, F&C, and Environment

- Probing the grievance and coordinating with external stakeholders
- Developing strategies to address the grievances registered
- Monitoring the progress of grievance redressal

#### Stakeholder Contact Officer

Admin and Liaison Officer

- Gather grievances and ensure adherence to the grievance redressal mechanism
- Maintain records of grievances and monitor all correspondence  
Document any interactions with external stakeholders
- Monitor grievances and trends over time and report findings to the Committee
- Forward gathered grievances to the Grievance Committee for further action

#### Employees

CSR, IR, Admin, and Environment Officers

- Attend to grievances in person and submit the Grievance Lodgement Form to the Stakeholder Contact Officer to report the grievance
- Offer support and guidance in formulating a response and resolving the grievance







# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC REVIEW

### GLOBAL ECONOMY

The global economy demonstrated strong resilience, navigating multiple headwinds such as the ongoing Russia-Ukraine war, escalating geopolitical tensions in the Middle East, and the cost-of-living crisis in several economies. According to the International Monetary Fund’s (IMF) World Economic Outlook (WEO) April 2024 update, global GDP is estimated to have grown by 3.2% in 2023, which implied an upward revision of 0.1% point from its January 2024 update. However, this growth remains below the pre-pandemic average of 3.8% for the past two decades. In addition, the economic growth was divergent – with the US growing faster than estimated among advanced economies while the UK and Europe barely avoided a recession. India remained a bright spot, globally among developing economies, with the IMF pegging its 2023-24 growth estimate at 7.8%.

Central banks across the globe had kickstarted an aggressive rate hiking cycle in 2022 to rein in runaway inflation, stemming from the pandemic-related infusion of fiscal stimulus. After peaking in the third quarter of 2022, global inflation continued to moderate while economic growth stayed resilient in 2023, which allayed fears of

a recession or ‘hard landing’. However, downside risks remain as the war in Europe continues unabated and the Middle East situation continues to evolve.

The IMF expects global headline inflation to moderate further from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with the advanced economies likely to achieve their inflation targets ahead of their emerging and developing counterparts. The IMF expects global economic growth to remain at the 2023 level of 3.2% in 2024 and 2025 as well. With many countries going into elections in 2024, the economies could receive short-term fiscal boost, and central banks may cut rates at the latter half of the year, should the last leg of the disinflation process get completed.

#### GDP Growth Rate

|                                   | 2022 | 2023 | 2024F | 2025F |
|-----------------------------------|------|------|-------|-------|
| World                             | 3.5  | 3.2  | 3.2   | 3.2   |
| Advanced Economies                | 2.6  | 1.6  | 1.7   | 1.8   |
| Emerging and Developing Economies | 4.1  | 4.3  | 4.2   | 4.2   |

Source: IMF WEO April 2024; F – Forecast

### INDIAN ECONOMY

India is the fastest-growing major economy in the world in FY 2023-24, with its real GDP growth forecasted at 7.6%, according to the Second Advance Estimates of the National Statistical Office (NSO) released in February 2024. This projection was higher than the earlier estimated of 7.3%, as the economy recorded 8%+ growth for three consecutive quarters on the back of a buoyant manufacturing and services sectors. Manufacturing growth was estimated at 8.5%, construction at 10.7% and services at 7.5% while agriculture output growth remained weak, at just 0.7%.

Gross fixed capital formation, constituting 34% of the GDP, is estimated to have grown 10.2%, reflecting the government’s continued thrust on capital expenditure to develop the country’s physical, social as well as digital infrastructure. Total consumption, which accounts for 56% of the GDP, grew 3.0%, as private consumption remained somewhat tapered and rural demand continued to recover. India’s overall exports recorded a marginal increase to \$776.68 billion in FY 2023-24, despite global headwinds, according to provisional data released by the Ministry of Commerce, driven by strong services exports but partially offset by a 3.1% fall in merchandise exports (growth seen in electronic goods, drugs and pharmaceuticals, engineering goods, iron ore, cotton yarn, etc.)

Meanwhile, India’s retail inflation moderated to a 5-month low of 4.8% in March 2024, but remained above the long-term target of 4% of the Reserve Bank of India (RBI). After a series of rate hikes to tame inflation, the RBI remained in a pause mode for seven consecutive Monetary Policy Committee meetings and maintained its ‘accommodation of withdrawal’ stance. Prices of food, which has about 46% weight in the retail inflation basket, continue to be volatile. India’s apex bank pegs economic growth at 7.2% while inflation is likely to average at 4.5% in FY 2024-25, down from 5.4% in FY 2023-24.

The RBI expects improving employment conditions and moderating inflation, along with a rebound in agricultural activities, to boost private consumption. Urban consumption is expected to remain strong while rural consumption is recovering, reflecting higher income levels. In its interim budget for FY 2024-25, the government has earmarked a record ₹11.1 lakh crore of capital expenditure, as it remains committed to make India the world’s third-largest economy by 2027. The large infrastructure spend is likely to continue having a multiplier effect on the economy.

|          | FY 2022 | FY 2023 | FY 2024F | FY 2025F |
|----------|---------|---------|----------|----------|
| Real GDP | 8.7     | 7.0     | 7.6      | 7.2%     |

Source: CSO; RBI; F – Forecast





# A PROXY TO THE INDIA GROWTH STORY

With a proven track record of creating large and growing businesses and brands, Grasim has firmly entrenched itself in the evolving India growth story while building a diversified business model with strong operational and financial performance. As India continues on its transformative growth journey, we believe Grasim is well-positioned to capitalise on the opportunities while navigating efficiently through the ebbs and flows of economic cycles.

Further, we are not only present across all the key themes playing out in India's ascent to become the world's third-largest economy by 2027 but are also playing a pivotal role in shaping those themes, creating impact across key segments of the economy.

## KEY THEMES

### Infrastructure & Housing Demand



- UltraTech: India's premier cement brand and 3<sup>rd</sup> largest cement player globally (ex-China)
- Leading manufacturer of RMC\* in India
- Leading Player of White Cement and Cement based Putty
- Birla Opus: 2<sup>nd</sup> largest manufacturing capacity<sup>#</sup> of decorative paints in India

### Increasing Financialisation



- Aditya Birla Capital: A leading Financial Services Conglomerate
- Among India's top 5 well-diversified NBFCs providing comprehensive solutions across diverse needs offering financing, protecting, investing and advisory services

### Aspirational Consumption



- Leading presence across sustainable textiles
- Pioneer in Indian Cellulosic Fibres Market
- 'LIVA' tags, leading women-wear brand in India
- 'Linen Club', prominent Linen brand in India
- 'Soktas', premium Cotton fabric in India

### Focus on Manufacturing Growth



- Premier Pan-India producer of Caustic Soda
- One of the leading player in specialised Chlorine Derivatives applications like water treatment and plasticizers
- Premier producer of Speciality Chemicals (Epoxy polymers and curing agents)

### Fast-growing Renewable Energy



- Aditya Birla Renewables: Clean energy solutions provider in India
- ~2 GW renewable capacity by CY24

### Growing Digital Economy



- Birla Pivot: Digital procurement solution for building materials, offering assured product quality, guaranteed delivery, competitive pricing and financing solutions
- Aditya Birla Capital offering robust and agile digital platforms like ABCD (Aditya Birla Capital Digital) and Udyog Plus

\* Ready mix concrete  
# by FY 2024-25

## MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL  
PERFORMANCE

Despite the challenging macro environment, FY 2023-24 is a momentous year for Grasim. We have achieved various milestones and have constantly demonstrated consistent growth.



*Our business segments are largely diversified and cater to different sectors and sub-sectors of the Indian economy. Each of our business segments play a pivotal role in accelerating the economic activity. Focused capital allocation, strong Balance Sheet and consistent Cash Flow generation enables highest credit rating for the Company."*

**Pavan Kumar Jain**

Chief Financial Officer (KMP) – Grasim Industries Limited



**₹1,30,978 crore**  
Highest-ever consolidated revenue

**₹20,837 crore**  
Highest-ever consolidated EBITDA

**₹4,000 crore**  
Rights issue



**Sailesh Kumar Daga**  
Company Secretary (KMP)



**Hemant Kadel**  
Senior President



**Saugata Chakravarty**  
Chief Legal Officer



**Mahendra Bhandari**  
Joint President



**Rahul Desai**  
Joint President

## Consolidated Financial Performance

## Revenue from Operations

The consolidated revenue from operations has crossed its highest ever levels, up by 11% YoY to ₹1,30,978 crore in FY 2023-24 compared to ₹1,17,627 crore in FY 2022-23. The growth in consolidated revenue was largely driven by Building Materials and Financial Services.

## Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

Consolidated EBITDA was higher by 2% to ₹20,837 crore in FY 2023-24 compared to ₹20,478 crore in FY 2022-23. The improvement in annual performance was majorly driven by Building Materials and Cellulosic Fibres segment. Excluding exceptional gain on sale of stake in Aditya Birla Health Insurance (ABHI) the like-to-like EBITDA growth stood at 18% YoY.

## Finance Cost

The finance cost increased to ₹1,655 crore in FY 2023-24 from ₹1,320 crore in FY 2022-23 on account of higher borrowings due to growth capex. The consolidated Gross debt stood higher by 50% at ₹26,780 crore as on 31<sup>st</sup> March 2024 compared to ₹17,899 crore as on 31<sup>st</sup> March 2023.

## Depreciation

Increased capacities in Cement and Chemicals business resulted 10% YoY increase in depreciation to ₹5,001 crore in FY 2023-24 compared to ₹4,552 crore in FY 2022-23.

## Profit After Tax (PAT)

Profit after Tax (after exceptional items) attributable to the owners of the Company was at ₹5,624 crore in FY 2023-24 compared to ₹6,827 crore in FY 2022-23. Adjusted PAT for the year was ₹6,163 crore, up 14% YoY. Adjusted PAT (owner's share) is before exceptional items, discontinuing operations and tax writebacks in the respective periods for like-to-like comparison.

## Standalone Financial Performance

## Revenue from Operations

For FY 2023-24, revenue from operations stood at ₹25,847 crore lower by 4% compared to ₹26,840 crore in FY 2022-23. Cellulosic Staple Fibre (CSF) and Caustic Soda business achieved highest-ever sales volumes for the year at 810 KT (up 14% YoY) and 1,205 KT (up 5% YoY) respectively. However, the volatility in global commodity prices and reduction from exceptional high levels experienced last year impacted realisations.

## Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

Operating Profit (EBITDA) for the year FY 2023-24 stood at ₹3,573 crore compared to ₹4,198 crore for FY 2022-23. Cellulosic Fibres business EBITDA grew by 67% which was completely offset by de-growth of 54% and 30% YoY in Chemicals and Textiles businesses, respectively.

## Finance Cost

Finance cost for FY 2023-24 was higher by 20% to ₹440 crore compared to ₹368 crore in FY 2022-23. Growth capex in Paints business resulted increase in gross debt to ₹9,453 crore as on 31<sup>st</sup> March 2024 compared to ₹5,254 crore as on 31<sup>st</sup> March 2023. Additionally, average cost of borrowings also increased to 7.50% in FY 2023-24 compared to 7.07% in FY 2022-23 due to higher interest rates.

## Depreciation

Depreciation increased by 11% YoY to ₹1,215 crore in FY 2023-24 compared to ₹1,097 crore in FY 2022-23. This was on account of increased Gross Block mainly in Chemicals.

## Profit After Tax (PAT)

Reported PAT stood at ₹945 crore in FY 2023-24 compared to ₹2,124 crore in FY 2022-23. PAT was lower on account of exceptional item of ₹716 crore represented by impairment in the value of investment in one of the JV. Before adjusting the same PAT stood at ₹1,661 crore.





## MANAGEMENT DISCUSSION AND ANALYSIS

CELLULOSIC  
FIBRESCellulosic  
Staple Fibre  
(CSF)

Grasim is a prominent producer of CSF and CFY, globally and in India. CSF is a subset of global markets of man-made textile fibres.

Cellulosic  
Fashion  
Yarn (CFY)

"We reached a significant milestone this year with highest ever Cellulosic Staple Fibre (CSF) sales volumes. Sustainability and innovation work in tandem at our Cellulosic Fibres division. Our in-house research and development centres are the hubs which contribute to bring versatility in our process, products and their applications."

Harikrishna Agarwal

Managing Director (KMP) - Grasim Industries Limited

810 <sup>KT</sup>

Highest-ever CSF sales volume

67%

EBITDA growth YoY

19%

Specialty Fibres

Suresh Kodali  
Chief Operating  
OfficerManmohan Singh  
Chief Marketing  
OfficerDr. Aspi Patel  
Chief Technology  
OfficerOmprakash Chitlange  
Chief Executive  
Officer CFYAnil Rustogi  
Chief  
Financial OfficerAnupama Mohan  
Chief Human  
Resources Officer

## INDUSTRY OVERVIEW

## Global Scenario

The increasing global population and rapid urbanisation are driving demand for textiles worldwide. As more people settle in urban areas, the need for clothing, home textiles, and other textile products will increase substantially, stimulating market growth. In the wide and complex textile industry, fibre remains at the core, creating distinct end-use applications. Man-made cellulosic fibres, such as viscose, have proven to be flexible, durable, and capable of addressing varied demands. Due to its versatility and properties like softness, drapability and absorbency, Cellulosic Staple Fibre (CSF) is widely used in apparel, home textiles, dress materials, knitted wear and non-woven applications. With rising environmental awareness driving demand for sustainable fibres, CSF has emerged as an attractive option for being natural and biodegradable with characteristics similar to cotton. Despite these benefits, the adoption of CSF has been low globally, accounting for a mere 6% of the market share. However, the CSF segment has witnessed remarkable growth, outpacing the overall fibre growth, and this trend is expected to continue.

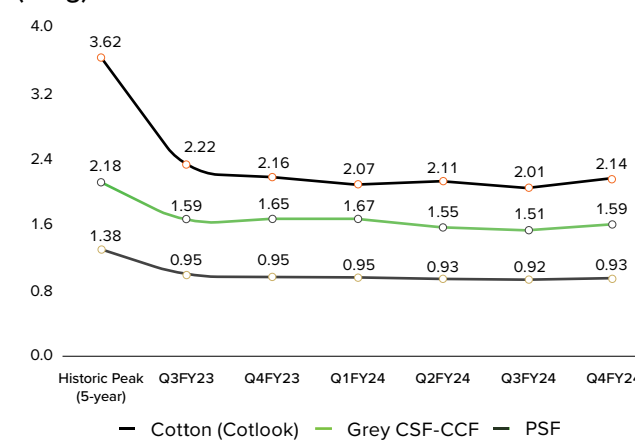
In the past two years, global demand for textiles was affected by slow economic growth, high inflation, and geopolitical turmoil, forcing many brands to close their stores. Deconsumption as a choice, made by individuals

wishing to consume less but better, is now going hand in hand with forced deconsumption triggered by inflation. Subdued demand and reduction in input costs triggered volatility in fibre prices, forcing a climbdown from their historic highs.

Global Cellulosic Fashion Yarn (CFY) producers, especially China continues to maintain high operating rates of ~90% despite lower domestic demand which led to low value exports.

## Global Fibre Prices

(\$/kg)





## MANAGEMENT DISCUSSION AND ANALYSIS

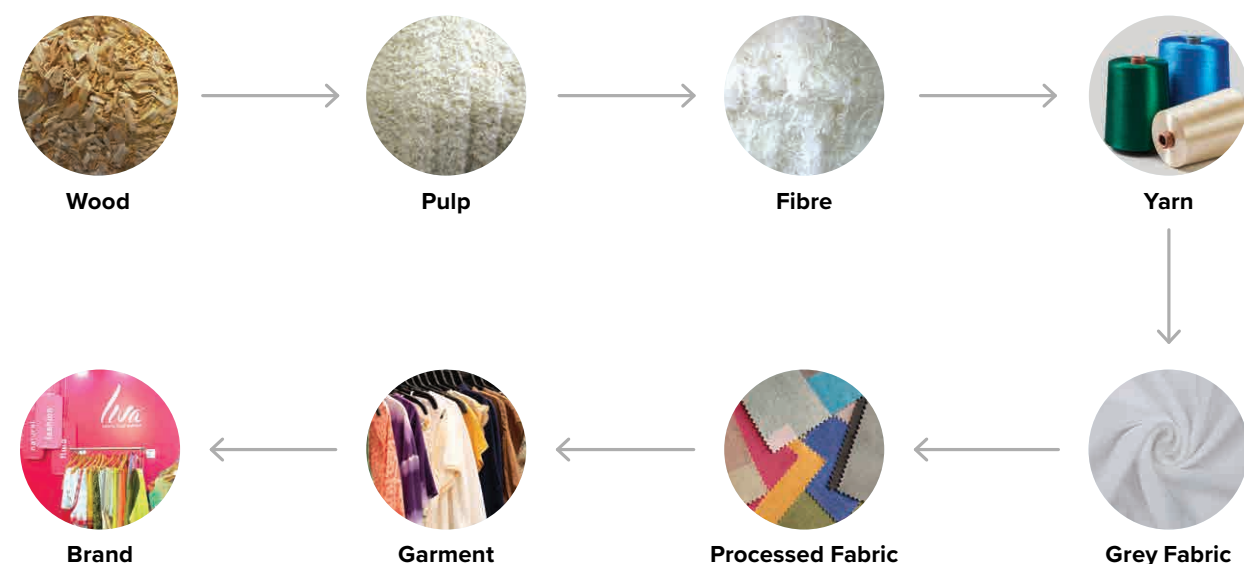
### Indian Scenario

India is among the world's largest producers of textiles and apparel, controlling 4.6% of the global trade. The industry has witnessed strong growth in recent years, driven by healthy domestic and export demand, government initiatives, and improved infrastructure. To realise its vision of turning India into a global textiles manufacturing hub, the government would want to achieve a production target of \$250 billion (vs. current \$165 billion) and an export goal of \$100 billion (vs. current ~\$35 billion) by 2030. However, FY 2023-24 has been one of the most challenging years for the industry, characterised by fluctuating cotton prices, diminishing demand, capacity under-utilisation and dumping of imported fabrics and garments from neighbouring countries. In addition, domestic market demand had been slow as discretionary spending moved to mobiles, jewellery, and cars, instead of garments.

### OUR BRANDS



### CELLULOSIC FIBRE VALUE CHAIN



### BUSINESS OVERVIEW

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

We are also India's premier manufacturer of CFY, commonly referred to as Rayon. Renowned for its versatility, impeccable drape, fluidity, and lustre, Rayon is typically used in the production of fabrics such as georgettes, crepes, and chiffons. Globally, CFY consumption continues to be dominated by India, China, Pakistan, and Turkey, who together constitute ~85% of the total volume. Domestic CFY consumption has witnessed significant growth from 58 KTPA in FY 2018-19 to 98 KTPA in FY 2023-24, demonstrating 11% CAGR.

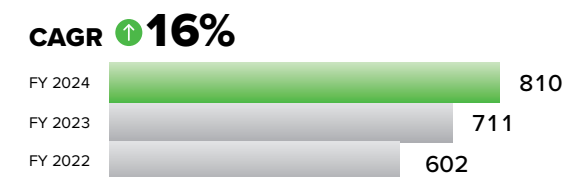
On the opportunity side, widening price gap between silk and silk-alike yarns are creating opportunity for growing CFY-based silk-alike yarns. Also, growth in blended fabrics of CFY with CSF/Modal/Cotton, etc. are another drive to boost CFY consumption.

### OPERATING AND FINANCIAL PERFORMANCE

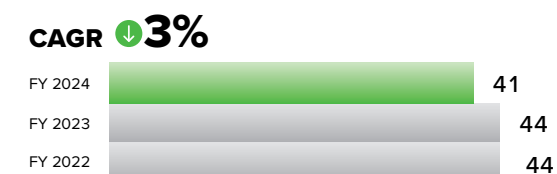
CSF achieved record highest ever sales volume of 810 KT, marking a 14% YoY growth. The capacity utilisation for the year improved 8% points to 96% compared to 88% during previous year. However, subdued demand coupled with lower key input prices like pulp, caustic led decline in CSF prices. Additionally, lower downstream demand from end-user industries coupled with cheaper imports impacted performance of CFY business.

Cellulosic Fibres segment revenue stood at ₹14,949 crore, lower by 1% YoY. Improvement in utilisation levels coupled with decline in input prices resulted sharp recovery in EBITDA which grew by 67% YoY to ₹1,722 crore compared to ₹1,031 crore in FY 2022-23.

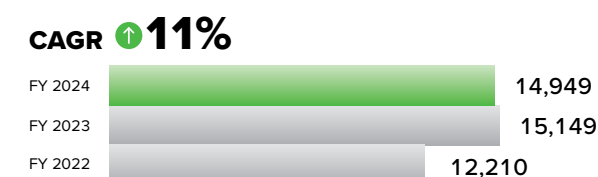
#### CSF Sales (KT)



#### CFY Sales (KT)



#### CSF Revenue (₹ crore)



### FOCUS AREAS

#### Innovation

There has been a constant focus on indigenously developing cellulosic fibre variants and enhancing their versatility. The efforts are aimed at exploring different applications that can deliver greater value to end-consumers. As industry pioneers, we partner with various start-ups to develop innovative solutions pertaining to circularity and improved sustainability of fibres. Circular product Liva Reviva, that uses pre-consumer waste, is now made with 30% waste, with added sustainability advantages. Our sustainable flame-retardant fibres (SaFR) has secured certification from the Defence Research and Development Organisation (DRDO) and the Indian Navy. Our collaboration with the Australian bio-tech company Nanollose to create a 'tree-free' lyocell from bacterial cellulose is currently in the pilot stage.

#### Sustainability

Grasim actively participates in the development of circular fashion through Circular Fashion Partnership and Sorting for Circularity India Project. During the year, our Kharach plant has deployed EU Best Available Technology (EU BAT), benchmarking its operations to European norms that use closed loop technologies to recycle and reuse key raw materials in process. Our CSF business has secured highest category of 'Dark Green Shirt' for our commitment to conserve ancient and endangered forests and promote circular solutions, in Canopy's Hot Button Report, for the fourth consecutive year.



### OUTLOOK

The demand for apparel in the domestic market is expected to grow on the back of an expanding consumer base, catalysed by a change in demographics and increased urbanisation. Moreover, considering limitations such as land and water availability for cotton cultivation and the negative environmental implications of polyester, there exists an opportunity to address the cellulosic gap through the utilisation of CSF. Additionally, consumer preference for sustainable products is reshaping the textile industry, with CSF emerging as a favoured choice due to its eco-friendly attributes and sustainable sourcing. As sustainability continues to drive purchasing decisions, the demand for CSF is poised to increase, offering both environmental and business benefits for stakeholders across the value chain.



## MANAGEMENT DISCUSSION AND ANALYSIS

## CHEMICALS

Grasim operates a diversified portfolio under Chemicals in three segments and holds premier position in Chlor-Alkali and Speciality Chemicals in India.

Chlor-Alkali

Chlorine  
DerivativesSpeciality  
Chemicals

"Our aim is to grow our Speciality Chemicals businesses of Epoxy Resins and Curing Agents. We shall continue to increase our Chlorine Integration to reach 70% through investments and partnerships. Investments in the core caustic business will focus on improving our carbon footprint by increasing share of renewable energy to 25%+, reducing water usage and improving our cost effectiveness our cost competitiveness."

Jayant Dholey

Business Head

**1,205 KT**  
Highest ever Sales Volume

**62%**  
Chlorine Integration

**26%**  
Speciality Chemicals Revenue Mix



**Mayank Sharma**  
Chief  
Executive Officer  
Chlor-Alkali



**Rajesh Balakrishnan**  
Chief  
Executive Officer  
Speciality Chemicals



**Manoj Kedia**  
Chief  
Financial Officer



**Shefali Kohli**  
Chief Human  
Resources Officer



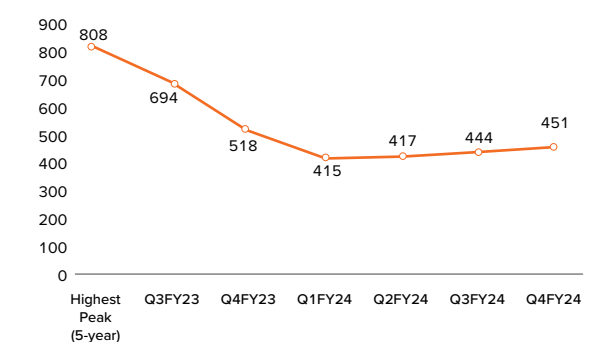
## INDUSTRY OVERVIEW

## Global Scenario

Global income levels are rising, and the global middle class is expanding, creating increasing demand for a range of goods and products for which chemistry is essential. Chemical-intensive industry sectors such as construction, agriculture, electronics, cosmetics, mining, and textiles are growing, impacting market demand for chemicals and creating both risks and opportunities. Considering these trends and the changing consumption and production patterns that accompany them, it is evident that the chemical industry is growing rapidly.

After a challenging CY22, the chemical industry was expected to have a modest rebound in 2023. However, by mid-CY23, there were significant downward revisions to such expectations. Multiple factors contributed to the sluggish demand for chemicals globally, including a recession in Europe, inflation in the United States, and a smaller-than-expected rebound in demand from China. Additionally, due to COVID-19 supply chain uncertainties, higher inventories built over CY21 and CY22 were destocked in 2023. Consequently, chemical output remained sluggish, with many segments like agrochemicals experiencing declining growth rates.

Inventory rationalisation post excessive stocking during COVID-19 was overdue; however, the extent of destocking due to demand slowdown was severe which resulted in prices of various chemicals witnessing a downward correction. Though the business environment is recovering, the pace of recovery is expected to be moderate in 2024, with a full recovery anticipated in 2025.

CFR SEA Trend  
(\$/MT)



## MANAGEMENT DISCUSSION AND ANALYSIS

### Indian Scenario

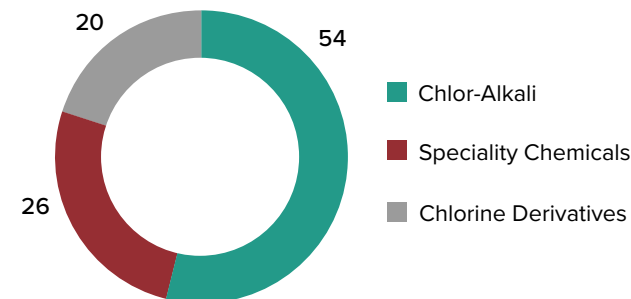
The Indian chemical industry continues to be an attractive hub of opportunities, even in an environment of global uncertainty. Growing domestic consumer base, increase in disposable incomes, changes in lifestyle and conducive government policies are likely to support the growth targets. India is one of the largest global chemical markets and is ranked sixth in the world – and third in Asia – in terms of global sale of chemicals. As per a McKinsey report, India is expected to become a \$850-1,000 billion chemicals market by 2040, with its share tripling to 10-12% (vs. current 3-3.5%) in the global chemicals market. Globally, India is the third-largest consumer of polymers, fourth-largest producer of agrochemicals and sixth-largest producer of chemicals. The demand for chemicals in the country remained resilient, and the domestic performance of Indian companies was robust even after considering challenges like China dumping.

India is emerging as a suitable contract manufacturer for bulk of the chemicals due to its good governance practices, and high-quality infrastructure. Indian chemical companies have successfully demonstrated capacity expansions, strong R&D capabilities developing new chemistries and technologies by backward integrating and/or moving up value chains. Other key contributing factors are supportive and conducive trade and investment policy, stable regulatory framework, and availability of quality labour at competitive.

### BUSINESS OVERVIEW

Grasim's Chlor-Alkali segment includes Caustic Soda as the main product and a portfolio of Chlorine Derivatives that has applications in water treatment, plastics and polymers, agri-chemicals, dyes and pigments, pharmaceuticals, food, cosmetics and many more. We are the largest Chlor-Alkali manufacturer in India with capacity of 1,359 KTPA and Chlorine Derivative capacity of 957 KTPA. We also command leadership position in Speciality Chemical - Epoxy Polymers and Curing Agent. Epoxy is a versatile product, which finds its application across industries viz. automotive, construction, heavy engineering, transport, electronics, food and beverage, packing and coatings, thereby touching the lives of everyone.

Revenue Mix (%)



### END-USE APPLICATIONS

**Coatings, Textiles, Composite, Construction, Aluminium Production, Renewables, Water Treatment, PVC Applications, Pharma and Healthcare, Paper Manufacturing, Soap and Detergents and many more.**

### OUR BRANDS

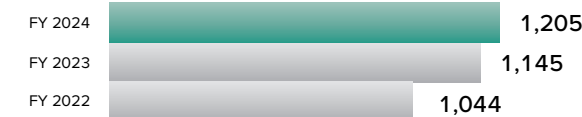


### OPERATING AND FINANCIAL PERFORMANCE

Caustic sales volumes stood at its highest level of 1,205 KT driven by Pan-India presence and stable demand from large end-consumers like alumina, textiles, pulp and paper, soaps and detergents, etc. Speciality Chemicals sales volumes also achieved highest sales volumes of 95 KT with 26% share in Chemicals segment revenue vs. 23% in FY 2022-23. Robust business volume growth was offset by normalising trend of global caustic prices compared to their historic high levels during last year. Revenue stood at ₹8,213 crore, de-growth of 21% YoY compared to ₹10,422 crore in FY 2022-23. Impact from lower caustic prices coupled with subdued demand of chlorine derivatives from end-user industries resulted lower ECU of ₹32,109/tonne in FY 2023-24 compared to ₹47,951/tonne in FY 2022-23. The segment EBITDA stood at ₹1,054 crore compared to ₹2,271 crore in FY 2022-23.

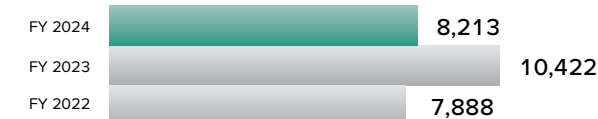
Caustic Volumes (KT)

**CAGR ↑ 7%**



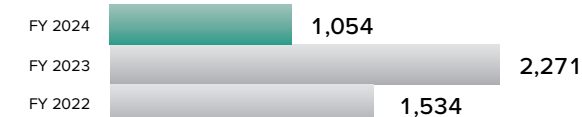
Chemicals Revenue (₹ crore)

**CAGR ↑ 2%**



Chemicals EBITDA (₹ crore)

**CAGR ↓ 17%**



### FOCUS AREAS

#### Growth in Speciality Chemicals

Over the past decade we expanded our Speciality Chemical capacity by more than four times. In FY 2023-24, we commissioned 123 KTPA facility at Vilayat and our capacity now stands at 246 KTPA. Ramping up utilisation levels over FY 2024-25 would be crucial.

#### Power Cost Reduction

Our total energy consumption encompasses both non-renewable and renewable sources. Presently, we have been able to achieve 13% renewable power and our reliance is on non-renewable sources such as coal, natural gas, and grid electricity. We aspire to increase renewable energy power share to more than 25%.

### Chlorine Integration

While we already operate in high-value products like Chloromethanes and Phosphoric Acid, we continue to evaluate multiple downstream chlorine chemistries to increase Chlorine Integration. The Epichlorohydrin (ECH) plant is expected to be complete in FY 2024-25. Project work of Lubrizol CPVC resin plant for Phase I of 50 KTPA (of total 100 KTPA) at Vilayat is progressing as per plan further aiding captive chlorine integration. Post completion of ongoing project, Chlorine Integration is expected to reach 70%.



### OUTLOOK

Caustic soda plays a crucial role in various industrial and commercial applications. Geopolitical issues and soaring energy prices resulted in subdued demand from Chlorine-consuming industries like PVC and Agrochemicals, limiting the caustic supply. With low to moderate supply and high to moderate demand, caustic prices could experience bottoming. Domestic caustic demand remains stable, and we intend to maintain our Pan-India leadership position in the caustic market.

Favourable megatrends for construction & coatings, renewables (wind composites) and electrical & electronics are likely to drive the growth of the epoxy resins segment. With the recent capacity increase of epoxy resins and additions of new products (polyamide hardeners, polyester resins), we will continue to strengthen our leadership position in India.





## MANAGEMENT DISCUSSION AND ANALYSIS

## CEMENT

Our cement business is housed in our subsidiary, UltraTech Cement Limited. It is top-tier cement producer in India and the third-largest in the world, excluding China, and is the only cement company (outside China) to have 100+ MTPA capacity in a single country.

**Grey Cement**

**Ready Mix Concrete (RMC)**

**White Cement-based Putty**



“

“Last year, 40 million tonnes of new capacity of Cement was commissioned in India, out of which UltraTech had a share of almost 1/3<sup>rd</sup>. Multiple drivers to industry growth are the country’s growing needs for infrastructure, private sector and rural housing.”

**K C Jhanwar**

Managing Director – UltraTech Cement Ltd.

**150 MTPA+**

**Consolidated grey cement capacity, as on 30th April 2024**

**13.8 MTPA**

**Grey cement capacity added in India in FY 2023-24**

**23.6%**

**Share of green power in total power consumption**



**Atul Daga**  
Wholetime Director &  
Chief Financial Officer



**Vivek Agrawal**  
Chief  
Marketing Officer



**E.R. Raj Narayanan**  
Chief  
Manufacturing Officer



**Chandrashekhar Chavan**  
Chief  
Human Resource Officer



## INDUSTRY OVERVIEW

India is the second-largest producer and consumer of cement in the world. The Central Government’s thrust on fuelling economic growth through infrastructure-led capex push, housing for all, and buoyant investment sentiment, among others, continue to bode well for domestic cement demand. Further, growing economic activities and robust consumer spending are driving demand for commercial spaces, not just in Tier I but also in Tier II and Tier III cities across India. In addition, India’s per capita cement consumption remains below the global average, providing significant headroom for growth. Cement demand grew by ~9% through continued traction from the infrastructure and housing sectors. During FY 2023-24, the Indian cement industry is estimated to have added 35-40 MTPA, the highest single-year capacity addition in a decade.

## BUSINESS OVERVIEW

Grasim’s cement subsidiary UltraTech, is the leading manufacturer of grey cement, ready mix concrete (RMC) and white cement in India. The Company operates 24 integrated manufacturing units, 31 grinding units, 1 clinkerisation unit and 8 bulk packaging terminals. It also has 307 ready mix concrete (RMC) plants across 134 cities. The Company has one white cement unit and three wall care putty units. As on 31<sup>st</sup> March 2024, UltraTech’s grey cement capacity in India stood at 140.8 MTPA, reflecting an addition of 13.8 MTPA capacity in a year alone. Its robust logistics network includes daily dispatch of 50+ rakes and 12,000+ trucks addressing the requirement of 1,00,000+ channel partners. Following the commissioning of two new plants in April 2024 with a total capacity of 5.4 MTPA in Chhattisgarh and Tamil Nadu. UltraTech’s overall capacity crossed the 150 MTPA+ milestone.

OPERATING AND FINANCIAL PERFORMANCE

For FY 2023-24, consolidated grey cement sales volumes grew 13% YoY to 117 MT, with capacity utilisation at 84%. RMC sales volumes grew 32% YoY to 11.31 Mn m<sup>3</sup>. The share of green power (WHRS + renewables) in total power consumption was at 23.6%. Revenue grew 12% YoY to ₹ 70,908 crore. EBITDA improved 22% YoY to ₹13,586 crore driven by increase in volume, lower energy costs and lower logistics. Operating cash flow increased to ₹10,898 crore from ₹9,069 crore in the year. Further, consolidated net debt remained largely unchanged, with net debt/EBITDA at 0.2x as of 31<sup>st</sup> March 2024, speaks volumes about prudent capital management.

Revenue  
(₹ crore)



EBITDA  
(₹ crore)



FOCUS AREAS

Capacity Expansion

For the cement business we have an aspirational capacity target of 200 MTPA by FY 2026-27. The domestic grey cement capacity expansion remains on track to achieve 157 MTPA by FY 2024-25, 168.8 MTPA by FY 2025-26 and 183.5 MTPA by FY 2026-27. Above capacity excludes 10.75 MTPA Kesoram capacity as the acquisition is awaiting regulatory approval.

Cost Efficiency

UltraTech continues to lower its operating costs. The cost efficiencies would be through continuous increase in green power mix, lower fuel costs, and an increase in AFR (Alternative Fuels and Raw Materials). Additionally, improved utilisation of newer capacities would also bring operating leverage.

Capital Allocation on Growth and ESG

The Company is deploying a blend of growth and ESG capex. During FY 2023-24, the share of ESG capex in its total capex of ₹9,187 crore was 11%, which is expected to increase to 13% of the earmarked capex for FY 2024-25 of ~₹9,500 crore.



OUTLOOK

India's cement demand is likely to remain strong, as the country continues to spend on building infrastructure and housing. The buoyant outlook has prompted the cement industry to add capacity at a rapid pace (estimated 150-160 MTPA over the next 4 years). UltraTech is well-positioned to capitalise on the opportunities while contributing to the 'nation-building' phase.



PAINTS

In a rapidly expanding decorative paints market, Birla Opus will be a powerful force of disruption, riding on high demand for quality products.



*"India is the fastest-growing paints market in the world. By offering superior quality, differentiated and special products features we are here to revolutionise the Indian Paint Industry. Consumer centricity is going to be prime focus at Birla Opus. The backbone to our revenue aspiration is Pan-India presence, large dealer network and vibrant product portfolio."*

**Himanshu Kapania**  
Business Head



**636 MLPA / 1,332\*** MLPA  
Existing Capacity / India's 2nd largest production capacity

**1,200+ / 145+**  
SKU's / products launched  
biggest launch in Indian Decorative Paints market

**120+**  
Scientists working at state-of-the-art R&D centre

\* By end of FY 2024-25



## MANAGEMENT DISCUSSION AND ANALYSIS



**Mr. Rakshit Hargave**  
Chief  
Executive Officer



**Mr. Ajith Kumar**  
Chief  
Operating Officer



**Inderpreet Singh**  
Head – Marketing



**Shantilal Dugar**  
Chief  
Financial Officer



**Gautam Sinha**  
Chief Human  
Resource Officer



## INDUSTRY OVERVIEW

Globally, a strong correlation exists between GDP and paints consumption as demand is related to overall economic activity measured in terms of industrial production and construction activity. India's paints industry, seventh largest globally, is valued at approximately ₹ 74,000 crore with ~25% of the market being unorganised. Over the past two decades, the Indian paints industry has gained significant traction and become the second-largest in Asia growing at >10% per annum, compared to the world growth of ~2% per annum. Despite such growth, India's per capita paint consumption is only 3.5 kg, compared to the global average of 10 kg which provides long runway of growth opportunities. The Indian decorative paints industry is expected to witness a healthy growth in the coming years and projected to

reach a market size of ~₹ 1,00,000 crore by FY 2026-27 driven by increasing disposable income and rapid urbanisation which are driving heightened demand for home renovations and new constructions.

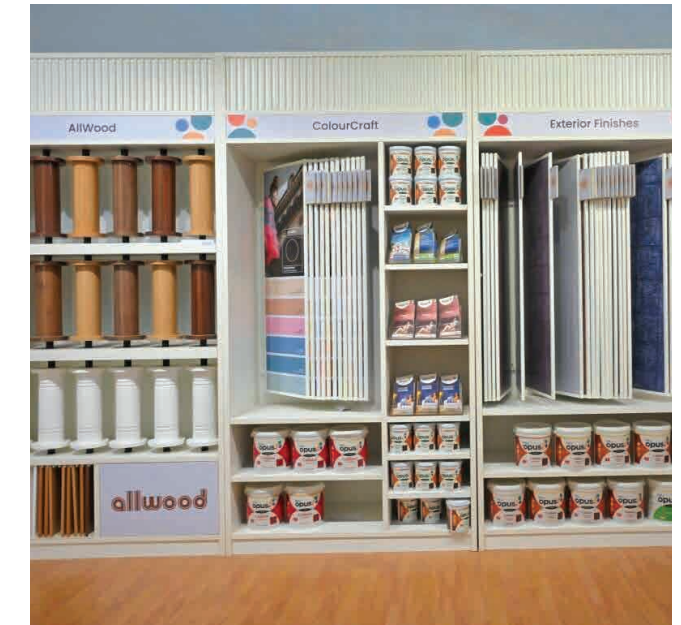
Preference for premium products is rising with a growing awareness of the aesthetic and protective benefits of decorative paints. This is supported by government initiatives like the Pradhan Mantri Awas Yojana and the Smart Cities Mission. The industry is also witnessing a preference shift from traditional distemper and cement paints to superior quality paints such as enamels and emulsions. Consequently, Tier II, III, and IV cities are experiencing faster growth at high double-digit rates, even as a large part of the market value is still concentrated in metro and mini-metro areas.

## BUSINESS OVERVIEW

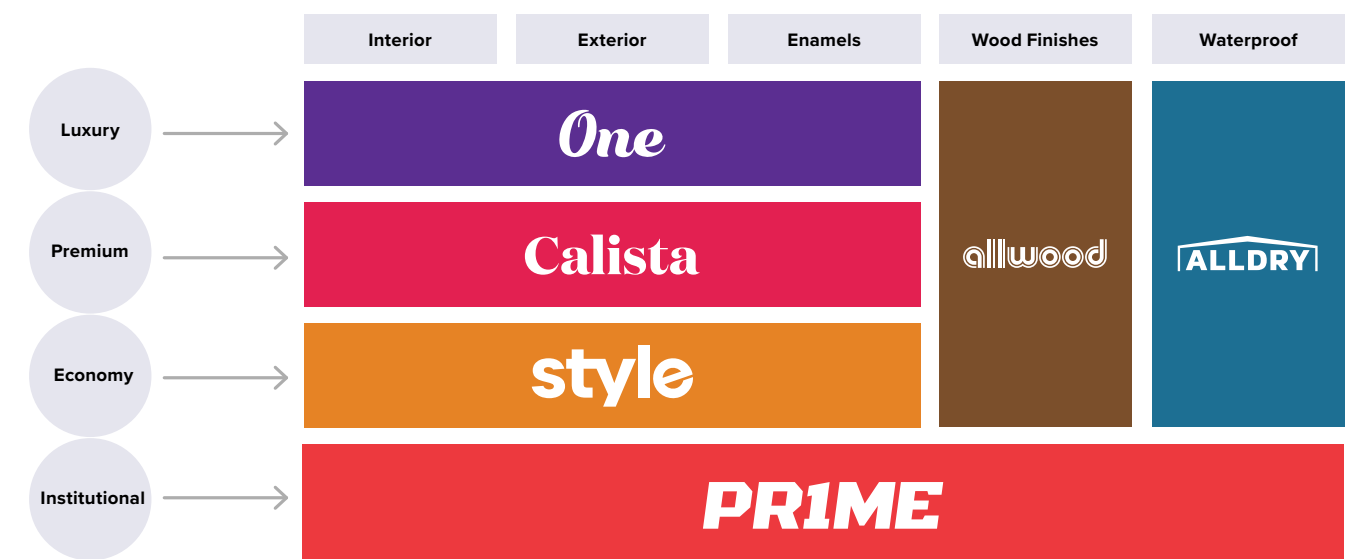
Grasim has decades of experience in developing large scale businesses and brands. Given the attractive growth rates in the paints industry and need for a differentiated player in the market, we forayed into decorative paints business under the brand name 'Birla Opus' with a capital outlay of ₹10,139 crore, biggest ever in decorative paints industry. Birla Opus is the first player to enter the Paints market with a 360 degree scale advantage. Birla Opus commencement of operations was unprecedented in terms of large scale of factories, operations, products, and services. Such scale has positioned Birla Opus as a significant player right from the onset. Also, Aditya Birla Group's deep insight into the building materials ecosystem through UltraTech and Birla White offers us a unique vantage point into the Paints market.

Birla Opus has built six state-of-the-art manufacturing plants across India with existing capacity of 636 MLPA and by end of FY 2024-25 will be 1,332 MLPA, 2<sup>nd</sup> largest Pan India player by capacity. The benefits of being new entrant is adoption of 4.0 manufacturing technologies which manage processes at high speed, with zero defects and end-to-end traceability. Our manufacturing units are fully integrated, connected, and automated, enabling wide scale production of over 1,200+ SKUs with consistent superior quality, fully sustainable with renewable energy and zero liquid discharge.

Our product portfolio comprises of over 145+ products across six distinct categories such as interior and exterior water-based paints, enamel paints, wood finishes, waterproofing solutions and wallpapers. Our team of 2,400+ individuals are poised to disrupt, build, and transform the industry.



## OUR PRODUCT OFFERINGS AND BRAND PORTFOLIO

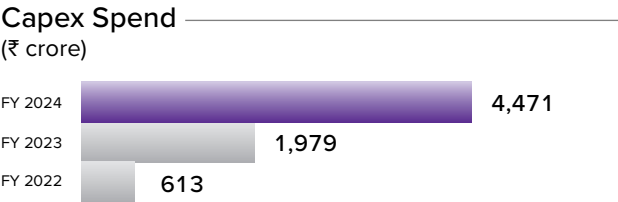


OPERATING AND FINANCIAL PERFORMANCE

During the year, we commenced trial production across three plants in Ludhiana, Panipat and Cheyyar with a capacity of 636 MLPA (47% of the planned capacity). We launched our painting services brand ‘PaintCraft’ in 8 cities, completing more than 310 sites during the year. The initial customer response has been positive.

Deeper engagements with painters and contractors were initiated through the Udaan Partnership Programme, which assists contractors in their professional growth journey and offers them a range of benefits, including loyalty rewards, financing schemes and warranty registrations. Nine Birla Opus Paint Learning Centres were established as hubs of excellence for painter training and upskilling, and certifying qualified painters.

During the year, we incurred a capital expenditure of ₹4,471 crore. Since inception, the total capex spent on the Paints business is ~₹7,000 crore (approximately 70% of the project outlay of ₹10,139 crore). We have delivered on the launch timeline, by commencing commercial production in three plants in April 2024 and the construction of the remaining three plants is progressing well (to be commenced in FY 2024-25).



FOCUS AREAS

- Design**  
Making available complete suite of product portfolio was offering consumers choice from an unparalleled range of over 2,300 tintable colour choices, including a set of 216 iconic Indian colours.
- Develop**  
Deliver differentiated and superior quality of paints from full backward integrated plants which enable us to produce core adhesive ingredients in-house, including emulsions for water-based paints and resins for both solvent-based and wood finishes.
- Distribute**  
Aiming for 2<sup>nd</sup> largest Pan-India network of dealers by launching products to all 1 lakh population towns by July’24 and then expand presence to over 6,000 towns. Servicing markets through network of depots ensuring servicing with 4 hours delivery time across local markets.
- Disrupt**  
Equip maximum dealers with ‘Tinting Machine’ which requires 40% less space and epitomises efficiency with technology. Further, elevating channel interactions through implementation of our proprietary dealer management systems.
- Delight**  
Opening Birla Opus experience centres “Paint Studio” in 11 large cities to showcase our products to the customers. We are also providing 1-year additional warranty on all our products as a testament to our product quality.



OUTLOOK

Volatility in key input materials (such as crude) is driven by geopolitical tensions and supply chain disruptions. The paint industry, however, has shown low price elasticity to demand. The focus on infrastructure development, a rapidly growing Indian economy, increasing consumer per capita income and aspirational spending, and shorter repainting cycles will drive volume growth in the Indian decorative paints industry. We aim to establish Birla Opus as the second-largest paint brand in India through a Pan-India presence, offering a full range of superior quality products and creating a meaningful proposition in the minds of consumers.



B2B E-COMMERCE

Birla Pivot, our B2B E-Commerce platform, serves as the one-stop destination for building materials and credit solutions, delivering a seamless experience to MSME buyers.



“Building the team, launching a custom-built modular technology platform, using best-in-class architecture that caters to all the nuances of B2B commerce, scaling up the business to surpass ₹1,000 crore of revenue, is a great first step in our journey of becoming the most trusted B2B E-Commerce platform. These achievements also make Birla Pivot one of the fastest-growing entities in the B2B E-Commerce space.”

Sandeep Komaravelly  
Chief Executive Officer



₹1,000+ crore  
Revenue generated in first year of operations

18,000+ / 150+  
SKUs listed / Brands onboarded

200+  
Cities where orders were delivered



## MANAGEMENT DISCUSSION AND ANALYSIS



**Mohana Sundaram**  
Chief  
Financial Officer



**Hamsini Ramamurthy**  
Head of  
Human Resources

### INDUSTRY OVERVIEW

India is the fastest growing major economy in the world fuelled by favourable geopolitics, expanding market capitalisation and government's focus towards higher capital expenditure. This substantial growth can be primarily attributed to the thriving residential and commercial real estate sectors, which are significantly boosting the demand for building materials. India's construction industry is undergoing exponential growth and is projected to double

to \$200 billion in next five years. Building material categories have demonstrated growth of >10% CAGR over the past three years. The construction industry faces many challenges – from fragmented supplier networks, logistical bottlenecks, access to credit and less than 2% digital penetration. In the last few years, numerous structural and macro tailwinds are supporting digitisation of B2B E-Commerce in India.

### Key Growth Drivers for the Indian Construction Materials Sector

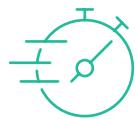
**Focus on Infrastructure Development**

**Rapid Urbanisation**

**Real Estate Boom**

**Government Initiatives**

### Our Value Proposition



On-time Delivery



Real-time Tracking



Quality Assurance



Saving on Material Costs



Access to Credit

### BUSINESS OVERVIEW

Birla Pivot is a full scale B2B E-commerce platform that provides integrated procurement with financing solutions for MSME customers within the construction sector. We are helping businesses streamline their procurement by making every step of the procurement process transparent and efficient and helping them build with confidence. With competitive prices, easy access to finance, real-time order tracking, on-time delivery and reliable quality, we are enabling our customers to unleash their true business potential.

Birla Pivot offers a wide range of products, now encompassing more than 35 product categories and over 18,000 SKUs sourced from 150+ Indian and International brands. These categories include essential construction materials like cement, steel, plywood, sanitaryware, tiles, among others. Additionally, in response to the increasing demand for superior yet cost-effective products, the Company has introduced its private label for Plywood and Tiles.

Birla Pivot's customer base spans top-tier EPC companies, civil contractors, real estate developers, OEMs, fabricators, dealers, and retailers. With successful deliveries to over 200 cities across 25 states, the Company has established a robust network of suppliers and logistics providers, facilitating seamless operations, and ensuring a Pan-India reach. The Company's intelligent Transport Management System (TMS) digitises processes, providing real-time updates on orders and enhancing operational efficiency across the supply chain.

We firmly believe that embracing digital transformation and fostering collaborative ecosystems will be instrumental in propelling the sector towards sustainable and inclusive growth. We intend to catalyse the growth of the MSME universe and provide an impetus to the Government's "Digital India" vision.

### Product Categories



**Cement  
& Allied**



**Sanitaryware  
& Bath Fittings**



**Doors  
& Windows**



**Ply  
& Laminates**



**Maintenance,  
Repairs  
& Operations**



**Bitumen  
& Allied**



**Paints  
& Polishes**



**Tiles  
& Surfaces**



**Steel & Allied**



**Bricks  
& Blocks**



**Electrical  
Wires, Cables  
& Switches**



**Construction  
Chemicals**



**Plumbing, Pipes  
& Related Fittings**



**Wood  
& Vinyl Flooring**



**Roofing, Ceilings  
& Partitions**



**And many more**

## MANAGEMENT DISCUSSION AND ANALYSIS

### CURRENT YEAR PERFORMANCE

In our first year of operations, the focus was completely on building the foundations across different parts of the business. We built a robust technology platform which is modular in nature, and is built using best-in-class architecture, to support increasing complexity of the business and scale. Our focus was to deliver a seamless experience across the entire procurement value chain, and provide end to end visibility to our buyers. We have built a robust network of partners for delivering solutions across logistics and financing. For buyers, Birla Pivot provides a platform to save on the procurement costs across a wide variety of product categories, get access to credit and get assurance of on time delivery and quality. This has resulted in majority of buyers acquired during the year, becoming repeat customers on the platform.



### FOCUS AREAS

**Building Supply** – We believe that the strength of any commerce platform lies in the assortment and quality of products that are available for buyers. Our priority is to build deep sourcing expertise and develop strategic partnerships with brands so that we become the one stop destination for all building material needs.

**Frontline Sales** – We believe delivering a good customer experience is critical for the success of any business. Our priority with frontline sales and relationship management teams is to drive customer success at every interaction. We focus on building customised solutions that solve the customer needs across procurement and financing.

**Private Labels** – Expand our private label offerings in Tiles and Ply across multiple sales channels like Projects, Retail and other Trade channels. Increasing brand visibility for private labels by accelerating distributor onboarding and store branding is the focus for next year.

**Financial Credit** – To enable us to serve MSME better and ensure their working capital needs are fulfilled, we are focussing on scaling up our financial credit programme by onboarding more financial institutions and building custom solutions with them for our buyers and sellers.

**Unassisted Journeys** – We prioritise simplicity and convenience at every step of the purchasing journey by providing a user-friendly platform that offers seamless navigation, and provides end to end visibility. Our goal is to increase the contribution of unassisted journeys in the next year.



### OUTLOOK

We aspire to achieve \$1 billion in revenue in the next three years, driven by the sector's strong growth rate (~14% CAGR over the last three years) and rapid digital adoption across all business areas.

Birla Pivot will continue to focus on enhancing its technology platform and expanding its presence across all categories. The goal is to provide a seamless experience in timely procurement of quality raw materials and facilitate financing solutions and facilitate financing solutions.



## FINANCIAL SERVICES

We operate our financial services business through subsidiary, Aditya Birla Capital Limited (ABCL). In this business we offer comprehensive suite of financial solutions across loans, investments, insurance, and payments.

NBFC

Health  
Insurance

Life  
Insurance

Asset  
Management

Housing  
Finance



“At Aditya Birla Capital, we followed a ‘One ABC, One P&L’ approach and are committed to drive quality and profitable growth by harnessing the power of data, digital and technology.”

**Vishakha Mulye**

Chief Executive Officer,  
Aditya Birla Capital Limited



**₹4,36,442 crore**  
Assets Under Management

**₹1,24,059 crore**  
Lending portfolio, as on  
31st March, 2024

**₹34,008 crore**  
Revenue





## MANAGEMENT DISCUSSION AND ANALYSIS



**Rakesh Singh**  
Chief Executive  
Officer (Aditya Birla  
Finance Limited)



**Ramesh Narayanswamy**  
Chief  
Technology Officer



**Pinky Mehta**  
Chief  
Financial Officer



**Mukesh Malik**  
Chief  
Operating Officer



**Subhro Bhaduri**  
Chief Human  
Resource Officer

### INDUSTRY OVERVIEW

The Indian financial services industry is witnessing rapid growth, on the back of the accelerated financial inclusion, growing financialisation, and innovative digital technologies. Further, growing disposable income, robust consumption, and increasing financial awareness are driving the demand for diverse solutions aimed at savings, investments, protection, and payments needs. In addition, relatively low penetration of mutual funds as well as insurance provides significant growth headroom, reflected in the emergence of new-age fintech companies and platforms that are reimagining the last mile delivery. With MSMEs emerging as a key growth engine in India's economic development, there exists significant addressable credit gap in the market, especially for those with limited credit history.

### REVENUE

(₹ crore)

**CAGR ↑ 24%**



### PAT

(₹ crore)

**CAGR ↑ 37%**



\* Excludes fair value gain accounted by Aditya Birla Capital Limited post-acquisition of 9.99% stake by ADIA entities in Aditya Birla Health Insurance Limited.

### BUSINESS OVERVIEW

ABCL has a Pan-India presence with 1,474 branches, with 500 added in the past two years. In addition to expanding our physical channels, we are leveraging digital technology, data, and analytics to deliver need-based solutions to our customers across the entire spectrum of their financial journey. To address the financial services needs of MSMEs, Udyog Plus B2B digital platform offers a wide range of paperless solutions, including financing, protection, investments, advisory and value-added services.

To rationalise and simplify the business structure, ensure efficient capital utilisation and enhance operational synergies, ABCL proposed the amalgamation of Aditya Birla Finance, a wholly owned subsidiary, with itself subject to regulatory and other approvals. The amalgamation will create a large unified operating NBFC and hold potential to create long-term value for all stakeholders.

### OPERATING AND FINANCIAL PERFORMANCE

For FY 2023-24, revenue stood at ₹34,008 crore compared to ₹27,365 crore in FY 2022-23, largely driven by its NBFC and insurance (life & health) businesses. Profit after tax stood at ₹2,768 crore compared to ₹1,921 crore. The combined lending book (NBFC and HFC) grew 31% YoY to ₹1,24,059 crore in FY 2023-24. Total Asset Under Management of AMC, Life and Health Insurance grew by 21% YoY at ₹4,36,442 crore. The mutual fund QAAUM stood at ₹3,31,709 crore with market share of 6.9% (excluding ETF). The market share among Standalone private health insurers (SAHI) expanded by 82 bps to 11.2%.

## FOCUS AREAS

### Growth Momentum

ABCL continues to focus on driving quality and profitable growth by leveraging data, digital and technology. Customer-centricity is a key element underpinning our strategy to grow our business. ABFL will focus on building a granular franchise and lending to retail, SME and HNI customers. In the business loans segment, differentiated offerings for MSMEs and will leverage Udyog Plus platform to acquire new customers, tap into the ABG ecosystem, focus on E-commerce partnerships, and integrate with public infrastructures such as OCEN and ONDC to grow the loan portfolio.

### Prudent Risk Management with Focus on Return of Capital

During the year, ABCL made several proactive interventions and tightened its underwriting norms to improve customer selection. These practices have held ABCL in good stead in the current environment. The gross stage 2 and stage 3 ratio of the NBFC portfolio declined by 135 basis points YoY to 4.49% and in the HFC portfolio declined by 208 basis points YoY to 2.91% as of 31<sup>st</sup> March 2024.

### Omni-channel Distribution Network

ABCL follows an omni-channel architecture for distribution and provides complete flexibility to customers for choosing the channel of interaction. The overall branch count increased by 179 in FY 2023-24, and there were 1,474 branches across all businesses as of 31<sup>st</sup> March 2024. The comprehensive B2B platform for MSME ecosystem, Udyog Plus went live earlier during the year. It offers paperless digital journey for small ticket business loans along with Protecting, Investing, Financing and Advising (PIFA) solutions and various value-added services to MSMEs. The Company's D2C platform ABCD, which was built in a record time of 12 months and went live in April 2024. It is available for download on the iOS App Store and Google Play Store. Built with the theme of 'everything finance as simple as ABCD', it offers a comprehensive portfolio of more than 20 products and services such as payments, loans, insurance, and investments along with comprehensive personal finance tracking such as 'My Track'.

### Data, Digital and Technology

ABCL leverages data, digital and technology to build a deep understanding of customer profiles, provide simplified and holistic financial solutions, superior underwriting, and drive cross-sell and upsell. This has helped the Company to increase the sourcing from the ABG and ABC ecosystem, enhance customer engagement and drive quality and profitable growth across businesses.



## OUTLOOK

Going forward, ABCL will continue with its approach of driving quality and profitable growth and sustain the growth momentum. The Company will continue to make investments in technology to strengthen our digital offerings and platforms and expand our branch network. Risk management remain the cornerstone across businesses. Credit growth of NBFC is expected to be driven by retail consumerism, formalisation of MSMEs, increasing financial penetration and investment focus on India's manufacturing sector. The Company has made significant investments in hiring people and in improving its digital capabilities to enhance customer transacting experience and reduce turnaround time in the HFC business. It will

build on these capabilities to further accelerate the growth in the portfolio going forward. In the asset management business, the Company will scale up retail franchise, leverage digital platforms for seamless delivery and grow alternative assets including AIF, PMS and real estate. In the life insurance business, the Company will grow the traditional products in retail segment, credit life in group segment and make investments in direct channels and diversify the distribution mix and increase productivity. In the health insurance business, the Company will follow its differentiated health-first and data-driven approach for better risk selection and risk pool management and diversify distribution with focus on proprietary channels.

# TEXTILES

Grasim is a mainstay in the Indian textiles industry, being present across premium products like Linen, Wool and Cotton. Our retail brand 'Linen Club' is India's leading linen brand. Our fabric brand 'Soktas' is a powerhouse of premium pure cotton fabrics.



“We are a supplier of choice globally for wool and linen and have revolutionised the Indian fashion landscape as a pioneer of linen in India. We have made efforts to shift the business from pure manufacturing to establishing iconic brands. Maintaining and enhancing the effectiveness of the brands in portfolio is a major contributing factor to expanding our consumer base.”

**Kapil Agrawal**  
Business Head



**₹2,217 crore**  
Revenue

**₹583 crore**  
Highest-ever B2C revenue

**27**  
Gross new EBOs were opened under 'Linen Club'



**Satyaki Ghosh**  
Chief  
Executive Officer



**Ashok Machher**  
Chief  
Financial Officer



**Chandra Bhattacharjee**  
Chief Human  
Resources Officer



## INDUSTRY OVERVIEW

India is a major player in the global textiles and apparel industry, representing 4% of the global trade and contributing 12% of the country's total exports. As the country undergoes rapid economic expansion and the population with greater disposable income grows, expenditure on discretionary goods and services will increase. Urbanisation has played a role in providing access to diverse lifestyle options, and with rising affluence, consumers are more likely to spend on premium products such as linen, wool, and high-quality cotton. FY 2022-23 was the first full year post-COVID, marked by aggressive buying due to pent-up demand, which moderated in FY 2023-24 but still outperformed pre-COVID levels.

## BUSINESS OVERVIEW

Grasim's textiles business comprises three strategic business units (SBUs) specialising in natural fibres, integrated into distinct stages of the textile value chain. The largest segment is Linen, which sources the finest flax fibre from France, Belgium, and the Netherlands, transforming it into linen yarn, fabric, and apparel. While yarn and fabric are sold to downstream businesses, our linen apparel business operates on an outsourced garment model. We are India's leading linen brand, with a presence across 230+ exclusive brand outlets (EBOs) and 9,000+ multi-brand outlets (MBOs) under the 'Linen Club'. We also operate a brand under 'Cavallo', which is a blend of natural fibres like linen and cotton. The wool segment produces high-quality wool tops and worsted yarn from Merino sheep wool, which are sold to downstream businesses for apparel production. The premium cotton fabric segment manufactures high-end cotton fabrics marketed under globally renowned brands\*, 'SOKTAS' and 'Giza House.' During the year, we inaugurated our first flagship EBO of 'SOKTAS' in Bengaluru.

\* Grasim is using these brands under a license from Soktas Tekstil Sanayi Ve Ticaret Anonim Sirketi.

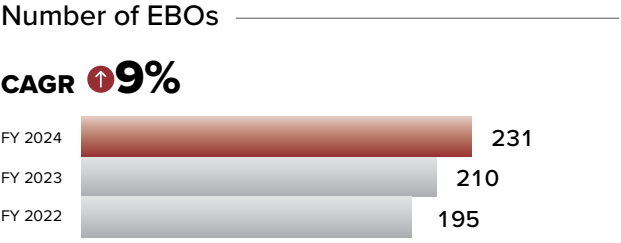
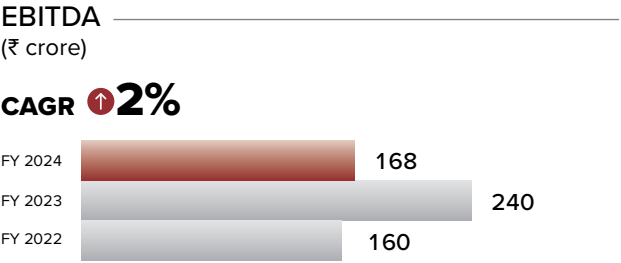
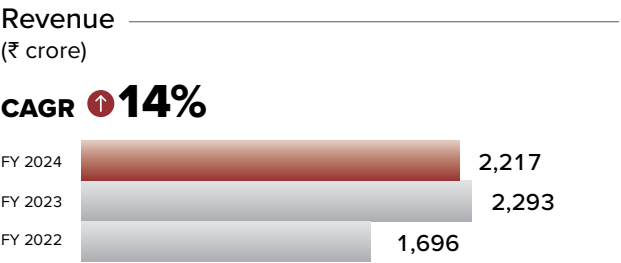


BRAND PORTFOLIO



CURRENT YEAR PERFORMANCE

In line with our business strategy to shift from pure manufacturing to establishing iconic brands in some of these categories, the B2C revenues for the segment grew by 13% YoY. Textiles segment revenue stood at ₹2,217 crore in FY 2023-24 as against ₹2,293 crore in FY 2022-23. Linen performance was impacted due to demand slowdown and exceptionally high flax prices. EBITDA for FY 2023-24 stood at ₹168 crore as against ₹240 crore in FY 2022-23.



FOCUS AREAS

**Retail Presence**

Our constant focus is on establishing ourselves as a mainstay retail brand with ‘Linen Club’, ‘Soktas’ and ‘Giza House’. Over the past three years, we have increased our retail presence by increasing presence through 40+ EBOs and 3,700+ MBOs (1,800+ MBOs of Soktas and 1,900+ MBOs of Linen Club).

**Fibre Blends**

With sustainability and environment concerns on the rise, natural and sustainable fabric/blend is expected to increase. We are innovating new SKUs by blending linen with other natural fibres like cotton and viscose to increase user group outreach for linen. Such blends also help better manage raw material costs and offer versatile applications for customers. These blended products are also marketed under our retail brand name ‘Cavallo’.



OUTLOOK

The overall sentiments with respect to premium clothing is still low and dealers across the various brands are sitting at inventories. Geo-political conflicts need to be monitored to ascertain the impact on input raw materials since a large part of our raw material is imported from Europe. India has emerged as one of the world’s strongest fashion market and premium clothing propelled by rising number of HNIs, growing middle class, increased penetration of E-commerce and strong demand from tier 2 and 3 cities. Our Linen business maintained its leadership<sup>#</sup> in the linen market with 40% market share in over the counter linen fabric (pure linen category) and 39% in pure linen yarn. We would constantly strive to shift the business from pure manufacturing to establishing iconic brands in some of these fast-growing categories enhancing retail reach and expanding our consumer base.

<sup>#</sup> Market share figures as per market intelligence.



RENEWABLES

Aditya Birla Renewables is an emerging clean energy solutions provider in India, with more than a decade-long experience of executing large-scale and complex renewable energy projects across the country.



“India’s target to meet 50% of its electricity needs from renewable sources by 2030 and achieve net zero carbon emissions by 2070 marks a historic point in the global effort to combat climate change. The renewable energy sector is set to play a pivotal role in achieving India’s targets.”

Jayant Dua  
Business Head



894 MW  
Cumulative renewable energy capacity

42  
Projects operated across 10 states

2 GW  
Targetted capacity by CY 2024

## MANAGEMENT DISCUSSION AND ANALYSIS



**Piyush Maheshwari**  
Chief  
Financial Officer



### INDUSTRY OVERVIEW

According to the International Energy Agency, to reach net zero emissions by 2050, annual clean energy investment worldwide will need to more than triple by 2030 to around \$4 trillion. The global renewable capacity additions increased by 107 GW, the largest absolute annual increase ever, to more than 440 GW in 2023. Solar PV capacity accounts for two-thirds of this year's projected increase in global renewable capacity. India is the third largest energy consuming country in the world and ranks fourth for annual renewable power capacity additions. As of Mar-24, India is estimated to have a renewable energy installed capacity of 190.57 GW which is approximately 42.26% of the nation's overall capacity, up from 167.75 GW in Dec'22. Solar Power installed capacity has increased by a massive 30 times from 2014 to 2024.

In keeping with India's commitment to install 500 GW of renewable energy by 2030 and attaining net-zero by 2070, the government has taken a series of measures, such as allocating \$2.4 billion for National Hydrogen Mission, enabling the setting up of 4 GWh battery energy storage systems through viability gap funding, introducing PLI scheme in Solar PV manufacturing and promoting an extensive grid-connected wind-solar PV hybrid system. However, challenges remain in grid expansion keeping with growth in installations and land acquisition.

### BUSINESS OVERVIEW

We generate clean energy through solar panels, wind turbines, solar-wind hybrids, and floating solar systems. Our primary consumers are state discoms and central utilities. We are also increasingly exploring captive C&I (commercial and industrial) consumers, which includes both our Group companies as well as external entities. During FY 2023-24, our project portfolio increased by 150 MW to reach ~1 GW of capacity. We intend to reach a capacity of 2 GW in 2024. The project identifies best solar and wind locations in the country, set up our generation facilities at those sites and feed power to the central grid for our customers in different states to access it. To consolidate our market position, we offer power through Round-the-Clock Renewable Energy (RE-RTC) to our existing consumers who are part of the ISTS projects. We have also begun phase-wise commissioning of our 650 MW solar park in Gujarat, one of the largest in the country.

#### Capacity Allocation

| Particulars                            | Mar-24 | Mar-23 |
|----------------------------------------|--------|--------|
| Total Installed capacity (in MWp)      | 894    | 744    |
| - Capacity with Group Companies (MWp)  | 404    | 247    |
| No. of Projects                        | 42     | 38     |
| - No. of Projects with Group Companies | 29     | 24     |

### CURRENT YEAR PERFORMANCE

Our revenue increased from ₹288 crore in FY 2022-23 to ₹377 crore in FY 2023-24 which is YoY growth of 31% led by the commissioning of the additional operating capacity during the year. Our EBITDA rose from ₹210 crore in FY 2022-23 to ₹231 crore in FY 2023-24 which is YoY growth of 10%.



### FOCUS AREAS

#### Commercial & Industrial (C&I)

We are increasingly exploring the C&I segment where our customers are both group companies and external third parties. We remain committed to attain high CuF (capacity utilisation factor) and provide competitively priced power at each of our customer's plants by setting up ISTS connected centralised RE (solar – wind) plants at 2-3 locations.

#### Round-the-Clock

We are focusing on increasing our portfolio with solar-wind hybrid which will enable us to supply clean energy round the clock benefitting from the higher CuF compared to a standalone solar or wind plant.

#### Fulfilling Group's net zero aspirations

Aditya Birla group's biggest manufacturing businesses Grasim, Ultratech, Hindalco and Birla Carbon have committed to attain 'Net-Zero' emissions by 2050. We intend to play a pivotal role in advancing these aspirations by providing them with clean and sustainable energy solutions, thereby reducing carbon emissions across their operations.



### OUTLOOK

The government's massive decarbonisation drive, growing awareness of global warming and immediate need to switch to sustainable energy solutions to combat climate change are the main driving factors which is expected to drive demand for clean energy across all consumers in the economy. This transition is driven by both environmental imperatives and economic opportunities, reflecting a profound change in how countries produce and consume energy. Renewables are poised to play a large role in India's energy sector, with government capacity targets implying a fourfold increase by 2030, aided by stringent Renewable Power Obligation (RPO) standards, decarbonisation efforts and increasing power demand. At the forefront of this transformation are technologies such as solar and wind power, which have seen dramatic improvements in efficiency and cost-effectiveness, and this provides host of opportunities for Aditya Birla Renewables.



## MANAGEMENT DISCUSSION AND ANALYSIS

## INSULATORS

Grasim is India's major producer of the full range of high-performance insulators (ceramic as well as composites) for T&D lines, sub-stations, power equipment and railway electrification.



"India has a very dynamic and diversified power sector, characterised by the presence of varied power generation sources including conventional sources as well as renewable energy sources. We are a preferred partner of global clientele that includes leading power utilities, T&D EPC players and global power equipment OEMs."

**Ajit Rajagopalan**

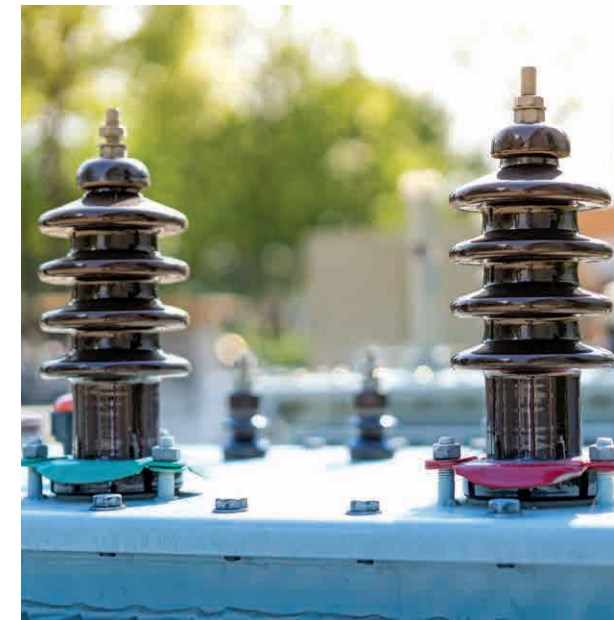
Chief Executive Officer



**₹477 crore**  
Revenue from Operations

**₹36 crore**  
EBITDA for the year

**20%**  
Share of Exports in Total Revenue



## BUSINESS OVERVIEW

Aditya Birla Insulators holds the distinction of being the major producer electrical insulator manufacturer in India and ranks among the top four globally. Aditya Birla Insulators with the installed capacity of 56,400 TPA specialises in both ceramic and composite insulators. The Company offers widest range of insulators in India and neighbouring export markets, catering to various applications such as transmission lines, substations (up to 1,200 kV voltage level), equipment, and railways. To cater to power transmission & distribution needs globally, the business has commissioned Composite Hollow Core Insulators (CHCI) plant at Halol through a joint venture with Maschinenfabrik Reinhausen GmbH of Germany, known as Aditya Birla Power Composites Limited (ABPCL) in 2022.

## CURRENT YEAR PERFORMANCE

The revenue for FY 2023-24 de-grew by 5% YoY to ₹477 crore compared to ₹504 crore in FY 2022-23. Exports stood at ~20% of total revenue. Higher input prices coupled with delay in product approvals from customer resulted utilisation levels of 52%. EBITDA for FY 2023-24 stood at ₹36 crore compared to ₹48 crore in FY 2022-23.

## FOCUS AREAS

We have developed new products for HVDC (High Voltage Direct Current Transmission) transmission as per the challenging requirements of the global end user market. We have also completed 5,000 hours of multiple stress test on our insulators at STRI Sweden which is a critical requirement for key global OEMs. We expect this to improve our export prospects.



## OUTLOOK

Power transmission is key to India's energy transition and global new energy cost leadership ambitions. The key demand drivers for insulators are grid refurbishments (50+ years old), surge in power demand (digitalisation, electric vehicles), distributed renewable generation (new transmission lines) and railways electrification of lines.

## INDUSTRY OVERVIEW

The power sector is a strategic and critical sector and power supply system supports the entire economy. According to Ministry of Power, from energy deficit of 4.2% in 2012, over 175 GW generation capacity was added over the past decade transforming the country to power surplus. Power generation, transmission and distribution sector is the key growth driver for the insulators industry. However, insulator sector in the past few years was affected by deferment of projects, excessive cheaper imports from China that affected domestic manufacturers shrinking their market size as well as pressurising price levels.

REVENUE  
(₹ crore)

**CAGR ↑ 11%**

EBITDA  
(₹ crore)

**CAGR ↑ 14%**



# CAPITAL-WISE HIGHLIGHTS

## CREATING VALUE ACROSS DIMENSIONS

Business success hinges on multiple foundational elements that empower an organisation to reach its goals. We recognise that sustainability and long-term viability stem from effectively leveraging the six capitals. This approach ensures that we consistently generate and maintain value for all our stakeholders, driving our business forward with resilience and adaptability.



### FINANCIAL CAPITAL

Financial resources that the Company already has or obtains through financing

**₹52,115 crore**  
Net worth

**₹1,52,876 crore**  
Market capitalisation  
(31st March 2024)

**₹25,847 crore**  
Revenue

[+ Read more Page 98](#)



### MANUFACTURED CAPITAL

Tangible assets used by the Company to conduct its business activities

**₹5,900 crore**  
Capital expenditure

**100%**  
Sites Certified with  
ISO 14001 Certification

**>88%**  
Capacity utilisation  
(CSF and Chlor-Alkali Business)

[+ Read more Page 104](#)



### INTELLECTUAL CAPITAL

Intangible, knowledge-based assets, and R&D that the Company engages in

**₹109 crore**  
R&D expenditure

**9**  
R&D centres

**282**  
R&D team

[+ Read more Page 112](#)



### NATURAL CAPITAL

Natural resources impacted by the Company's activities

**94%**  
Waste recovered

**50%**  
Wastewater recycled

**14%**  
Reduction in Scope 3 emissions

[+ Read more Page 122](#)



### SOCIAL AND RELATIONSHIP

Ability to share and collaborate with stakeholders, promoting community development and well-being

**12,10,513**  
CSR beneficiaries

**50%**  
Materials procured  
domestically

**15%**  
Input materials sourced  
from MSMEs

[+ Read more Page 134](#)



### HUMAN CAPITAL

Employee knowledge, skills, experience and motivation

**45,929**  
Total workforce

**4%**  
Females in the  
workforce

**3+ lakh**  
Total training hours

[+ Read more Page 146](#)





## VALUE CREATION MODEL

MAXIMISING EFFICIENCY  
FOR SUSTAINED GROWTH

## Input

## Value Creation Process

## Output

## Outcome

## SDG



## Financial Capital

- Net worth: **₹52,115 crore**
- Net debt: **₹5,981 crore**



## Manufactured Capital

- Operational sites: **7 Cellulosic Fibres, 9 Chemicals, 3 Textiles, 2 Insulators**
- Capital Expenditure: **₹5,900 crore**
- Chlor-Alkali capacity: **1,359 KTPA**
- CSF capacity: **842 KTPA**
- CFY Capacity: **51 KTPA**



## Intellectual Capital

- R&D expenditure (last 3 years): **₹337 crore**
- R&D facilities: **9**
- Patents applied: **53**
- R&D Team: **282**



## Natural Capital

- Total energy consumption: **68.28 million GJ**
- Total water withdrawal: **53.91 million m<sup>3</sup>**
- Environmental capex: **₹585 crore**
- Total ZLD across units: **12\***



## Social and Relationship Capital

- CSR expenditure: **₹58.39 Crore**
- Reach: **311 Villages**



## Human Capital

- Permanent workforce: **25,929**
- Contractual workforce: **20,000**
- Training hours: **3+ lakh**

\* 1 under commissioning

Note – All data and information provided in the value creation model pertain to FY 2023-24.

## Governance

## Vision

## Mission

## Values

## Governance Tenets



Accountability towards all stakeholders



Prudent management



Strategic guidance &amp; effective monitoring



Protection of minority interests &amp; rights



Transparency and timely disclosures



Compliance and governance of the highest standards

## Pillars of Strategy

Leadership  
Across BusinessCost  
LeadershipCapital  
Allocation

Sustainability

Innovation

Capitalising on Key Components  
of Growing Economy

|                                      |                                                                   |                                  |                                      |
|--------------------------------------|-------------------------------------------------------------------|----------------------------------|--------------------------------------|
| Infrastructure and Housing Demand    | Cement Producer                                                   | RMC player                       | Producer of White Cement based Putty |
| Aspirational Consumption             | #2 Decorative Paints                                              | Cellulosic Fibres                | Linen Textiles                       |
| Focus on Manufacturing growth        | Chlor-Alkali                                                      | Epoxy polymers and curing agents |                                      |
| Growing Digital Economy              | B2B E-commerce platform enabling MSMEs Digital reach              |                                  |                                      |
| Increasing Financialisation          | Diversified Financial Services Among Top 5 well-diversified NBFCs |                                  |                                      |
| Fast-growing Renewable Energy sector | ~2 GW Renewable energy capacity by CY24                           |                                  |                                      |

## Enabling Value Creation for Stakeholders



Employees



Suppliers and Value Chain Partners



Local Communities



Government and Regulators



Shareholders and Investors



Media



Customers



NGOs and Other Groups

## Double Materiality

Goals and Targets

## Financial Capital

- Revenue: **₹25,847 crore**
- EBITDA: **₹3,573 crore**
- PAT: **₹945 crore**
- Dividend distributed: **₹664 crore**
- Cash from operations: **₹1,778 crore**

## Manufactured Capital

- Chlor-Alkali capacity utilisation: **88%**
- CSF capacity utilisation: **96%**
- Sales Volume (CSF): **810 KT**
- Sales Volume (Caustic Soda): **1,205 KT**

## Intellectual Capital

- Patents granted: **25**
- Product Innovations: **3**

## Natural Capital

- GHG Emissions: **6.50 million tCO<sub>2</sub>e** (Scope 1 and Scope 2)
- Waste generation: **10,42,937 MT**
- Wastewater recycled: **27.19 million m<sup>3</sup>**
- Total waste recovered: **9,52,462 MT**

## Social and Relationship Capital

- CSR Beneficiaries: **12,10,513**
- Trees planted: **53,374**
- Local procurement: **50%**
- MSME procurement: **15%**

## Human Capital

- Women in the workforce: **4%**
- Total LTIFR: **0.24**
- Workforce trained (Safety): **27,447**
- Workforce trained (Skill upgradation): **18,788**

## Financial Capital

- Consistent, profitable, and responsible growth
- Sustained and long-term cash flow

## Manufactured Capital

- New asset developed
- New production capacity
- Asset valuation

## Intellectual Capital

- Diversified portfolio of solutions across industry segments
- Innovation partner to clients
- Partner of choice for developing innovative industry solutions

## Natural Capital

- Environmental stewardship beyond our boundary
- Positive legal compliance for environmental regulations

## Social and Relationship Capital

- Positive impact on the communities in the areas which we operate
- Trusted partner of choice for all stakeholder groups

## Human Capital

- Best-in-class employee experience and learning
- Safe and inclusive workplaces





## STRATEGIC PRIORITIES

# DESIGNING OUR PATH TO EXCELLENCE

Our strategic priorities are defined with the aim to drive our organisation towards sustained growth. They guide our decision-making processes, ensuring that every action aligns with our long-term vision. By focusing on these key areas and through innovation, we aim to enhance our competitive edge, deepen our market penetration, and foster a culture of continuous improvement.

## LEADERSHIP ACROSS BUSINESSES

We are committed to maintaining our leadership in key sectors such as cellulosic fibres, chemicals, premium textiles, cement, and financial services, by capitalising on industry trends. We are the premier player in the cellulosic fibres and chemicals sector in India. Our focus includes modernising existing facilities, investing in new production units, and adopting sustainable practices to ensure industry success.

### Material Topics

- Employee Training and Skill Development
- Quality and Customer Satisfaction
- Customer Health and Safety
- Business Ethics and Compliance
- Diversity and Inclusion

### Capitals Impacted

- Financial Capital
- Manufactured Capital
- Human Capital
- Social and Relationship Capital

### SDGs



## FY 2023-24 PROGRESS

During the year, our Cellulosic Fibres, Chlor-Alkali, and Cement businesses achieved their highest-ever volumes.

## FUTURE PLANS

We have set our vision to become the second-largest profitable player in the Indian Decorative Paints market.

## INNOVATION

We intend to focus on premiumisation by adopting innovation and through the introduction of specialty products. We encourage innovation across various domains, including process enhancement, data analytics, development of new products, expansion of facilities and improvement in customer experiences.

### Material Topics

- Product Stewardship
- Innovation and R&D
- Digitalisation, Data Privacy and Security

### Capitals Impacted

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Natural Capital

### SDGs



## FY 2023-24 PROGRESS

- Development of indigenous Lyocell, marking an advancement in sustainable fibre technology.
- Short-cut fibres for flushable wipes have met with commercial acceptance.
- Innovative products developed by Paints R&D.

## FUTURE PLANS

- Cellulosic Fibres is pursuing collaborative research for Bamboo/Jute pulping,
- Chemical business is developing new products and further enhancing its chlorine derivate portfolio.

## SUSTAINABILITY

We are dedicated to reducing our environmental impact through sustainable manufacturing practices, eco-friendly product designs, and a commitment to responsible resource management.

### Material Topics

- Air and Soil Pollution
- Energy Consumption and GHG Emissions
- Water and Effluents
- Waste Management
- Climate Change Adaptation
- Human Rights
- Occupational Health, Safety
- Biodiversity and Land Use

### Capitals Impacted

- Manufactured Capital
- Intellectual Capital
- Social and Relationship Capital
- Natural Capital

### SDGs



## FY 2023-24 PROGRESS

- Renewable energy usage reached 6.7% in FY 2023-24, up from 5.6% in FY 2022-23.
- Renewable power share stood at 11% in FY 2023-24, up from 8% in FY 2022-23
- Share of recycled water in total consumption stood at 50% in FY 2023-24, up from 46% in FY 2022-23

## FUTURE PLANS

- Committed to Net Zero Carbon Emissions Target by 2050
- Increasing Renewable power share
- Decreasing share of freshwater withdrawal in total water consumption.



## STRATEGIC PRIORITIES

### CAPITAL ALLOCATION

We remain committed to upholding financial discipline through prudent cash flow management, such as efficient capital allocation, optimised working capital, and careful debt management. These efforts have been recognised with high credit ratings from reputable agencies. Our approach to debt is conservative, relying primarily on internal accruals to fund operations and growth. We thoroughly assess our business portfolio, embracing a disciplined approach to expansion and entry into new ventures, guided by detailed market research and analysis.

#### Material Topics

- Organisational Resilience
- Empowering Communities
- Financial Performance

#### Capitals Impacted

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Natural Capital

#### SDGs



#### FY 2023-24 PROGRESS

- Achieved highest-ever capital expenditure of ₹5,900 crore for FY 2023-24. Growth Capex stood at 86%.
- Maintained a strong balance sheet with a net debt/equity ratio of 0.11x.

#### FUTURE PLANS

- Maintaining prominence and excel in core businesses.
- Introduction of new products Speciality Chemicals Development of Chlorine Derivatives for increasing consumption of Chlorine.

### COST LEADERSHIP

We anticipate that maintaining cost leadership will significantly contribute to expanding our product market share, enhancing margins, and driving profitability. Ongoing efforts to reduce operating costs underscore our commitment to operational efficiency, a foundational element of our business strategy to sustain a competitive edge and long-term growth.

#### Material Topics

- Resource Efficiency
- Responsible Supply Chain
- Stakeholder Engagement

#### Capitals Impacted

- Financial Capital
- Manufactured Capital
- Intellectual Capital

#### SDGs

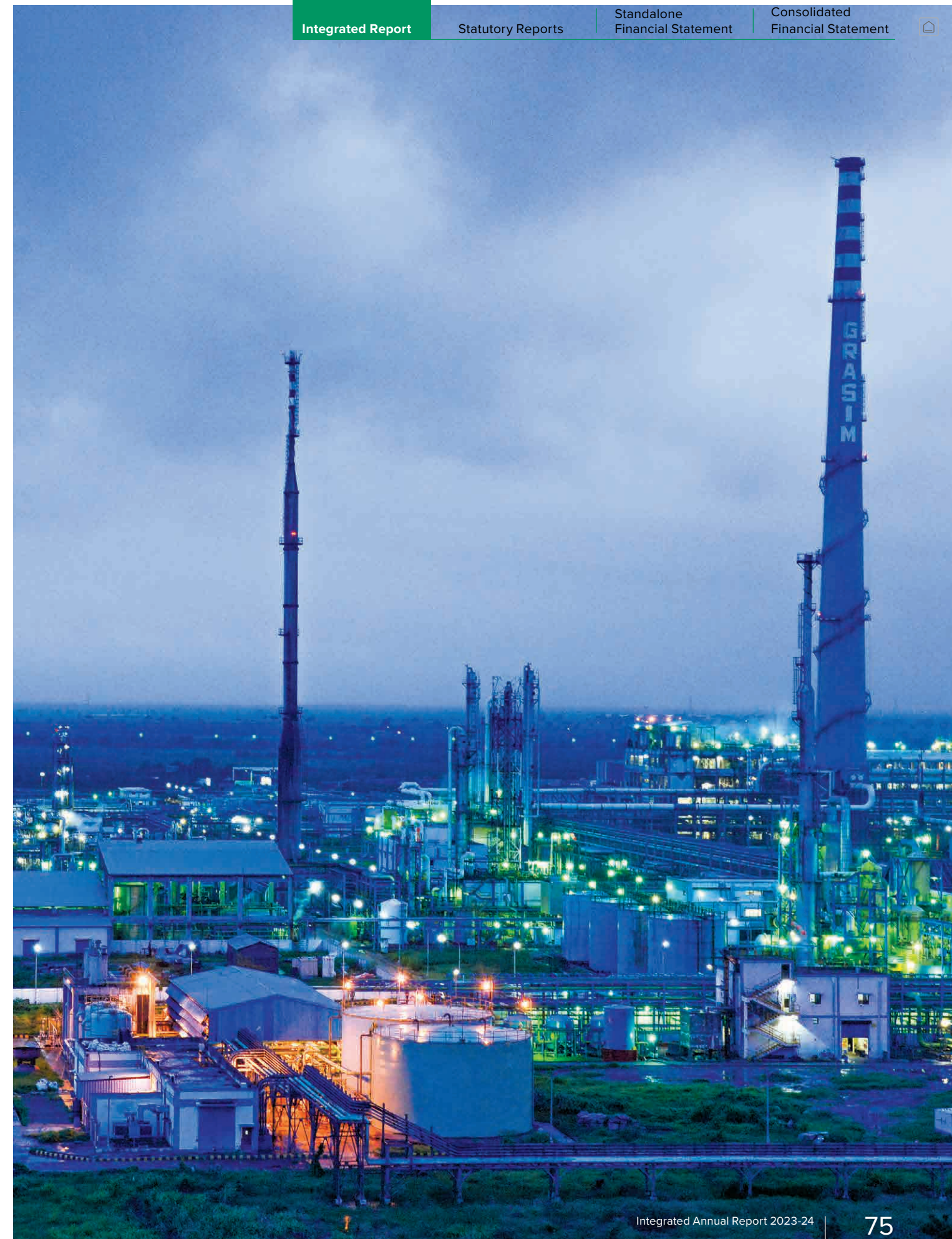


#### FY 2023-24 PROGRESS

- Paints business has built right size of plants with backward integration and automation.
- Chlorine Integration stood at the highest levels of 62%.
- Lean production and efficiency in manufacturing for Cellulosic Fibres with strong backward integration for caustic, pulp, power and steam

#### FUTURE PLANS

- Improve Chlorine Integration to 70% once planned projects are commenced.
- Reduction of Power costs through focus on improving renewable energy mix.





# STAKEHOLDER ENGAGEMENT

## CREATING VALUE THROUGH DIALOGUE

Our commitment to maintaining strong, transparent relationships with our stakeholders is foundational to our status as an industry leader. We ensure continuous, open dialogue to gather crucial insights, address concerns, and refine our business strategies to meet stakeholder expectations. This proactive engagement is pivotal in risk management, informed decision-making, nurturing a culture of shared responsibility and driving sustainable, long-term growth.



|                      | Frequency of engagement | Key Areas of Interest                                                                                                                                                                                                                                                                                                                                          | Methods of Engagement                                                                                                                                                                                                                                                                                                                | Propositions                                                                                                                                                                                                                                                                    |
|----------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employees</b><br> | Ongoing                 | <ul style="list-style-type: none"> <li>• Career growth and skill development</li> <li>• Performance management</li> <li>• Gender equality, diversity and inclusivity</li> <li>• Remuneration, rewards and other benefits</li> <li>• Work-life balance</li> <li>• Human Rights</li> <li>• Employee and labour relations</li> <li>• Health and safety</li> </ul> | <ul style="list-style-type: none"> <li>• Team meetings</li> <li>• Employee satisfaction survey</li> <li>• Newsletters</li> <li>• Townhall meetings</li> <li>• Annual performance reviews</li> <li>• Forums</li> <li>• One-on-one meetings</li> <li>• Briefings</li> <li>• Portal/intranet</li> <li>• Family get-togethers</li> </ul> | <p>We invest in technology to enhance employee skill sets and productivity. We ensure a safe working environment to prioritise both employee and process safety. Focused programmes encourage cooperation in the workplace, honour diversity, and promote employee welfare.</p> |

|                                               | Frequency of engagement | Key Areas of Interest                                                                                                                                                                                                                                                                                                                                            | Methods of Engagement                                                                                                                                                                                                                                                                    | Propositions                                                                                                                                                                                                                      |
|-----------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Local Communities</b><br>                  | Ongoing                 | <ul style="list-style-type: none"> <li>• Socio-economic upliftment</li> <li>• Environmental impact in terms of carbon emissions, solid waste disposal, as well as water and effluent management</li> <li>• Ethical business conduct</li> <li>• Potential local impact</li> </ul>                                                                                 | <ul style="list-style-type: none"> <li>• One-on-one meetings</li> <li>• Site tours</li> <li>• Participation in local events</li> <li>• Corporate Social Responsibility (CSR)</li> </ul>                                                                                                  | <p>We foster strong community relationships through our CSR programmes and other social initiatives, ensuring we maintain our social license to operate.</p>                                                                      |
| <b>Shareholders</b><br>                       | Ongoing                 | <ul style="list-style-type: none"> <li>• Achieving profitable growth, and improved return on invested capital</li> <li>• Business performance</li> <li>• Managing corporate governance and minimising non-compliance risk</li> <li>• Ensuring sustainable operations</li> <li>• Regular disclosure of economic, social, and environmental performance</li> </ul> | <ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual Reports</li> <li>• One-on-one meetings</li> <li>• Quarterly conference calls</li> <li>• Surveys</li> <li>• Rating agency notes</li> </ul>                                                              | <p>We deliver transparent and timely information on both financial and non-financial performance, enabling shareholders to make informed decisions.</p>                                                                           |
| <b>Customers</b><br>                          | Ongoing                 | <ul style="list-style-type: none"> <li>• Continuous supply of our products</li> <li>• Sustainable and innovative products</li> <li>• Grievance redressal</li> <li>• Timely delivery</li> <li>• Customer relations and contracts</li> <li>• Proactive communication</li> </ul>                                                                                    | <ul style="list-style-type: none"> <li>• Satisfaction surveys</li> <li>• In-person meetings</li> <li>• Social media</li> <li>• Company and corporate websites</li> <li>• Product information on packaging</li> <li>• Customer relationship development</li> <li>• Conferences</li> </ul> | <p>We emphasise robust customer relationships by addressing their needs with innovative and sustainable products. Our 'Mission Happiness' initiative gathers extensive feedback, enhancing customer satisfaction and loyalty.</p> |
| <b>Suppliers and Value Chain Partners</b><br> | Ongoing                 | <ul style="list-style-type: none"> <li>• Fair vendor selection process</li> <li>• Transparency in terms and conditions in the supplier contract</li> <li>• Payment timelines</li> <li>• Capacity building on ESG aspects</li> <li>• Grievance redressal</li> </ul>                                                                                               | <ul style="list-style-type: none"> <li>• Supplier evaluation</li> <li>• Questionnaires</li> <li>• Contractual meetings</li> <li>• Tender quotations</li> <li>• Information requests</li> <li>• Vendor meets</li> </ul>                                                                   | <p>We optimise opportunities within our value chain by integrating sustainability into our purchasing decisions. Our procurement process ensures that all suppliers adhere to a structured Code of Conduct.</p>                   |
| <b>Government and Regulators</b><br>          | Ongoing                 | <ul style="list-style-type: none"> <li>• Adherence to legal and regulatory standards</li> <li>• Prompt resolution of inquiries</li> <li>• Potential impact on local communities</li> <li>• Safety and health measures</li> <li>• Environmental and climate considerations</li> <li>• Corporate governance</li> </ul>                                             | <ul style="list-style-type: none"> <li>• Briefings and direct meetings</li> <li>• Multi-stakeholder forums</li> <li>• Industry associations</li> </ul>                                                                                                                                   | <p>We meet our governmental obligations by maintaining strict legal compliance, timely tax payments, and a strong reputation through ethical business practices that prioritise stakeholder well-being.</p>                       |
| <b>Media</b><br>                              | Ongoing                 | <ul style="list-style-type: none"> <li>• Sustaining connections with external stakeholders</li> <li>• Enhancing brand reputation</li> </ul>                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• Press releases</li> <li>• Social media platforms - LinkedIn, Facebook and Instagram</li> </ul>                                                                                                                                                  | <p>We use traditional and social media channels to deliver accurate and timely information to stakeholders, enhancing our brand reputation and ensuring transparent communication.</p>                                            |
| <b>NGOs and Other Groups</b><br>              | Need-based              | <ul style="list-style-type: none"> <li>• The organisation's mission and its influence on the community</li> <li>• Engagement with stakeholders, collaboration with external parties, and public relations</li> <li>• Human rights</li> </ul>                                                                                                                     | <ul style="list-style-type: none"> <li>• One-on-one meetings</li> <li>• Presentations</li> <li>• Participation in events</li> </ul>                                                                                                                                                      | <p>We enhance community welfare through partnerships with NGOs, focusing on societal development and supporting initiatives that promote human and labour rights.</p>                                                             |



# MATERIALITY ASSESSMENT

## ENSURING RESILIENCE AND RELEVANCE

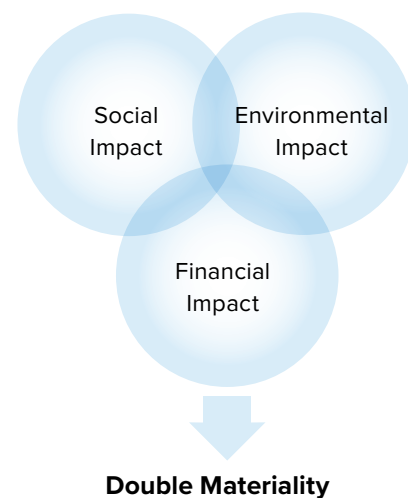
Our diverse and dynamic operations underscore our responsibility to incorporate ESG considerations across all our businesses and their activities. By doing so, we aim to ensure that our businesses can thrive in a rapidly changing world, particularly in the face of climate change, and grow sustainably.

At Grasim, we conduct the materiality assessment exercise at regular intervals to understand the most important topics that could impact our value creation abilities over the short, medium and long term. This exercise is integral to meeting stakeholder expectations, developing effective strategies, identifying opportunities, setting goals and mitigating associated risks, as each of our diverse businesses operate in a dynamic operating context.

We engage with internal and external stakeholders determining topics ascertained through peer review and deliberation on our business imperatives. These identified topics are benchmarked against standards outlined by GRI, MSCI, SASB, NGRBC Principles, DJSI, Sustainalytics and CDP and the IIRC framework. The topics that could most substantially impact the economy, environment, people, and company governance are prioritised. The identified topics are plotted on a matrix which is analysed from two perspectives: external relevance (importance to stakeholders) and internal relevance (importance to us). Given the impact of our industry on the environment and society, we place a high premium on environmental and social conservation.

### DOUBLE MATERIALITY

To develop a clearer understanding of the interconnectedness between our internal and external business activities, changing dynamics due to addition of new businesses and the factors governing financial, environmental, and social impacts on our stakeholders, we conducted a double materiality exercise last year. This exercise further refined our focus on identified material topics by developing effective strategies, identifying opportunities, setting goals, and managing and mitigating associated risks. As a result, we are reducing negative impacts and accelerating positive change for our business, thus meeting our stakeholders' expectations. This has enhanced the comprehensiveness and transparency of our reporting.



## REVIEWING AND PRIORITISING MATERIAL TOPICS

### Identification of Material Topics

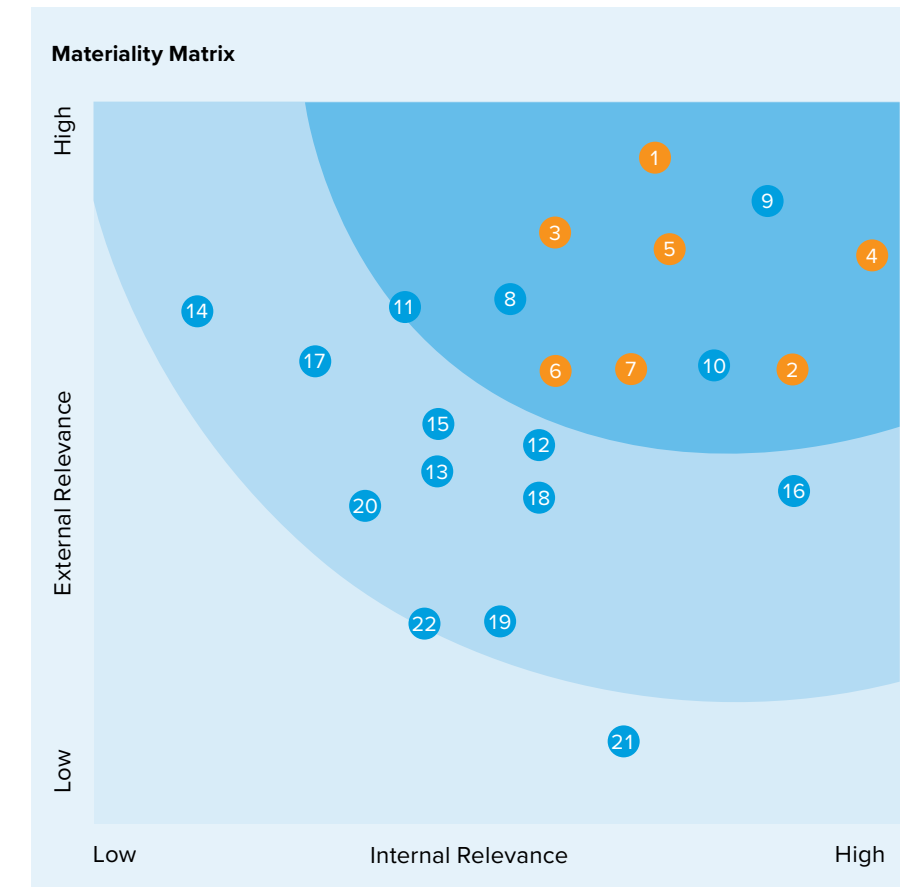
Peer review and benchmarking, stakeholder engagement survey, evaluation of internal strengths and weaknesses

### Prioritisation of Material Topics

In-depth analysis, review and map material topics, establish materiality matrix

### Continuous Assessment

Identified material topics are continuously reviewed and assessed to ensure our strategy remains relevant



### Double Material Topics

- 1 Energy consumption and GHG emissions
- 2 Water and effluents
- 3 Waste management
- 4 Climate change adaptation
- 5 Product stewardship
- 6 Responsible supply chain
- 7 Innovation and R&D

### High priority topics

- |                                      |                                              |
|--------------------------------------|----------------------------------------------|
| 8 Resource efficiency                | 17 Digitalisation, data privacy and security |
| 9 Occupational health and safety     | 18 Financial performance                     |
| 10 Human rights                      | 19 Business ethics and compliance            |
| 11 Air and soil pollution            | 20 Stakeholder engagement                    |
| 12 Biodiversity and land use         | 21 Employee training and skill development   |
| 13 Customer health and safety        | 22 Organisational resilience                 |
| 14 Diversity and inclusion           |                                              |
| 15 Empowering communities            |                                              |
| 16 Quality and customer satisfaction |                                              |



## RISK MANAGEMENT

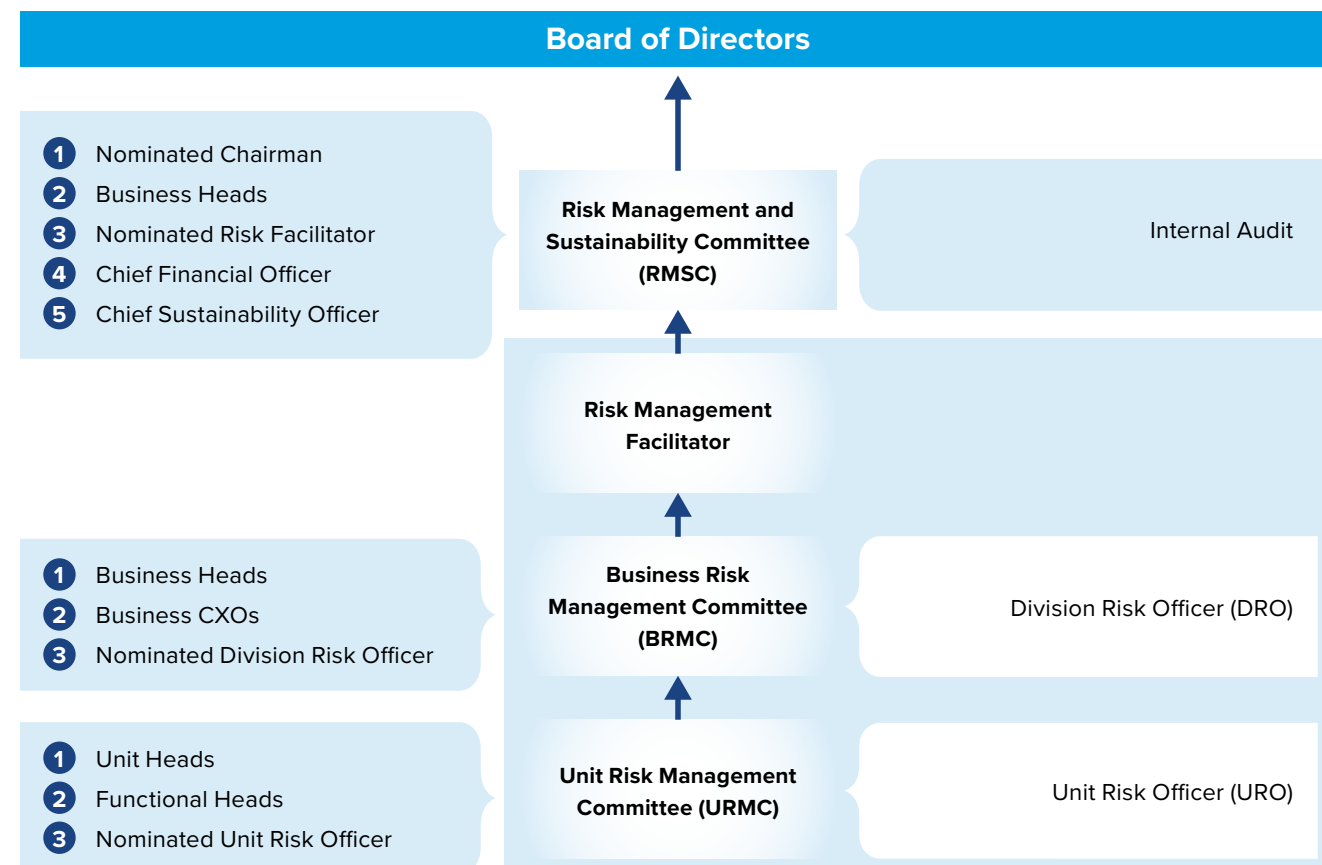
# FORTIFYING THE FUTURE WITH FORESIGHT

As a diversified conglomerate with a diverse risk portfolio, we are guided by the principle of being ‘Predictive, Proactive and Prepared’. This entails developing an efficient process to manage risks and crisis while ensuring business continuity. We strive to future-proof our businesses, thereby ensuring that our business models, operations, acquisitions and projects are not locked into unsustainable paths.

At Grasim, we aim to maintain a balance between the short-term and long-term business success in financial and strategic processes. We have thus institutionalised a robust Enterprise Risk Management framework to streamline identification, assessment, mitigation and

monitoring of various risks across the organisation. Our Board-level Risk Management and Sustainability Committee (RMSC) is mandated to frame policy, monitor implementation, and review our risk management and sustainability performance.

### Risk Governance Structure



We have diligently identified and assessed a spectrum of risks inherent in our operations, encompassing external, strategic, financial, operational, sustainability, knowledge, cybersecurity and compliance risks. We strive to anticipate potential risks and address emerging challenges to maintain operational resilience and protect shareholder value. We have implemented comprehensive mitigation strategies tailored to each risk.

Grasim has a comprehensive risk management process that encompasses the following aspects: risk identification, risk assessment, risk mitigation, residual risk evaluation, and risk monitoring and reporting. The risk management framework, involves several key steps: identifying and categorising risks through stakeholder assessments, evaluating risks based on their likelihood and impact, and defining acceptable risk levels aligned with the Company's capacity and strategic objectives. This process is a collaborative

effort among the risk management team, functional heads, senior executives, and the Board of Directors.

In assessing Company-specific risk exposure, risks have been identified and their criticality is measured, based on their likelihood and impact. The analyses helps us prepare for and mitigate the effects of these risks, ensuring stability and resilience in uncertain conditions.

An independent audit of the risk management process is conducted periodically by internal auditors. Regular risk management training is provided to all Non-executive Directors each year. Further, focused training sessions on risk management principles are organised throughout the organisation. Risk criteria, including financial, regulatory, and operational risks, are incorporated into the development of products and services. Financial incentives are given to individuals with KPIs linked to these risk categories.

### Key Risks Identified and their Mitigation Plans

|                                                                                             | Mitigation Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>STRATEGIC RISKS</b><br>Increased imports may affect demand and prices, impacting margins | <b>Cellulosic Fibre</b> <ul style="list-style-type: none"><li>Explore new markets and improving penetration in existing markets</li><li>Create demand through Consumer and Trade Education; increase awareness through branding and communication</li><li>Expand specialty products portfolio</li><li>Continuously focus on R&amp;D for application and new product development</li></ul> <b>Chemicals</b> <ul style="list-style-type: none"><li>Increase customer base and retaining market share through a customer-centricity approach</li><li>Seek safeguard through industry associations</li></ul> |
| Increased competition may result in loss of market share and impact margins                 | <ul style="list-style-type: none"><li>Expand capacity to meet growing demand and maintaining market share</li><li>Take strategic initiatives and making continuous investments to enhance the brand equity of the products by focusing on R&amp;D, quality, cost, timely delivery and customer service</li><li>Increase level of customer engagement</li><li>Implement customer connect initiatives to reach out to end users</li><li>Develop various customised products for customers</li><li>Enter into long-term contracts to secure sales volume</li></ul>                                          |





## RISK MANAGEMENT

### STRATEGIC RISKS

Performance of new businesses may deviate from the plans

- Mitigation Plan**
- Business strategy formulated and reviewed at different levels
  - Competent business teams in place and required support provided for successful implementation of the plans
  - Intense market research carried out in the new lines of business and considered in plans. Invested in R&D to develop differentiated products
  - Business plans and industry landscape continuously scanned and necessary actions taken
  - Leverage supply chain/brand image of Grasim
  - Strong parentage to support any exigencies

### COMPLIANCE RISKS

Litigation Risk

The Company faces various litigations, legal proceedings, notices and threats, etc. If these have any unfavourable outcome, they may have an adverse impact

- Compliance with all laws, rules and regulations and contractual obligations
- Legal compliance monitoring system has been implemented
- Effective handling of proceedings before relevant authorities and following due legal course of action
- In-house legal experts as well as consultations with external experts
- Undertake compliance audits regularly

### EMERGING RISKS

Geopolitical shifts leading to supply chain disruptions

Increasing geopolitical tensions and the rise of preferential policies are reshaping global trade dynamics. Trade wars, sanctions, and political instability in key regions could disrupt supply chains, leading to increased costs, container availability issues and supply shortages

- In the long term, the Company needs to diversify its supplier base and invest in more resilient and flexible supply chain strategies
- To mitigate this risk, the Company is optimising usage of multi modal transportation (rail/road/water), proactively booking space and finalising rates with shipping lines
- The Company may also pass on the higher freight cost to the customers to the extent possible. Additionally, the Company will have to diversify its supply chains by sourcing materials from multiple suppliers across different regions, reducing dependency on any single region

Emerging regulations and policies

The Indian Government and international bodies are increasingly prioritising stringent environmental regulations to combat climate change and promote sustainability. Emerging policies may include tighter restrictions on carbon emissions, mandatory implementation of cleaner technologies, and more rigorous environmental reporting standards.

- To address the emerging risk of stricter environmental regulations, the Company will have to identify and implement green technologies
- The Company will increase the use of renewable sources of energy
- Additionally, diversifying the product portfolio to include more sustainable and environmentally friendly options will help us shift focus to products with lower environmental impacts, ensuring higher compliance with emerging regulations

### OPERATIONAL RISKS

Non availability of water may impact business operations of Cellulosic Fibre and Chemical Businesses

Demand supply mismatch of chlorine – lower consumption of chlorine may adversely impact caustic production

Competent Human Resources availability risk – attrition and non-availability of the required talent may affect the performance of the Company

High volatility in global prices of inputs and finished products

- Mitigation Plan**
- Continuous reduction in freshwater consumption by applying the 3R Principles (reduce, reuse, recycle)
  - Implement Zero Liquid Discharge plans across plants
  - Create new reservoirs closer to plant locations
  - Full capacity utilisation of chlorine derivatives
  - Increase existing Chlorine derivatives capacities, new chlorinated products development, increasing pipeline supply, ancillary industry development, etc.
  - Continuous benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain talent
  - Regular review, monitoring and engagement on personal development plans for high performers and high potential employees
  - Proactively strengthen technical and other functional bench strength by mapping internal/external talent market and accelerated hiring
  - Focus on talent development; ring fencing/retaining critical talent through adequate rewards and recognition
- Cellulosic Fibre**
- Explore new sources and improve negotiation including centralised negotiation
  - Focus on cost reduction and higher efficiency
  - Increase share of value added/specialty products
  - Explore new markets and increasing penetration in existing markets
- Chemicals**
- Optimise sourcing of key raw material (salt) from captive and external parties
  - Secure coal linkage and increasing the share of renewable power
  - Expand portfolio of value-added products and speciality chemicals
  - Focus on cost competitiveness to reduce operational cost
- Speciality Chemicals**
- Long-term contracts with bulk manufacturers
  - Set up ECH project for backward integration
- Textile**
- Procure imported wool against confirmed customer orders
  - Reduce inventory holding to mitigate price fluctuations
  - Diversify supplier base



## RISK MANAGEMENT

### OPERATIONAL RISKS

Industrial safety, employee health and safety risk

- The Manufacturing businesses employ labour and are exposed to health and injury risk due to machinery breakdown, human negligence, etc.
- The Chemicals business has exposure to risks arising from the producing and handling of hazardous chemicals

#### Mitigation Plan

- Develop and implement safety standards/SOPs across the Units and Project sites
- Establish processes for training need identification, introduction of 'Life Saving Rules'
- Focus on building safety culture across units covering the entire workforce
- Adequate insurance coverage
- Safety KRA introduced for all line managers
- Safety awareness campaigns/trainings/mock drills conducted; regular internal and external safety audits done
- Virtual reality training module to train drivers on logistics safety initiated
- Conduct transporter safety meeting
- Structural audit to identify weak areas and take necessary actions
- RFID tracking of chlorine cylinders

### KNOWLEDGE RISKS

Information Technology/Cyber Security Risk

- There is an inherent risk of errors, bugs, or security vulnerabilities in products and internal systems which may lead to financial loss, disruption or damage to the Company reputation
- There can be deliberate and unauthorised breaches of security to gain access to information systems

- Implement Group-level Information Security policy
- Backup being done as per policy and disaster recovery system is in place
- Regularly upgrade systems with latest security standards. For critical applications, security policies and procedures are updated on a periodic basis and users educated on adherence to the policies so as to eliminate data leakages
- Ensure end user awareness (E-Learning Module and Classroom Programme); conduct phishing campaigns to improve vigilance and user behaviour
- Annual security assessments of IT/OT networks
- Vulnerability assessment and penetration testing to assess security risk of critical IT systems
- Regular patching, anti-virus updates and stringent access controls
- Cyber insurance policy taken to cover financial losses resulting from cyber events and incidents

### SUSTAINABILITY RISKS

Environmental and Other Regulatory Risks (including compliance)

- Any default can attract penal provisions and may impact the Company's reputation. Increased activism by society/NGOs could also impact reputation

- Ensure adherence to regulatory norms
- Upgrade technology/equipment on a continuous basis
- Continuous monitoring of regulatory changes to ensure compliance with all applicable statutes and regulations
- Implement various sustainability initiatives such as Zero Liquid Discharge, increasing share of renewable energy, etc.
- Commitments to comply with the sustainability goals and meet international norms
- Community engagement programmes, grievance management procedures, transparency in declaring our policy and performance, and a series of CSR programmes in place to foster strong relations with the community and partner with them for supply of materials and services

### SUSTAINABILITY RISKS

Climate change may lead to increase in frequency and severity of natural disasters (droughts, floods, cyclones, etc.)

#### Mitigation Plan

- Identify and implement green technologies and developing sustainable products, e.g. LivaEco
- Ramp up use of renewable sources of energy
- Commitments to comply with the global environmental and sustainability norms
- Vulnerability study conducted for natural calamities and required protective measures initiated (e.g. raising boundary wall in flood-prone sites)
- Adequate insurance coverage to cover financial loss caused by natural calamities

### FINANCIAL RISKS

Investments Impairment Risk

Business performance of subsidiary companies and other investee entities could give rise to impairment charges in the future

- Regular review of investments for corrective actions
- Impairment testing done periodically, and impairment charge taken wherever required

Foreign Exchange Fluctuation risk

- Exhaustive Forex hedging guidelines in place and being followed

Liquidity Risk/ Interest Rate Risk

- Maintain the best credit rating and a strong balance sheet
- Maintain sufficient unutilised credit limits
- Maintain adequate liquidity which can be redeemed as per requirement
- Regular review of cashflows and working capital optimisation
- Explore funding options through a mix of different debt instruments
- Short-term funding through competitive commercial paper issuance
- Funds raised through Rights Issue and Term Loans

### Internal Control System

Grasim has a well-established and robust internal control systems in place, commensurate with the nature of its businesses, size, scale, and complexity of its operations. These internal control systems cover all business processes and are operating effectively.

We have a well-laid organisational structure with clearly defined roles and responsibilities. This structure is well-institutionalised and the systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations. For various financial and commercial operations, standard operating procedures (SOP) are in place and have been designed to provide reasonable assurance. Compliance with policies and procedures is an integral part of the management review process. In addition to the above, internal audits are undertaken on a continuous basis by reputed internal

audit firms covering all units and business operations periodically to validate the existing controls independently. Internal Auditors directly report to the Audit Committee of the Board. The Audit Committee reviews the Internal audit programme at the beginning of the year to ensure that the coverage of the areas is adequate.

The management regularly reviews the Internal Audit Reports and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. The Audit Committee reviews key audit observations along with the status of management actions and the progress of implementation of recommendations.

The Audit Committee also reviews the adequacy and effectiveness of internal control systems periodically and provides guidance for further strengthening them.





# SUSTAINABILITY FRAMEWORK

## PROGRESSING WITH PURPOSE



*"Our ethos is defined by relentless monitoring, continuous improvement of processes, and investment in cleaner technologies, paving the path to a greener future. We have collaborated with the International Finance Corporation to enhance our sustainability footprint as we transition to a low-carbon economy through renewable projects and energy-efficient products, contributing to the UN Sustainable Development Goals."*

**Surya Valluri**

Chief Sustainability Officer – Grasim Industries Limited

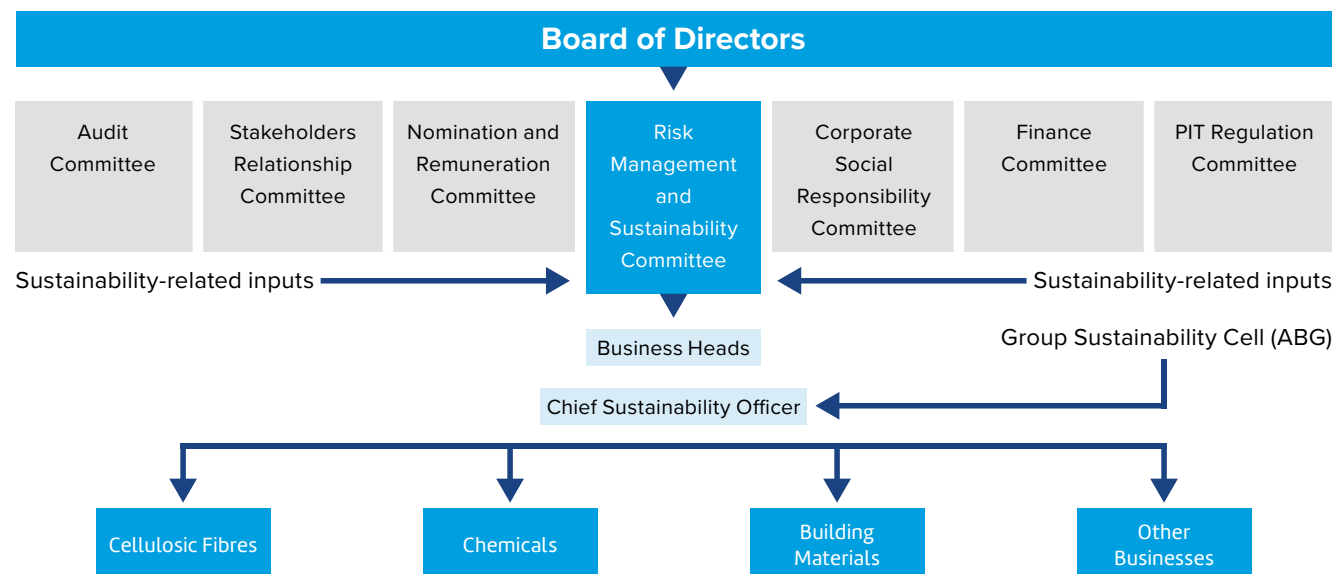
### Sustainability Framework

A robust sustainability framework built on three pillars – covering environmental stewardship, being socially responsible and building a resilient business – guides our actions to incorporate sustainability within our business model and operations.

The three pillars of our strategic framework guide our efforts to address challenges and seize opportunities related to ESG factors that directly influence or are influenced by our business activities. Our sustainability framework aligns seamlessly with our broader business objectives.

### Sustainability Governance

Our approach to sustainability governance integrates environmental, social, and economic factors into our operational strategies. Through stringent policies, active stakeholder engagement, and transparent reporting, we ensure accountability to our stakeholders. Our sustainability efforts are designed to improve responsible resource use, expand our innovation capabilities for sustainable solutions, develop our human capital, empower communities, and enhance our environmental stewardship.



### Sustainability Oversight

The Risk Management and Sustainability Committee of the Board oversees the development and implementation of risk management policies and sustainable business strategies. The committee monitors progress against climate change-related and other ESG targets, collaborating closely with the Chief Sustainability Officer to manage sustainability-related risks. It aligns our operations and growth strategies with the Company's ESG goals. Other Board Committees provide insights to enhance our sustainability governance.

At the operational level, Grasim has established Safety and Sustainability Committees for each business unit, led by the Unit Head and composed of functional heads. These committees are responsible for implementing and monitoring Grasim's sustainability strategy and ESG performance, holding monthly meetings to review progress and reporting to higher-level committees.

### Governance for Climate Responsibility

Grasim's Board of Directors oversees climate-related issues, ensuring the implementation of relevant measures. The Board evaluates the Company's progress on climate goals and maintains accountability for their execution. Climate considerations are integrated into strategic reviews, risk assessments, budgeting, capital expenditures, acquisitions, and performance evaluations.

We have established Committees with structured roles and responsibilities for identifying and managing climate-related issues on the ground, reporting directly to the Board or a Board Committee. Regular updates on climate actions are provided during Board and Committee meetings.

### Monitoring Key Performance Indicators

The functional heads are responsible for monitoring designated ESG-related KPIs across various departments:

#### Environmental Head

Oversees all environmental KPIs, including energy consumption, emissions, water usage, waste management, materials, biodiversity, and environmental compliance.

#### HR Head

Manages KPIs related to human resources, focusing on recruitment, training, employee relations, human rights, and diversity initiatives.

#### Safety Head

Ensures compliance with safety protocols and monitors KPIs related to workplace incidents, accident rates, and overall safety measures.

#### CSR Head

Directs corporate social responsibility initiatives, including community engagement, philanthropy, and broader sustainability efforts.

#### Supply Chain Head

Accounts for supply chain KPIs, emphasising supplier diversity, ethical sourcing, and transparency in the supply chain.

#### Operations Head

Oversees manufacturing processes, product quality, and research and development activities.

#### Engineering Head

Supervises engineering-related KPIs, focusing on innovation and efficiency improvements.

### Sustainability Policies

Our sustainability policies are designed to minimise the environmental and social impacts of our operations. These policies ensure compliance with regulations, including fair labour practices and respect for human rights, resource conservation, and protecting the health and safety of our people, among others.

#### Grasim's key policies

|                                                           |                                               |
|-----------------------------------------------------------|-----------------------------------------------|
| <a href="#">Code of Conduct</a>                           | <a href="#">Human Rights Policy</a>           |
| <a href="#">Risk Management Policy</a>                    | <a href="#">Safety Policy</a>                 |
| <a href="#">Environmental Policy</a>                      | <a href="#">Stakeholder Engagement Policy</a> |
| <a href="#">Biodiversity Policy</a>                       | <a href="#">Privacy Policy</a>                |
| <a href="#">Occupational Health Policy</a>                | <a href="#">Whistle Blower Policy</a>         |
| <a href="#">POSH Policy</a>                               | <a href="#">CSR Policy</a>                    |
| <a href="#">Information Security Policy</a>               | <a href="#">Water Stewardship Policy</a>      |
| <a href="#">Anti-Corruption &amp; Anti-Bribery Policy</a> | <a href="#">Board Diversity Policy</a>        |
| <a href="#">Grievance Handling Policy</a>                 | <a href="#">Supplier Code of Conduct</a>      |
| <a href="#">Energy &amp; Carbon Policy</a>                | <a href="#">Wood Fibre Sourcing Policy</a>    |

+ For additional information on our policies, please visit <https://www.grasim.com/investors/policies-and-code-of-conduct>



## SUSTAINABILITY FRAMEWORK

### Pillar 1

#### Environmental Stewardship

- Climate Change
- Energy and Emissions Management
- Water Stewardship
- Waste Management
- Product Stewardship
- Resource Management
- Biodiversity
- Environmental Compliance

### Pillar 2

#### Social Responsibility

- Talent Management
- Learning and Development
- Diversity and Inclusion
- Employee Well-being
- Health and Safety
- Community Development
- Suppliers and Business Partners
- Customers
- Responsible Supply Chain

### Pillar 3

#### Resilient Business

- Corporate Governance
- Economic Performance
- New Product Development
- Automation and Digitisation

## PILLAR 1: ENVIRONMENTAL STEWARDSHIP

We promote environmental responsibility by implementing initiatives aimed at creating positive impact on our environment. We strive to embrace recycling and reusing strategies to manage the utilisation of important resources effectively. Additionally, we intend to harness technology across our properties to enhance sustainability.

### FOCUS AREAS

#### Climate Change

Progressing towards carbon neutrality to combat climate change

[+ Read more Page 124](#)

#### Energy and Emissions Management

Transitioning to renewable energy and reducing our carbon footprint by adopting sustainable practices

[+ Read more Page 124](#)

#### Water Stewardship

Reducing/Reusing water and improving conservation options to promote water stewardship at our operational facilities

[+ Read more Page 127](#)

#### Waste Management

Foster circularity through 3R principles. Reduce-Reuse-Recycle waste for managing volumes going to landfills and conserving valuable natural resources

[+ Read more Page 129](#)

#### Product Stewardship

Making environmentally sustainable product offerings in every category

[+ Read more Page 107, 116](#)

#### Resource Management

Ensuring optimum resource utilisation

[+ Read more Page 107](#)

#### Biodiversity

Protecting and enhancing biodiversity around our operations and beyond

[+ Read more Page 132](#)

#### Environmental Compliance

Adhering to environmental rules and regulations for sustainable operations

[+ Read more Page 133](#)

## PILLAR 2: SOCIAL RESPONSIBILITY

A sustainable organisation relies on the support from employees, customers, suppliers, and surrounding communities. Therefore, we place utmost importance on investing in our workforce's growth, development, and well-being. We endeavour to enhance the quality of life within local communities by actively participating in initiatives and programmes fundamental to their overall well-being.

### FOCUS AREAS

#### Talent Management

Creating an environment that recognises and appreciates performance in the workplace

[+ Read more Page 148](#)

#### Learning and Development

Creating L&D opportunities for our employees

[+ Read more Page 149](#)

#### Diversity and Inclusion

Creating a diverse and inclusive workspace

[+ Read more Page 150](#)

#### Employee Well-being

Nurturing a positive work environment to support the well-being of our employees

[+ Read more Page 152](#)

#### Health and Safety

Safeguarding our employees' safety and cultivating a culture of safety

[+ Read more Page 153](#)

#### Community Development

Cultivating community development to foster positive change

[+ Read more Page 137](#)

#### Supply Chain Management

Building trusted relations with suppliers and business partners while encouraging our vendors to adhere to, and integrate ESG norms in their business practices

[+ Read more Page 110, 143](#)

#### Customers

Ensuring good customer relations

[+ Read more Page 145](#)

## PILLAR 3: RESILIENT BUSINESS RESPONSIBILITY

Our focus is on building a robust and dependable business for all our stakeholders. We aim to strengthen our organisation ensuring that it is capable of overcoming challenges and disruptions, to continue delivering value to our stakeholders consistently over time.

### FOCUS AREAS

#### Corporate Governance

Focus on improving internal controls, performance measurement and corporate disclosures

[+ Read more Page 26](#)

#### Economic Performance

Promoting consistent financial performance through sustainable innovation

[+ Read more Page 36](#)

#### New Product Development

Working towards new products that are more sustainable

[+ Read more Page 114](#)

#### Automation and Digitisation

Moving towards automation and digitisation to implement technology-driven initiatives to achieve sustainable development

[+ Read more Page 118](#)





## SUSTAINABILITY FRAMEWORK

### Sustainability Targets

| Topic                            | Business     | Goals                                                                                                                                                                  | Status (FY 2023-24)                                                                                                                                                                                                          |
|----------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Energy and Emissions             | Chlor-Alkali | 30% Reduction of GHG emission of the main product (Scope 1 and Scope 2) by FY 2029-30 (Base Year - FY 2016-17)                                                         | Achieved 18% reduction in Scope 1 and Scope 2 GHG emissions.                                                                                                                                                                 |
|                                  |              | Achieving renewable power share up to 25% by FY 2024-25                                                                                                                | Achieved 13% renewable power share.                                                                                                                                                                                          |
|                                  | CSF          | Reduce GHG emission intensity by 50% by FY 2029-30                                                                                                                     | Reduced GHG emission intensity by 17%.                                                                                                                                                                                       |
|                                  | Textiles     | Achieving renewable power share up to 70% by FY 2029-30                                                                                                                | Achieved 9.3% renewable power share.                                                                                                                                                                                         |
| Waste Management and Circularity | CSF          | Grow circular products to 100,000 tonnes per year by FY 2024-25 using pre- and post-consumer and alternate feedstock                                                   | Global circularity uptake is taking longer time than anticipated. The business has invested in capacity building to meet the demand for recycled fibre and is ready to deliver the targeted amount when the market is ready. |
|                                  | CFY          | Utilisation of ETP sludge as Gypsum and Cellulosic waste in co-processing for cement industries rather than landfill to be done 100% by FY 2024-25 over total disposal | Presently 36% of the ETP sludge and 100% of cellulosic waste is being diverted from disposal to co-processing in cement plants.                                                                                              |
| Diversity and Inclusion          | CFI*         | Increase woman employees by three times by FY 2024-25 (Base Year - FY 2018-19)                                                                                         | Women employee number increased from 142 in FY 2018-19 to 429 in FY 2023-24.                                                                                                                                                 |
|                                  | CSF          | Increase women employees' percentage in manufacturing units to 15% by FY 2024-25                                                                                       | Currently, female employees make up 2.3% of total employee count at the manufacturing units. Efforts to increase this count are ongoing.                                                                                     |
| Sustainable supply chain         | CSF          | Assess the sustainability performance of key suppliers by FY 2024-25                                                                                                   | Established a Supplier Assessment Framework and completed sustainability assessments for key suppliers covering about 66% of procurement spend.                                                                              |

\* Chemicals, Fashion Yarn and Insulators

| Topic                  | Business       | Goals                                                                                                                  | Status (FY 2023-24)                                                                                                                                                         |
|------------------------|----------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Biodiversity           | All businesses | Businesses to undertake the assessment studies in next three years                                                     | Planned to conduct biodiversity assessment studies for four Grasim units in FY 2024-25. Two units from CSF business and one unit each from CFY and Chlor-Alkali businesses. |
|                        | All businesses | Target to plant 2 lakh trees in total across multiple location in vicinity of Grasim manufacturing sites by FY 2023-24 | 1.7 lakh trees planted.                                                                                                                                                     |
| Reduce water footprint | CSF            | Reduce water consumption by 50% in CSF manufacturing process by FY 2024-25 over the baseline of FY 2014-15             | CSF business has reduced water consumption in manufacturing process by nearly 74% by end of FY 2023-24.                                                                     |
|                        | Chlor-Alkali   | Reduce specific freshwater consumption of the main product by 30% by FY 2024-25 (Base Year – FY 2016-17)               | Multiple levers of reducing water consumption are being evaluated and achieved 16% reduction in freshwater consumption by end of FY 2023-24.                                |
|                        | Textiles       | Reduction in effluent discharge and maximise water recovery                                                            | Treated effluent recycling has increased from 7.2% in FY 2014-15 to 53.1% in FY 2023-24. Out of 3 units, two units (JST, VW) have installed ZLD plants.                     |
| Safety                 | CSF            | Reduce the Lost Time Injury Frequency Rate (LTIFR) by 90% (Base Year – FY 2014-15)                                     | Grasim CSF has achieved a reduction of nearly 83% LTIFR.                                                                                                                    |
|                        | CFI*           | Reduce LTIFR by 80% by FY 2024-25 (Base Year – FY 2016-17)                                                             | LTIFR reduced from 3.77 in FY 2016-17 to 0.17 in FY 2023-24 achieved 95% LTIFR reduction.                                                                                   |
|                        | Textiles       | Achieve Zero Fatality and reduce LTIFR for workers                                                                     | Zero Fatalities for more than 5 years, and LTI reduced from 58 in FY 2016-17 to 7 in FY 2023-24.                                                                            |



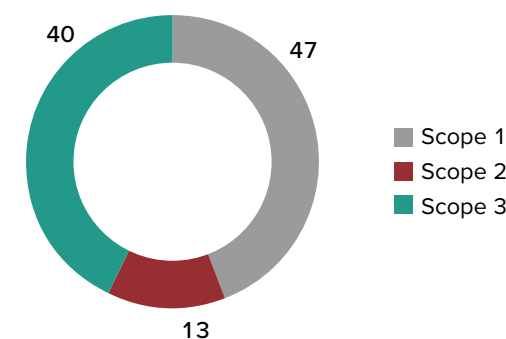
## PATH TO NET ZERO

NET  
ZERO  
COMMITMENT

Grasim, across its diverse business segments, is dedicated to environmental stewardship and addressing climate-related risks and opportunities. Our efforts are aimed at aligning with India's Nationally Determined Contributions (NDCs) and the Net Zero target for FY 2069-70. As part of our commitment, we have set an ambitious goal to achieve net zero emissions by FY 2049-50.

In FY 2023-24, we prepared a comprehensive net zero roadmap across all of our business units in order to achieve our goal of Net Zero emissions by FY 2049-50. This holistic assessment covered every aspect of our operations, from manufacturing processes to value chain engagements. As a part of this study, we considered FY 2021-22 as the base year for Scope 1 and Scope 2 emissions while FY 2022-23 was considered as the base year for Scope 3 emissions. In FY 2021-22, our operations emitted Scope 1 and Scope 2 emissions amounting to 5.96 million tonnes of CO<sub>2</sub> equivalents (tCO<sub>2</sub>e). In FY 2022-23, 5.57 million tCO<sub>2</sub>e of Scope 3 emissions were emitted through our value chain operations. In FY 2022-23, Scope 1 and Scope 2 emissions accounted for 53% of our total GHG emissions, while Scope 3 emissions accounted for 47%. This data highlights the environmental impact of our operational and value chain activities, emphasising on the critical need to target these sources to meet our net zero emissions objective.

GHG Emission Distribution (FY 2022-23)  
(%)



Total GHG Emissions (Scope 1+2+3) = 11.91 million tCO<sub>2</sub>e  
GHG Emissions (Scope 1+2) = 6.34 million tCO<sub>2</sub>e

## Net Zero Vision

We aim to achieve net zero emissions by FY 2049-50, aligning with the Science Based Targets initiative (SBTi). Our strategic roadmap outlines the necessary steps and financial commitments to achieve reach this goal. By adhering to this detailed roadmap, we commit to implementing scientifically grounded and measurable targets that align with the goals of the Paris Agreement. We are also investing in research and development, leveraging our technical expertise, and collaborating with stakeholders to drive innovation and accelerate the transition to a low-carbon future.

## Net Zero Strategy

In developing our net zero strategy, we have analysed our current emissions and projected future emissions under a business-as-usual scenario, considering expected business growth. This analysis provides a clear understanding of our potential carbon footprint trajectory and the impact of our expansion on our emissions. By identifying emissions hotspots and prioritising reduction measures, we have established targets to reduce our greenhouse gas emissions in line with our net zero objectives.

## Decarbonising Our Operations

To reduce the GHG emissions from our operations, we have developed a pathway that incorporates major decarbonisation levers, including:

- 1 Deployment of renewable energy installations and enhanced procurement of renewable energy sources
- 2 Integration of alternative fuels into our production processes
- 3 Electrification of our operational infrastructure



## PATH TO NET ZERO

### NET ZERO BY FY 2049-50

#### Renewable Energy

Renewable capacity installation and renewable energy procurement through open access

Solar | Wind | Hybrid

#### Alternate Fuels

Bio-fuel mix with fossil fuel for energy and steam generation

Bio-mass mix | Biodiesel mix

#### Electrification

Replace traditional fossil fuel powered equipment and processes with electric alternatives

Our comprehensive approach spans across all business units, focusing on initiatives that minimise our carbon footprint while optimising efficiency and resilience. Here's a closer look at the strategic decarbonisation levers we are incorporating:

1

#### Deployment of Renewable Energy Installations and Procurement of Renewable Energy

Leading our decarbonisation efforts is the integration of renewable power. Our Chemical Business aims to source 25% of its electricity from renewables by FY 2024-25 and reduce GHG emissions (Scope 1 and Scope 2) by 30% by FY 2029-30, from a baseline of FY 2016-17 in the main product. The Textiles Business plans to increase renewable power share to 70% by the same year. We are reducing reliance on grid and coal-generated electricity by investing in solar, wind, and hybrid renewable installations and exploring partnerships with renewable energy developers.

2

#### Integration of Alternative Fuels into Our Processes

We are diversifying our fuel sources by integrating sustainable biomass-derived fuels such as biofuels, synthetic fuels, and hydrogen. This shift helps maintain operational efficiency and reduces carbon emissions, with initiatives like Grasim Premium Fabric unit using 100% bio-briquette in its boiler operations.

3

#### Electrification of Our Operations

Electrification is key to transitioning to a low-carbon economy. By replacing fossil fuels with electricity, ideally from renewable sources, we promote cleaner energy consumption and more sustainable practices. Electrification strategies include using electric boilers and heat pumps in our chemical and cellulosic fibre businesses to replace traditional coal-burning processes. Further integration of renewable sources and advanced technologies like battery storage systems and smart grids enhances the reliability and flexibility of our operations, accelerating our low-carbon transition.



#### Strategy to Decarbonise Our Supply Chain

As a forward-thinking organisation, we recognise the importance of reducing GHG emissions within our operations and across our entire value chain. Supplier engagement is pivotal in this effort, influencing upstream activities that contribute to our carbon footprint. By collaborating with our suppliers to decarbonise, we address a major portion of our environmental impact, mitigate climate-related risks, and align with global sustainability targets.

We have established robust mechanisms for continuous monitoring and reporting of Scope 3 emissions, which help us identify GHG emission hotspots and shape our supplier engagement strategies. Our process includes Risk Assessment, Supplier Performance Evaluation, and Corporate Governance & Sustainability, ensuring that all suppliers adhere

to our Code of Conduct and the Grasim and Aditya Birla Group's Sustainability Frameworks. These frameworks emphasise energy and carbon optimisation, cleaner technology adoption, renewable energy use, efficient natural resource use, pollution prevention, waste management, and advanced water management.

#### Internal Carbon Pricing (ICP)

To strategically direct our decarbonisation investments and assess the risks associated with transitioning to net-zero emissions, we have planned to implement internal carbon pricing. This tool is crucial for evaluating the financial implications of carbon emissions across our operations and investments and serves as a cornerstone of our ambition to achieve net-zero carbon emissions by 2050.

Following the COP26 climate talks and the completion of Article 6 of the Paris Agreement rulebook, the importance of ICP has been underscored. Adopting an ICP would help us in future proofing our business against future climate change regulations and helps us transition into a scenario involving carbon taxation by regulation. By evaluating our investments keeping ICP into consideration, we can analyse the impact of carbon pricing on the profitability of the projects in the long term.

By nurturing robust partnerships with our suppliers and implementing an Internal Carbon Pricing mechanism, Grasim is in a position to take significant strides towards a sustainable and resilient future.

# AWARDS AND RATINGS

## PERFORMING WITH CONVICTION

### ENVIRONMENT (E)



Sustainable Organisation 2023 by  
The Economic Times (Media)



Grasim Cellulosic Division Vilayat  
awarded CII-ITC Excellence in  
Environment Management 2023



CFY business awarded ICC Award  
2022 by Indian Chemical Council in  
Energy Conservation & Management

### SOCIAL (S)



Textiles Business certified as  
a 'Great Place to Work' 2024



Aditya Birla Insulators, Rishra  
awarded - ICC Social Impact 2024



Textiles Business awarded Golden  
Peacock CSR Award 2023

### GOVERNANCE & REPORTING (G)



Awarded Silver in BRSR-Large Cap  
(Manufacturing Sector) Sustainability  
Reporting Awards 2022-23 by the Institute  
of Chartered Accountants of India



Awarded "CII IP Award 2023 in  
Best Trademark Portfolio", in the  
category of Large Manufacturing/  
Engineering Companies



Textiles Business awarded CII – ITC  
Sustainability Award - Corporate  
Excellence Category 2023

### SUSTAINABILITY RATINGS\*

#### S&P GLOBAL CSA SCORE

# 68

S&P Dow Jones  
Indices

A Division of S&P Global

#### ESG RATING

# BBB

MSCI

#### CLIMATE CHANGE SCORE

# B

CDP

#### ESG RISK RATING

# 27.9

SUSTAINALYTICS

\* As on 31<sup>st</sup> March 2024





# FINANCIAL CAPITAL

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

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

#### Alignment with SDGs



## FY 2023-24 HIGHLIGHTS

**₹25,847** crore  
Revenue

**₹3,573** crore  
EBITDA

**₹5,900** crore  
Capital expenditure

**₹1,52,876** crore  
Market capitalisation\*

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

**1.67x**  
Net debt/EBITDA

\* As on 31<sup>st</sup> March 2024

## OUR APPROACH

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



#### Stakeholders Impacted

Government and Regulators  
Suppliers and Value  
Chain Partners  
Shareholders  
Customers  
Employees

#### Material Issues

Financial Performance  
Stakeholder Engagement  
Resource Efficiency  
Business Ethics  
and Compliance

#### Key Risks

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

#### Supporting / Aligned Policies

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

## FOCUS AREAS

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





## FINANCIAL CAPITAL

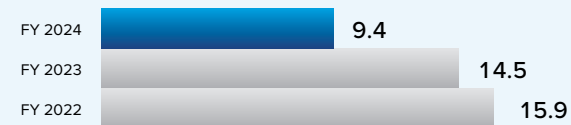
1

### RETURN-BASED APPROACH

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

RoACE\*  
(excl. CWIP) (%)

**9.4%**



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

2

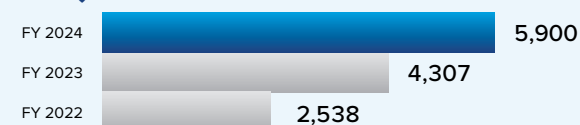
### CAPITAL ALLOCATION

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

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

Total Capex  
(₹ crore)

**₹5,900 crore**



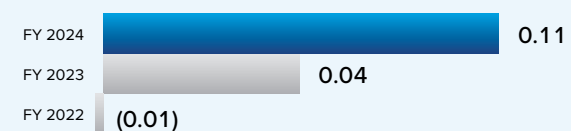
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### OPTIMAL CAPITAL STRUCTURE

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

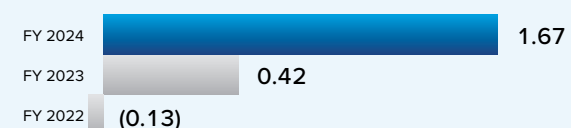
Net Debt to Equity  
(x)

**0.11x**



Net Debt to EBITDA  
(x)

**1.67x**



### CASE STUDY

#### Partnering with IFC for Sustainability and Diversification

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

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





## FINANCIAL CAPITAL

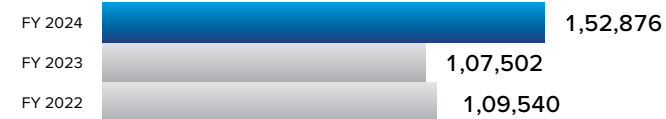
4

## VALUE CREATION

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

## Market Capitalisation

(₹ crore)

**₹1,52,876 crore**CASE  
STUDY

## Rights Issue

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

## Value Creation in Key Subsidiaries

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

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

5

## COST-FOCUSED STRUCTURE

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



## CONSOLIDATED FINANCIALS

## Net Revenue

(₹ crore)

**₹1,30,978 crore**

## EBITDA

(₹ crore)

**₹20,837 crore**

## PBT

(₹ crore)

**₹13,700 crore**

## STANDALONE FINANCIALS

## Net Revenue

(₹ crore)

**₹25,847 crore**

## EBITDA

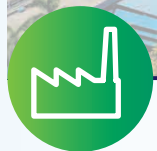
(₹ crore)

**₹3,573 crore**

## PBT

(₹ crore)

**₹1,202 crore**



# MANUFACTURED CAPITAL

Grasim's resilient manufacturing facilities, encompassing tangible assets, infrastructure, and technological prowess, propel our long-term sustainable growth. Our ongoing investments in cutting-edge technology and state-of-the-art manufacturing facilities optimise resource use, pioneering sustainable production methods in the industry. These scalable and innovation-driven facilities continue to be the cornerstone of our industry position, creating holistic value for our shareholders and communities while enhancing our environmental stewardship. All strategic decisions, rooted in our culture and commitment to excellence, originate from and are driven by our manufacturing units, embodying our pledge to be 'A Force for Good' in everything we do.

#### Alignment with SDGs



## FY 2023-24 HIGHLIGHTS

# 812

**KT**  
Cellulosic Staple Fibre  
production

# 1,200

**KT**  
Caustic Soda production

# 3

**Paints plants  
commissioned**

# 96%

**Capacity Utilisation  
(CSF)**

# 88%

**Capacity Utilisation  
(Caustic Soda)**

# 62%

**Chlorine Integration**

## OUR APPROACH

We have adopted a multi-faceted approach to building and scaling our manufacturing facilities to meet the dynamically changing needs of our customers as well as evolving regulatory, market and technology trends. Our core focus remains on building assets and infrastructure that optimise operational excellence, incorporate advanced technology to accelerate products and process innovation, and ensure the development of quality products that set new benchmarks in sustainability. Our dedication to quality extends to every aspect of our product portfolio. From Textiles to Paints, our products are crafted to meet the highest industry standards and exceed customer expectations.

Our investments in state-of-the-art technology continuously improve the efficiency and efficacy of our manufacturing processes while strengthening the integration of sustainable solutions across the production lifecycle. A focus on process stewardship enables us to optimise production flow and manage our resources, driving operational efficiency and cost-effectiveness.

# 842

**KTPA**  
Capacity of Cellulosic  
Staple Fibre

# 1,359

**KTPA**  
Capacity of Caustic Soda

#### Stakeholders Impacted

Employees  
Suppliers and Value  
Chain Partners  
Customers  
Government and Regulators  
Local Communities

#### Material Issues

Resource Efficiency  
Responsible Supply Chain  
Occupational Health and Safety  
Business Ethics  
and Compliance  
Product Stewardship  
Energy Consumption and  
GHG Emissions  
Quality and  
Customer Satisfaction

#### Key Risks

Strategic Risk  
External Risk  
Operational Risk  
Sustainability Risk  
Compliance Risk

#### Supporting / Aligned Policies

[Environmental Policy](#)  
[Energy and Carbon Policy](#)  
[Water Stewardship Policy](#)  
[Quality Policy](#)  
[Occupational Health Policy](#)  
[Safety Policy](#)  
[Suppliers Code of Conduct](#)  
[Responsible Supply  
Chain Policy](#)

## FOCUS AREAS

Operational Efficiency  
Capacity Expansion  
Product Stewardship  
Resource Management  
Quality Improvement  
Occupational Health and Safety  
Supply Chain Management



## MANUFACTURED CAPITAL

1

### OPERATIONAL EFFICIENCY

At Grasim, we focus on process efficiency to leverage our large production capacities effectively. We prioritise the continuous adoption of innovative measures to optimise our manufacturing processes for quality, sustainability, and efficiency. This approach enhances product quality and ensures timely fulfilment of customer demands, allowing us to scale operations efficiently and capitalise on market opportunities with speed and precision.



**100%**  
of our units are covered under  
ISO 14001 certification

#### CASE STUDY

#### Enhancing Operational Efficiency in the Chlor-Alkali Manufacturing Plant

Grasim's Chlor-Alkali manufacturing unit at Veraval faced the challenge of higher steam and auxiliary power usage per metric ton of caustic in Caustic Concentration Unit (CCU). This impacted our operational and cost efficiency, and led to an increased environmental footprint.

##### Methodology and Execution

To address these challenges, we launched an innovative project to reduce resource usage and enhance operational efficiency that focused on identifying and correcting inefficiencies in our processes and infrastructure to optimise steam and power consumption. The project focused on the installation of a new becorex within the CCU, enhancing the unit's alignment with industry benchmarks and significantly improving its operational performance at the facility.

##### Debottlenecking

To identify and remove bottlenecks in our CCU-1

##### Monthly Steam Trap Audits

To identify and plug any leaks or inefficiencies

##### Concentration Monitoring

Tracking and controlling concentration levels to reduce specific steam consumption

##### Insulation Surveys

To assess the effectiveness of insulation in reducing energy loss

##### Impact

The project yielded significant improvements in operational efficiency and resource utilisation at the plant. Overall, the initiatives resulted in recurring annual savings.

2

### CAPACITY EXPANSION

With our production capacity expansion of Cellulosic Staple Fibre (CSF), Cellulosic Fashion Yarn (CFY), and Caustic Soda, we are committed to excellence and innovation. Our dedication to excellence and innovation has enabled us to set industry benchmarks and shape the market landscape. With our unmatched production capabilities and commitment to quality, we continue to lead the way in meeting the diverse needs of our customers through responsible value creation.



Doubled the capacity for Speciality  
Chemicals to

**246** KTPA

3

### PRODUCT STEWARDSHIP

We are committed to product stewardship, which reflects our focus on environmentally responsible practices embedded in our corporate values. We recognise our responsibility to ensure the safety, sustainability, and integrity of our products throughout their entire lifecycle. From the sourcing of raw materials to manufacturing processes and distribution, we prioritise environmental stewardship and adhere to strict quality standards. Our policies, including environmental policy, supplier code of conduct, and wood fibre sourcing policy, enable us to advance product stewardship. We regularly review and update our policies to stay ahead of evolving market conditions and the regulatory landscape.

Our commitment extends beyond compliance with regulations; we proactively take measures to minimise environmental impact and enhance resource efficiency. Further, we encourage our suppliers to adopt similar principles, improving their processes and creating shared value.

We have effectively managed our sourcing of resources and reduced waste disposal to landfills and incineration. In FY 2023-24 we achieved 46% reduction in waste directed to landfill and recovered 94% of our waste generated.

For more information on waste management and circularity, please refer Natural Capital on **Page 122**

4

### RESOURCE MANAGEMENT

We promote the responsible use of energy, water, and material alongside waste management to maximise efficiency and minimise environmental impact. We strive to reduce energy consumption and water usage across our operations through innovative technologies and process optimisation. We also focus on sustainable sourcing and recycling of materials to minimise waste generation and promote circularity in our supply chain. By prioritising resource efficiency in all aspects of our business, we contribute to a more sustainable future for our Company and the environment, aligning with our principles environmental stewardship and corporate responsibility.





## MANUFACTURED CAPITAL

CASE  
STUDY**Enhancing Chiller Efficiency with Frigitech Solutions**

At Cellulosic Fashion Yarn unit at Veraval, we improved heat transfer rates and reduced energy consumption by addressing oil fouling within chiller tubes. This fouling acts as an insulator, reducing heat transfer efficiency and increasing energy consumption over time.

**Methodology and Execution**

To address this issue, we conducted a trial using Frigitech media in one of our Blue Star chillers. This cleared existing oil layers from the tubes, enhancing heat transfer efficiency and chiller performance.

**Impact**

The adoption of Frigitech solutions has led to tangible improvements in chiller efficiency, translating into substantial energy savings and enhanced operational performance.

**Liva Reviva: Transforming Textile Waste into Sustainable Fibres**

With up to 80% of textile waste ending up in landfills annually, the textile industry faces a critical challenge in achieving circularity in the value chain.

**Methodology and Execution**

Cellulose Staple Fibre developed Liva Reviva, an innovative material made from 30% recycled textile waste and 70% wood pulp. This product was developed in-house over 18 months. We implemented reverse logistics to gather suitable waste for product development, enhancing value for small-scale textile waste recyclers. This initiative also promotes upcycling, preventing valuable materials from being discarded as waste.

**Impact**

Liva Reviva has had a significant positive environmental impact. Its manufacturing process uses 65% less water than generic viscose and generates 50% lower GHG emissions based on the Higg MSI tool provided by SAC. Liva Reviva achieved top rankings for P&F business in Canopy Audits for 3 consecutive years, supporting the reduction of textile waste.

## 5

**QUALITY IMPROVEMENT**

Through rigorous research and development, along with stringent monitoring and management processes, we continuously enhance the quality of our products. This aligns with our commitment to delivering market-leading, sustainable products. By adhering to regulatory requirements, we ensure that our products meet the highest industry standards. We enhance product quality through continuous innovation and process optimisation across every step of the production process, from sourcing of raw materials to finished goods. Our focus on quality excellence drives us to exceed customer expectations and maintain our position as a trusted leader in the industry. Read more about our Quality Policy [here](#).

CASE  
STUDY**Innovating Sustainable Textiles with Excel Blends**

The textiles industry faces increasing demand from stakeholders to adopt sustainable practices amid growing environmental concerns. Traditional Open-End (OE) yarns, often associated with low-quality applications and cotton waste, pose challenges for the industry in meeting its sustainability goals. Mechanical recycling of cotton fibres yields inferior-quality materials, hindering efforts to create eco-friendly products.

**Methodology and Execution**

Grasim addresses these challenges with its innovative Excel blend, combining OE yarn structure with high-quality Excel fibre (lyocell). Excel fibre offers uniformity, strength, whiteness, and versatility, compensating for the shortcomings of recycled cotton fibres. Manufacturers can achieve superior yarn quality, productivity gains, and enhanced fabric properties by blending recycled cotton with Excel fibre.

**Impact**

The adoption of Birla Cellulose's Excel blend revolutionises mechanical recycled yarn production, offering a sustainable alternative to traditional OE yarns. As a result, brands are willing to move from the traditional blends to more sustainable blends. By replacing conventional yarn requirements with recycled cotton-Excel blends, companies enhance sustainability across their operations while meeting consumer demand for eco-conscious products.

## 6

**OCCUPATIONAL HEALTH AND SAFETY**

The safety and well-being of our employees is paramount for Grasim's continued success. We ensure a safe working environment through regular training, hazard identification, and risk assessment. We are deeply committed to ensuring the health and safety of our employees through an Occupational Health and Safety (OHS) management system. We have established robust policies and procedures to maintain a safe working environment, including our OHS policy. This helps us create a culture of safety awareness and accountability to protect our workforce and uphold our commitment to ensuring excellence in health and safety management. Additionally, we conduct regular safety audits and inspections to ensure compliance and continuously improve our safety standards.

➤ For more information refer to Human Capital on **Page 146**







## MANUFACTURED CAPITAL

### CASE STUDY

#### Health and Safety Improvements with a Battery-Operated Pallet Truck: Rishra

Shifting heavy scrap boxes in the production process posed significant ergonomic risks to operators. The manual handling required two workers to push and pull loaded scrap boxes, leading to physical strain and a high potential for musculoskeletal injuries. Navigating these loads through the facility, especially in areas with limited space or obstacles, further exacerbated these risks.

#### Methodology and Execution

To address these health and safety concerns, a Battery-Operated Pallet Truck (BOPT) was developed in collaboration with Mac Spare. This solution was designed to allow single operator handling of scrap boxes, thereby reducing the number of workers exposed to physical strain. The BOPT integrated essential safety features such as emergency brakes and load sensors, alongside comprehensive operator training to ensure safe usage. Additionally, the design was optimised to navigate the uneven surfaces and obstacles within the facility, ensuring stable and efficient operation across various terrains.

#### Impact

##### Enhanced Safety

The BOPT's safety features and operator training significantly reduced the risk of accidents and injuries associated with manual handling of heavy loads.

##### Reduced Physical Strain

By eliminating the need for manual pushing and pulling, the BOPT improved ergonomics and reduced the risk of musculoskeletal injuries among operators.

##### Operational Efficiency

The shift to single-operator handling streamlined the process of moving scrap boxes, contributing to a safer and more efficient production environment.

7

## SUPPLY CHAIN MANAGEMENT

Our success at establishing a sustainable supply chain expands the reach and impact of our responsible business practices. We prioritise ethical sourcing and mandate adherence to regulatory compliance and human rights principles, ensuring fair wages, safe working conditions, and ethical business practices across our value chain. Our supply chain management policies are designed to ensure efficiency, transparency, and ethical practices throughout our operations.

+ For more information, please refer Social and Relationship Capital on **Page 134**

We encourage our suppliers to actively seek innovative solutions by adopting the latest technologies and processes. This aims to enhance their operational sustainability. We also guide our suppliers in focusing on specific areas of their operations to enhance their operational efficiency and environmental performance. Additionally, our Supplier Code of Conduct ensures that our suppliers align with our approach, and are driven towards creating a responsible supply chain.

## NEW BUSINESS UPDATES



### Birla Opus

#### Project Update

We announced our entry into the Paints business in FY 2021-22 with an aim to launch by FY 2023-24. With our grit and commitment, we have successfully launched our brand 'Birla Opus' in March 2024, at our Panipat plant. In April 2024, we initiated commercial operations at three out of our six planned sites: Panipat, Cheyyar and Ludhiana. Commercial production at the three other sites is to start in phases by FY 2024-25.

Our 6 integrated plants shall have a total capacity of 1,332 MLPA. We have also set a target to become the second-largest player by capacity in the Indian decorative paints industry by the end of FY 2024-25. Leveraging our extensive experience in operations across various business sectors, we are expanding our presence and establishing distribution depots for Paints business across India.

#### Product Category

Birla Opus will be available across all decorative paints categories. Our product range across decorative paints includes Interior and Exterior Paints, Waterproofing, Enamels, and Wood Finishes. We ensure our products excel in quality, safety, and affordability. Our paint products are available through our B2B E-commerce platform, Birla Pivot, under the category of building materials.

#### Brand Identity and Advertising

We have a robust plan for establishing our brand identity. The advertisement promotion activities are progressing as per plan. We aim to craft a distinct and compelling brand image to resonate with our target audience. Concurrently, we are designing effective advertising campaigns to create awareness and generate buzz around the brand.

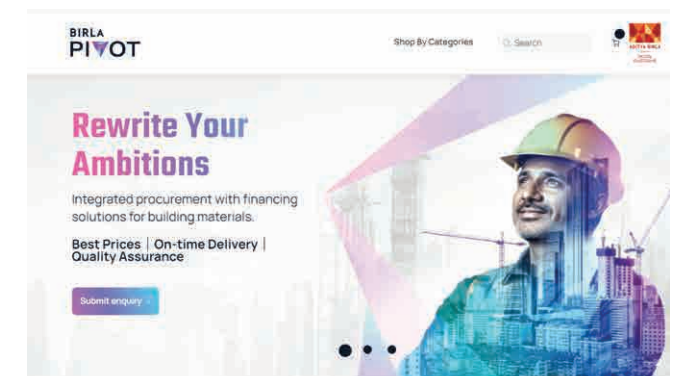
#### Capex Investment

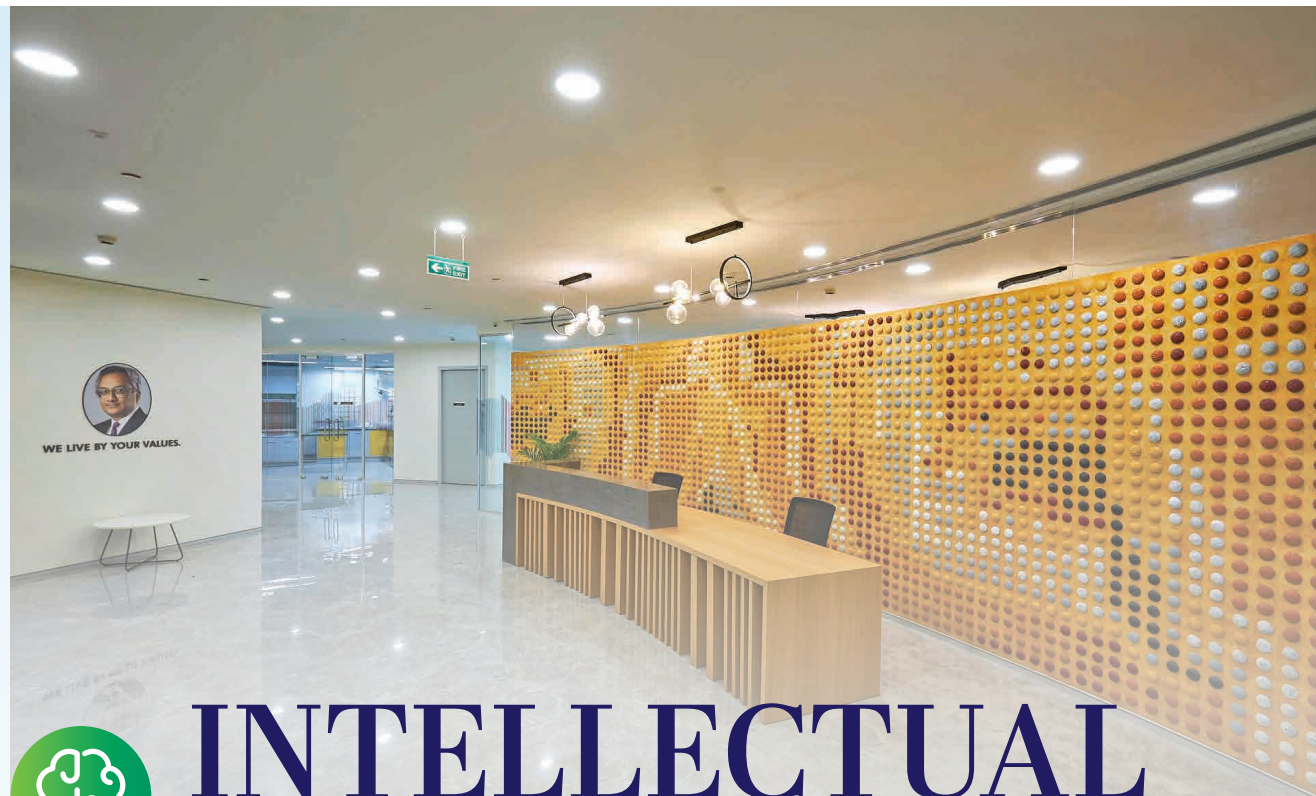
Our planned outlay for Paints business is ₹10,139 crore. As of 31<sup>st</sup> March 2024, about ~₹7,000 crore has been spent. This represents approximately 70% of the total planned investment, reflecting our commitment to the set timelines.

#### Birla Pivot

In FY 2023-24, Birla Pivot celebrated its first full year of operating a one-stop B2B E-commerce platform designed to revolutionise the business practices of Small and Medium Enterprises. Our platform enables contractors and retailers to procure high-quality buildings materials from various brands at competitive prices, with easy access to financing and a seamless delivery experience.

In our first year, we grew rapidly and expanded our offerings across 35 product categories, comprising over 18,000 Stock Keeping Units (SKUs) sourced from 150+ Indian and international brands. This extensive range of products has enhanced our brand visibility. We have successfully delivered over 200 orders across 25 states and union territories.





# INTELLECTUAL CAPITAL

At Grasim, we implement advanced technology to drive innovative breakthroughs that enhance our operations. Our expansive presence across industries offers numerous opportunities for pioneering new developments and creating value in all our endeavours. Our ethos, 'Force for Good', encapsulates our mission to do good and inspire even greater outcomes. The difference we make is a result of our work, our people, our outlook, and our conviction. With robust intellectual resources, we are building a stronger Grasim that transcends the tangible.

Our targeted efforts in scaling our innovation and knowledge base, people skills and technology prowess have allowed us to build a formidable foundation of intellectual capital. Our investments in these areas have equipped us to harness our intellectual capital optimally. Our focus on forward-thinking allows our people to push boundaries and create pioneering products and solutions that solidify our position as a preferred brand for customers.

#### Alignment with SDGs



## FY 2023-24 HIGHLIGHTS

**₹109** crore  
R&D expenditure

**9**  
R&D facilities

**53**  
Patents filed

**25**  
Patents granted

**282**  
R&D team

**3**  
Product innovations

## OUR APPROACH

Grasim's research and development (R&D) commitment has driven innovation and technological advancement across our operations. Our initiatives in new product development focus on creating leading-edge solutions to meet the evolving needs of our customers and address emerging market trends on time. Rigorous testing and collaborations with industry experts, research institutes, and our value chain partners enable us to focus on the quality and performance of our innovative products. Our multidisciplinary R&D team, consisting of expert scientists, designers, and engineers, spearheads advancements in key areas such as refining procedures, leveraging data analytics, and expanding operational capacities. Through cross-functional collaboration and a culture of experimentation, we remain agile, resilient and responsive to shifting market dynamics, customer preferences and regulations, ensuring sustained success.



#### Stakeholders Impacted

Customers  
Suppliers and Value  
Chain Partners  
Shareholders  
Employees

#### Material Issues

Innovation and R&D  
Digitalisation, Data Privacy  
and Security  
Product Stewardship  
Quality and  
Customer Satisfaction

#### Key Risks

Strategic Risk  
Operational Risk  
Knowledge Risk  
Emerging Risk

#### Supporting / Aligned Policies

[Environmental Policy](#)  
[Information Security Policy](#)  
[Quality Policy](#)

## FOCUS AREAS

New Product Development  
Product Stewardship  
Automation and Digitisation





## INTELLECTUAL CAPITAL

1

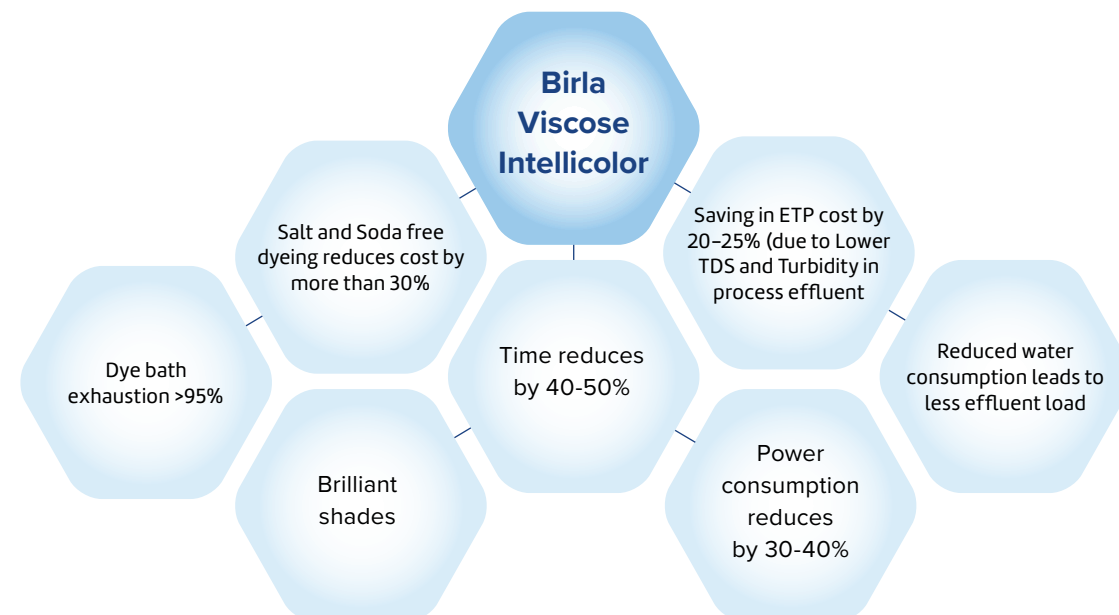
### NEW PRODUCT DEVELOPMENT

Grasim's Cellulosic Fibres and Chemicals businesses are pioneers in producing sustainable and innovative fibres and chemicals. We specialise in manufacturing high-quality man-made fibres, including Cellulosic Staple fibre, which are used in a variety of textile applications and can be blended widely with other man-made fibres and natural fibres like cotton, linen, etc. Our chemicals division produces essential materials such as caustic soda and allied chemicals, which are integral to various industries. As a future-fit organisation, we are advancing product innovation, with a focus on durability, resource efficiency, and minimal environmental impact.

This year, we introduced three such innovative products: Birla Viscose Intellicolor, Birla Viscose EcoSoft, and Birla SaFR (Flame Retardant Fibres).

#### Birla Viscose Intellicolor

Intellicolor is a fibre produced using a breakthrough dyeing technology that utilises cationic or basic dyes. Our patented Birla Viscose Intellicolor enhances conventional reactive dyeing by delivering brighter shades with deeper colours and lower environmental impact, eliminating the need for salt and soda ash. This reduces pollution and cuts treatment costs while streamlining operations. Additionally, Intellicolor reduces nitric oxide levels and boosts glutathione, delivering anti-ageing and antioxidant benefits. Fabrics dyed with Intellicolor maintain antibacterial and anti-odour properties, with a 95% reduction in ammonia even after 50 wash cycles.



#### Birla Viscose EcoSoft

Birla Viscose EcoSoft is an innovative bamboo viscose fibre that redefines sustainable fashion. Sourced from responsibly managed bamboo forests and FSC certified, EcoSoft is an eco-friendly alternative made entirely from bamboo pulp – known for its rapid growth and low resource needs. The fibres are breathable, aiding in thermo-regulation, and characterised by their soft textures, light weight, durability, and superior moisture management. Additionally, it features molecular tracer technology to ensure authenticity and transparency for each product through a transaction certificate.

#### Birla SaFR (Flame Retardant Fibres)

This phosphate-based, inherently flame-retardant fibre is designed for creating high-performance, eco-friendly flame-retardant fabrics. Our Birla SaFR fibres are 100% plant-based, made from sustainably sourced wood pulp, and produced in facilities that adhere to the highest global environmental standards.

### R&D INITIATIVES

#### Cellulosic Fibre Business

- Grasim's CFY business targets the silk market with innovative Cellulosic Fashion Yarn, progressing from successful lab proof to pilot plant investment.
- We are developing Excel fibre variants that reduce the need for special treatments, streamlining manufacturing and enhancing resource efficiency.
- Our Dull Yarn now features a tracer mechanism to improve traceability, resource use efficiency, and production transparency.
- At our new Harihar facility, we are scaling from a 3 kg to a 100 kg pilot plant to develop sustainable feedstocks and enhance pulp-making processes for greater efficiency and sustainability.

#### Chemicals Business

- Our Chemicals Business leads in sustainable plasticisers for vinyl polymers with Twist plasticiser AD84, optimising chlorinated fatty acid methyl esters to enhance PVC properties and address health and environmental concerns. Investment in specialised labs supports the rapid development and adoption of this greener solution.
- Speciality Chemicals has developed a toughened epoxy system for lightweight, rust-free Type 4 composite LPG and CNG cylinders, offering improved crack resistance, lower permeation loss, and better impact strength.
- We transformed out-of-specification ALCP material into valuable Polyaluminium Chloride, avoiding landfill costs and reducing environmental waste.
- We implemented a recycling plan for out-of-specification Aluminium Chlorohydrate.
- Solid byproducts from phosphoric acid production were repurposed into organic fertilisers meeting CPCB guidelines.
- We developed uses for a new liquid byproduct from high stability bleaching powder production, employing it for bleaching in textiles and paper, and for COD reduction in effluents.

### CASE STUDY

#### Pioneering Sustainable Athleisure Wear with Man-made Cellulosic Fibres

We recognise the fashion industry's responsibility to adopt sustainable practices while reducing environmental impact. However, the increasing prevalence and reliance on non-biodegradable synthetic fibres like polyester poses challenges for the industry to progress towards a greener future.

#### Solution

Birla Cellulose has developed sustainable Man-Made Cellulosic Fibres (MMFC), such as Modal and Micro Modal, derived from wood pulp for athleisure wear. These products act as biodegradable alternatives delivering superior comfort and performance.

#### Impact

The MMC fibres have revolutionised the athleisure wear market offering a blend of comfort, performance, and sustainability. These fibres align with global trends and strengthen the industry's commitment to circularity and eco-consciousness.



## INTELLECTUAL CAPITAL

2

### PRODUCT STEWARDSHIP

Our commitment to product stewardship drives us to integrate socially and environmentally responsible practices across the entire lifecycle of our products. We conduct Life Cycle Assessments (LCAs) to continuously evaluate our environmental impact. By embracing closed-loop systems, we minimise waste and enhance resource efficiency, promoting circularity throughout our operations. Our sustainable supply chain practices ensure ethical sourcing and responsible manufacturing. Moreover, we focus on improving energy efficiency, reducing emissions, and optimising resource utilisation to further reduce our environmental footprint. We hold ourselves to the highest standards of quality and safety, driving excellence in every aspect of our operations while prioritising customer satisfaction and environmental stewardship.

#### Key Partnerships

**Black Pigment Pilot Project:** In partnership with the Fashion for Good consortium, including key players like BESTSELLER, Birla Cellulose, Kering, and PVH Corp., as well as Paradise Textiles and startups Graviky Labs, Living Ink, and Nature Coatings, we launched the Black Pigment Pilot project. This initiative focuses on creating black dope-dyed fibre using pigments derived from waste sources like industrial carbon, algae, and wood, offering a sustainable alternative to synthetic dyes with reduced carbon impact.

**Algaeing Collaboration:** We work with Algaeing to develop innovative lyocell fibres coloured with natural nutrients from micro-algae, ideal for skin-contact apparel due to their enhanced comfort and environmental benefits.

**Weaving Partnerships:** Birla Cellulose collaborated with 1,500 weavers across seven states in India, supporting traditional crafts through sustainable practices. This effort aligns with the 'Make in India' initiative and involves comprehensive support including rural outreach, marketing, and post-production assistance. Our materials like viscose and modal, marketed under the LIVA brand, empower weavers to deliver high-quality, competitively priced products. Additionally, our innovations like the blended silk fabric make traditional fabrics more accessible, contributing to the economic, cultural, and social well-being of communities and promoting sustainable fashion.



#### Birla Cellulose's Strategic Alliance with Nisan Spintex

Birla Cellulose has formed a strategic alliance with Nisan Spintex, a leading spinning mill in Gujarat, to expand into India's major textile processing hub. By utilising AirJet Spinning technology to produce 100% Cellulosic Yarns, we are tapping into a sector that comprises over 60% of India's capacity. This collaboration, which began in April 2023, has included milestones such as TRADC visits, a partnership with Reiter, national tours, product quality assurance, and commercial support. Together, Birla Cellulose and Nisan Spintex have set a new standard in the textile industry, showcasing the effectiveness of collaboration and strategic innovation in driving sustainable progress.

#### Product and Method Innovations

Product and method innovation act as catalysts for growth and differentiation, refining our offerings and processes through constant experimentation. By embracing new technologies and methodologies, we aim to stay ahead of the curve and meet the evolving needs of our customers. We prioritise sustainable products and integrate new technology into our manufacturing processes to drive innovation. Our collaborations with start-ups and innovators enable us to pioneer circular and sustainable fibre solutions, harnessing the latest technologies and expertise to reduce waste and minimise environmental footprint.

#### CASE STUDY

##### Birla Cellulose's Journey to EcoSodium

The extraction of natural sodium sulphate poses significant environmental challenges, including resource depletion and biodiversity loss. Traditional methods of obtaining this vital chemical compound contribute to environmental degradation and strain on natural resources.

##### Solution

Birla Cellulose, in collaboration with BluWin Ltd., UK, evaluated the sustainable potential of recovered sodium sulphate from its CSF manufacturing process. A comprehensive evaluation and exploration process yielded possible ways to recover sodium sulphate (EcoSodium) and address the environmental concerns associated with traditional extraction methods, delivering benefits as outlined below:

##### Benchmark Standard

Birla Cellulose surpassed industry standards by recovering a substantial amount of sodium sulphate, setting a new benchmark for sustainability in the MMCF industry.

##### Wastewater Salinity Reduction

Increased recovery of sodium sulphate led to a reduction in wastewater salinity, enhancing water recycling efforts and promoting sustainable wastewater management practices.

##### Lowest Water Consumption

Higher recovery rates facilitated the production of CSF with the world's lowest water consumption, further contributing to environmental conservation efforts.

##### Impact

This initiative marks a significant milestone in our commitment to sustainability and responsible manufacturing practices. EcoSodium leverages advanced technologies to deliver superior performance while prioritising environmental responsibility, positioning the textile and fibre industry towards a sustainable and eco-friendly future.



## INTELLECTUAL CAPITAL

3

### AUTOMATION AND DIGITISATION

#### Automation

##### Synergy

- Our approach involves integrating functions through a collaborative and innovative process, navigating change effectively.
- Our cross-functional teams, comprising experts from marketing, manufacturing, and R&D, collaborate from ideation to market launch.

##### Agility

- We prioritise ongoing workforce development and technological advancement to swiftly adapt to market shifts.
- This enables us to enhance our strength and readiness for the future.

#### Core Competencies

##### Consolidation

- We leverage our experience and embrace advanced technology to ensure continuous improvement in our manufacturing processes.
- The Internet of Things, AI/ML, Big Data analytics, and digitisation have enabled the enhancement of manufacturing processes.

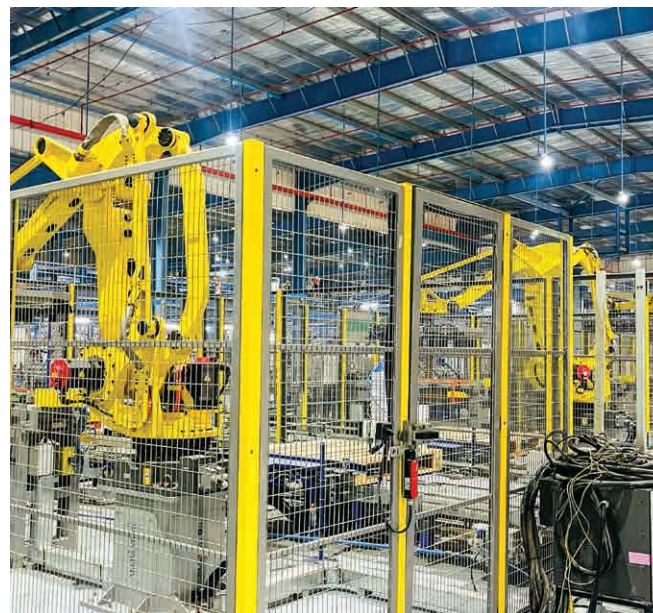
##### Collaboration

- We forge partnerships with customers, vendors, researchers, and technology providers to achieve our goals.

#### FOCUS AREAS

Continuous innovation is deeply ingrained in our organisational framework and aligns us with the evolving needs of our stakeholders. Our innovation endeavours focus on:

- Developing novel value-added products and enhancing product quality through innovative methods, while minimising material usage and reducing effluents and emissions to promote sustainability
- Embracing the digital revolution, leveraging advanced R&D facilities to drive innovation and maintain a competitive edge
- Committing to sustainability and excellence



#### CASE STUDY

##### ESG 360 Project: Streamlining Sustainability Reporting

Our journey toward enhanced sustainability reporting has been shaped by recognising historical challenges. Traditionally, manual data collection and analysis was time-consuming and error-prone, creating obstacles to standardised reporting across our operations. The complexities of our digital landscape and diverse data sources further complicated data sourcing and compilation of our annual Business Responsibility and Sustainability Report (BRSR).

To overcome these challenges, our Data & Analytics team introduced a solution utilising modern data management infrastructure, including the Grasim Sustainability Data Lake (G-SDL) and flexible data processing patterns. This simplifies the data collection process and integrates it into a unified data lake, enabling automated data flows to our online reporting platform with minimal human intervention, without any immediate amendments to our existing IT infrastructure.

By digitising and centralising our data collection processes, we are setting a foundation for more comprehensive reporting, enhanced data analytics, sustainability dashboard development, and future ESG benchmarking.

##### ESG 360 Project Coverage



##### Reporting automation

Digitisation and automation of various reporting frameworks such as BRSR, DJSI, CDP, etc.



##### ESG Benchmarking

Sustainability performance benchmarking with internal peers and external companies



##### ESG Data Management and Digitalisation

- ESG Data Management Module
- Direct capture and integration with data lake



##### ESG Analytics Dashboard

Dashboards for performance monitoring and comprehensive sustainability insights

#### Digitisation

To maintain our relevance and fortify our position in both the market and sustainability leadership, we are accelerating the digital transformation of our business. This involves integrating technologies such as digital dashboards, IoT, Artificial Intelligence, and Machine Learning throughout our operations lifecycle, including sourcing, manufacturing, distribution, customer engagement, and beyond. These initiatives streamline processes, enhance efficiency, and foster ongoing innovation.

Digital dashboards offer real-time insights into our operations, enabling proactive decision-making and optimisation of resources. IoT sensors facilitate predictive maintenance, minimising downtime and maximising productivity. Additionally, AI and ML algorithms analyse data to uncover patterns and trends, empowering us to make data-driven decisions for continuous improvement.

Digitise

Digitalise

Digital Transformation



## INTELLECTUAL CAPITAL

CASE  
STUDY**Digitisation at GCD Vilayat**

Grasim Cellulose Division (GCD), Vilayat, has integrated futuristic technologies to enhance efficiency, quality and sustainability across its operations. Through digital solutions and data-driven insights, we are revolutionising processes and optimising resource utilisation while strengthening the culture of innovation.

The multi-fold benefits of the digitisation journey are outlined here:

**Cost Savings****Steam Dashboard**

Real-time monitoring of steam consumption, deviation analysis, and trap health, leading to an estimated benefit of saving 10,000 MT of steam annually

**Power Plant Optimiser**

Load optimisation and coal consumption reduction, enhancing operational efficiency

**Automated Weighbridge**

Unmanned weighment integrated with SAP, improving the turn-around-time

**Quality Improvement****Laboratory System**

Automated lab data integration with SAP, resulting in a 20% productivity improvement

**Soft Sensor for OPU**

Data science model for predictive maintenance, ensuring proactive process control

**Reliability and Productivity****Digital Shopfloor**

Real-time data capture and reporting, leading to a 20% productivity improvement.

**Vibration Monitoring**

Real-time monitoring of critical assets, enhancing reliability

**Smart Asset Maintenance**

Asset lifecycle tracking and real-time reporting, resulting in a 5% OEE improvement

**Power Factor Monitoring**

Real-time monitoring and alerts for power factor improvement, leading to potential savings of ₹4 crore

**Supply Chain and People Safety****OTIF Scorecard**

Real-time analysis of order fulfilment, ensuring customer satisfaction

**VR-based Training**

Virtual reality-based safety training, minimising incidents

**Logistics Control Tower**

Tracking outbound fibre logistics from creation to customer delivery, strengthening customer centricity

**Connected Workmen**

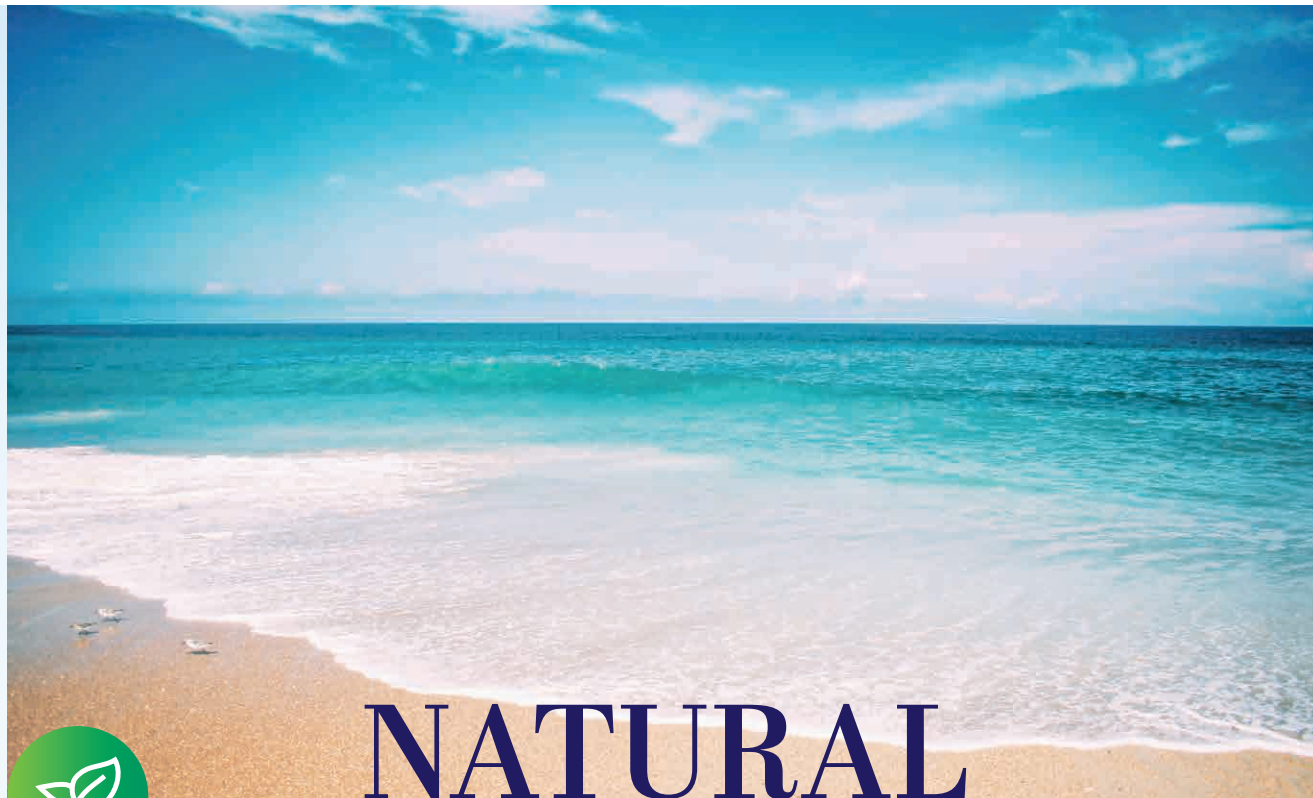
Real-time tracking of contract labour well-being, improving safety and productivity

**Dryer Vision**

Real-time monitoring of chain system, identifying wear and tear for proactive maintenance







# NATURAL CAPITAL

Grasim is deeply committed to integrating the principles of environmental stewardship into the core business operations. Given the nature of our industry, we rely heavily on the planet and its natural resources for most of our raw materials. Our goal is to achieve a net positive impact by leveraging our 'Force for Good' philosophy. Aligned with our country's goal to achieve Net Zero by 2070, we have set our target to reach this milestone by 2050.

As a responsible business, we have actively integrated policies and adopted technologically advanced solutions to manage our energy and water consumption, enhance the use of green energy and materials, and promote resource recycling and reuse. Through deliberate efforts, we preserve and enhance the natural capital of our environment enabling us to contribute to creating a greener planet and ensure the well-being of our stakeholders, both today and in the future.

#### Alignment with SDGs



## FY 2023-24 HIGHLIGHTS

### 6.7%

Renewable energy  
share in total energy  
consumption

### 14%

Reduction in Scope 3  
emissions year on year

### 46%

Reduction in waste  
directed to landfill

### 94%

Waste recovered  
through reuse &  
recycling

### 50%

Wastewater recycled  
as a proportion of total  
consumption

### 53,374

Trees planted

## OUR APPROACH

Sustainable use of natural resources is an essential part of Grasim's foundational values and is integral to our business approach. We encourage adoption of new processes and innovative technologies to enable development of eco-friendly products, while optimising resource and energy consumption. Our goal of protecting and enhancing natural capital is evident in our adoption of responsible practices, efficient resource utilisation, and continuous efforts to minimise environmental impact.



#### Stakeholders Impacted

Government and Regulators  
Suppliers and Value  
Chain Partners  
Shareholders  
Customers

#### Material Issues

Energy Consumption and  
GHG Emissions  
Water and Effluents  
Waste Management  
Responsible Supply Chain  
Climate Change Adaptation  
Resource Efficiency  
Air and Soil Pollution  
Biodiversity and Land Use

#### Key Risks

External Risk  
Compliance Risk  
Sustainability Risk  
Emerging Risk

#### Supporting / Aligned Policies

[Environment Policy](#)  
[Energy and Carbon Policy](#)  
[Water Stewardship Policy](#)  
[Biodiversity Policy](#)  
[Risk Management Policy](#)  
[Responsible Supply  
Chain Policy](#)  
[Wood Sourcing Policy](#)

## FOCUS AREAS

Climate Change  
Energy &  
Emissions Management  
Water stewardship  
Waste management  
Biodiversity  
Environmental Compliance

## NATURAL CAPITAL

1

### CLIMATE CHANGE

To address the impact of climate change we focus on reducing our GHG emissions through improved energy management. Our strategies include increasing our reliance on renewable energy and optimising energy consumption to reduce our carbon footprint. We are optimising our processes, adopting advanced technologies, and refining production strategies to lower the energy intensity of our operations, to achieve Net Zero emissions. Our climate change management initiatives are governed at the highest levels, with our Board setting strategic direction, and promoting a culture of innovation, transparency, and efficiency.

Our goal is to reach Net Zero emissions across all our businesses by 2050. To achieve this, each business unit is developing a tailored plan to reduce its GHG emissions, leveraging its unique strengths and capabilities to drive progress towards a sustainable future.

#### Our Climate-Related Risks and Opportunities

We have analysed the impact of climate change on our operations and have crafted a strategy centred on growth and innovation. Our sustainability efforts focus on decarbonisation, energy efficiency, renewable energy adoption, and the creation of sustainable products. These are key to our emission reduction goals and exemplify our pledge to contribute to a more sustainable and resilient future.

We use a systematic risk management methodology to continuously monitor and analyse possible risks. This approach involves company-wide multidisciplinary risk identification, assessment and management process to achieve strategic and business objectives.

In FY 2022-23, we published our TCFD report detailing climate change-related risks, opportunities and mitigation strategies. Read our TCFD report for more details on our climate-related risks and opportunities identified on our [website](#).



2

### ENERGY & EMISSION MANAGEMENT

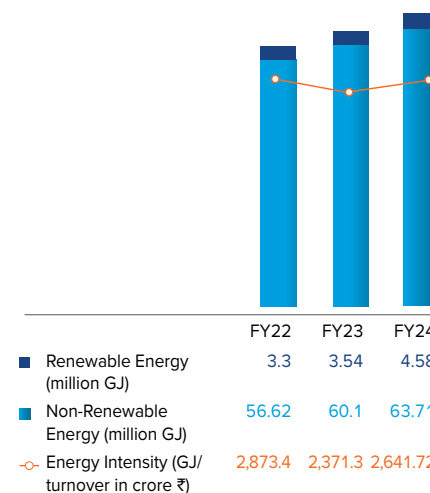
#### Energy Management

Our proactive approach to energy management includes a focus on innovative solutions and technology upgrades to reduce consumption and optimise energy usage. Our strategy relies on implementing state-of-the-art equipment and processes that prioritise energy efficiency, alongside a commitment to sourcing energy from renewable energy sources. We have increased our renewable power capacity share from 8% in FY 2022-23 to 11% in FY 2023-24.

We conduct regular internal audits to evaluate energy usage and identify improvement opportunities, have quantified targets and action plans for reducing energy usage, and provide regular employee training on energy management.

## PERFORMANCE

#### Total Energy Consumption

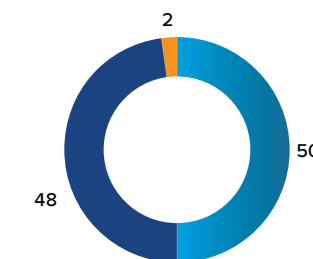


Note: Indicator covered under reasonable assurance scope

Our total energy consumption was 68.28 million GJ in FY 2023-24, 7.3% higher compared to FY 2022-23. The energy consumption profile of our operations includes energy generation from our coal captive power plants, from fossil and non-fossil fuels, purchased grid and renewable electricity and on-site renewable energy generation through our installed renewable capacity. To minimise reliance on grid electricity and fossil fuels, we are actively investing in renewable sources and energy-efficient technologies.

#### Non Renewable Energy Consumption

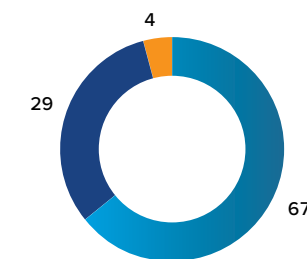
(Business segment wise %)



Cellulosic Fibres  
Chemicals  
Others (Textiles and Insulators)

#### Renewable Energy Consumption

(Business segment wise %)



Cellulosic Fibres  
Chemicals  
Others (Textiles and Insulators)



## ENERGY MANAGEMENT INITIATIVES

- Installed a Steep Lye pump equipped with a control device to adjust the pump's speed based on operational needs, leading to energy savings and better workflow synchronisation
- Upgraded from single-stage, single-cylinder, water-cooled compressors to more efficient two-stage, air-cooled compressors, reducing both energy consumption and water usage
- Replaced conventional ceiling fans with energy-efficient BLDC (Brushless DC) fans and converted exhaust fans from V-belt drives to more efficient flat belt drives
- Replaced reciprocating air compressors with more efficient screw compressors
- Replaced conventional cooling towers with mist-type fill-less cooling towers for the spin bath, improving cooling efficiency
- Implemented renewable energy sources to reduce our reliance on non-renewable electricity





## NATURAL CAPITAL

### Emission Management

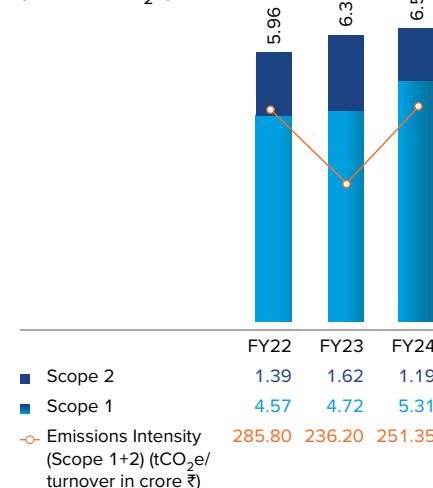
We aim to manage our GHG emissions through effective energy management and efficient utilisation of our production capacity and processes. In FY 2023-24, we strengthened our efforts to combat climate change by developing a comprehensive Net Zero roadmap with defined strategies and targets to reduce our carbon footprint. Our total Scope 1, Scope 2 and Scope 3 emissions in FY 2023-24 were 5.31, 1.19 and 4.85 million tCO<sub>2</sub>e, respectively.

### Air Emissions

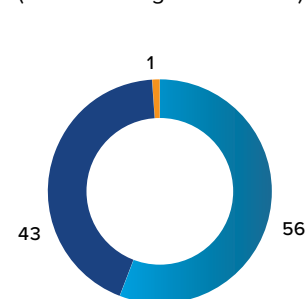
We regularly monitor emissions from our industrial stacks, focusing on pollutants like Sulphur Oxides (SO<sub>x</sub>), Nitrous Oxides (NO<sub>x</sub>), and Suspended Particulates (SPM), to ensure compliance with regulatory limits. We focus on constantly improving our systems through the adoption of efficient production practices and advanced technologies. Additionally, we have installed AAQ monitors at our facilities to gather real-time air quality data, further ensuring environmental compliance.

## PERFORMANCE

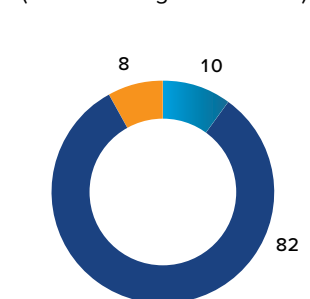
### GHG Emissions (Million tCO<sub>2</sub>e)



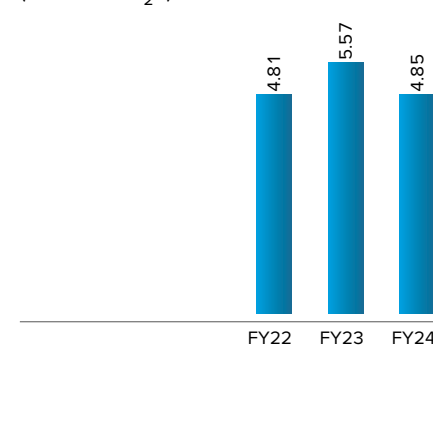
### Scope 1 (Business segment wise %)



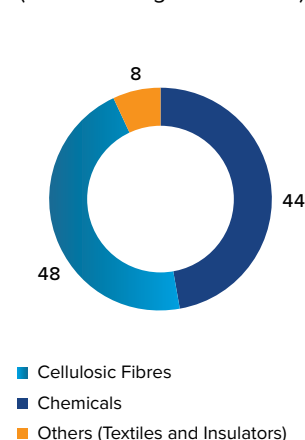
### Scope 2 (Business segment wise %)



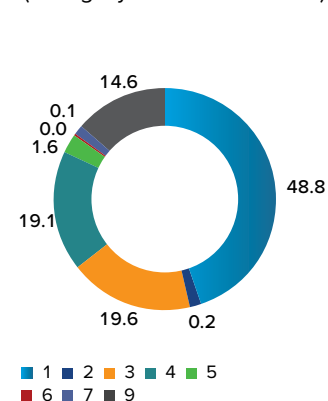
### Scope 3 (Million tCO<sub>2</sub>e)



### Scope 3 (Business segment wise %)



### Scope 3 (Category wise emissions %)

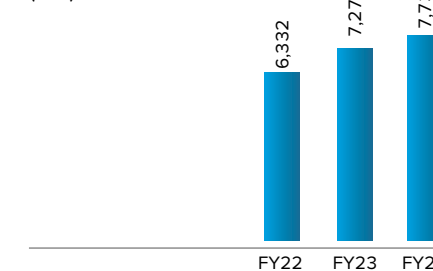


Note: 1. Scope 1 and 2 data is covered under reasonable assurance. Scope 3 data is covered under limited assurance.

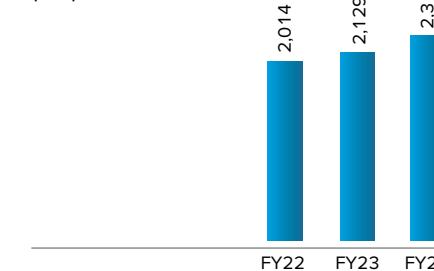
2. Scope 3 data includes category 1, 2, 3, 4, 5, 6, 7 & 9.

## PERFORMANCE

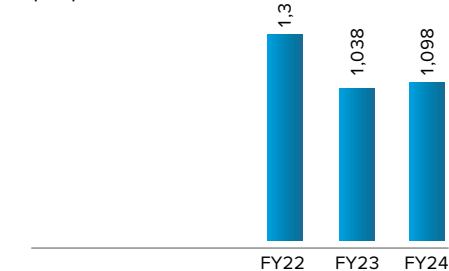
### SO<sub>x</sub> (MT)



### NO<sub>x</sub> (MT)



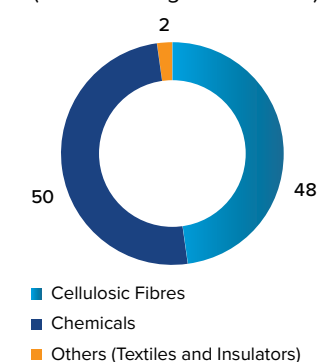
### SPM (MT)



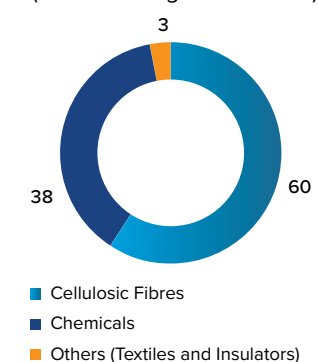
Note: Indicator covered under limited assurance scope

## BUSINESS-WISE AIR EMISSIONS

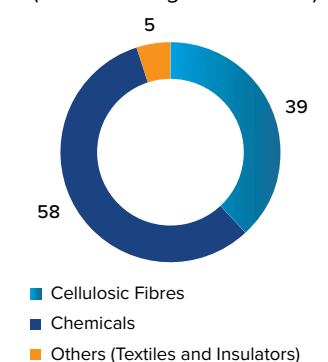
### SO<sub>x</sub> (Business segment wise %)



### NO<sub>x</sub> (Business segment wise %)



### SPM (Business segment wise %)



## 3

## WATER STEWARDSHIP

Our responsible water and affluent management practices are aligned with our sustainability goals. We focus on reducing freshwater use and enhancing water recycling through effective treatment processes. Advanced Zero Liquid Discharge (ZLD) plants across our manufacturing units efficiently treat wastewater for recycling in our processes. We ensure effective effluent management by regularly inspecting our plants and equipment and taking corrective actions needed. Through our initiatives, we surpass regulatory requirements and set a benchmark for responsible water management. Safeguarding and conserving water resources through robust water management practices and governance systems is integral to our commitment to water stewardship. Our comprehensive policy mandates the establishment of monitoring systems to measure and report on

water and effluent performance and guiding our water conservation efforts. Read our FY 2022-23 TCFD report for comprehensive insights into our water risk management practices - <https://www.grasim.com/Upload/PDF/tcfd-report-year-2022-23.pdf>.

We conduct regular internal audits to assess water usage and identify opportunities to improve usage efficiency. We have quantified targets and action plans to reduce water consumption, and provide regular employee training on water efficiency management.

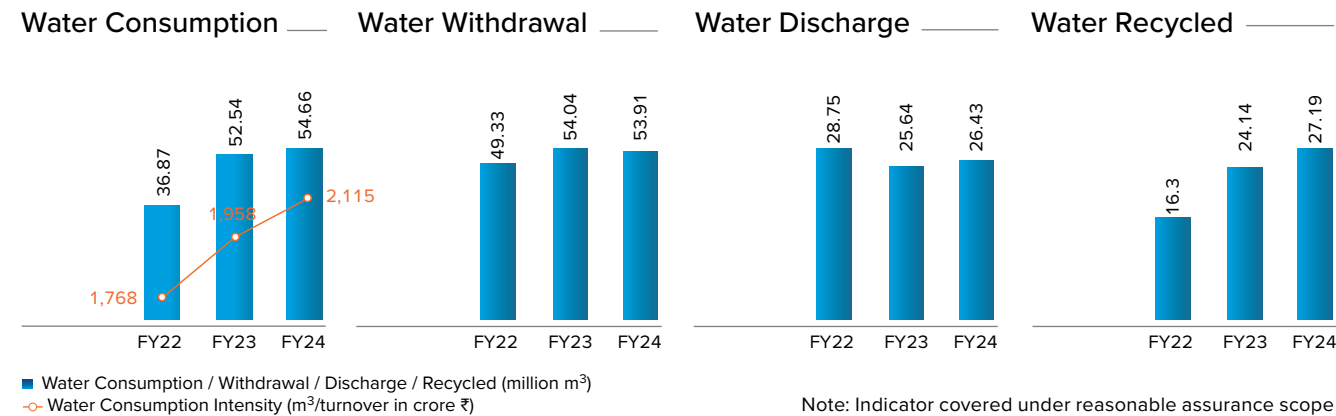
**12\***  
**ZLD plants**

\* One under commissioning

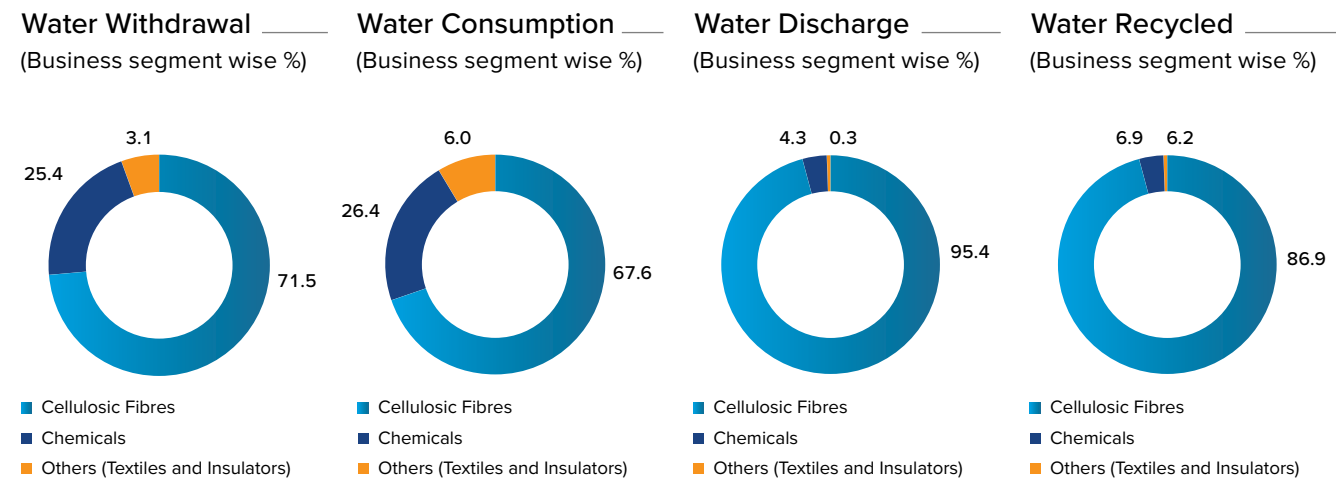


## NATURAL CAPITAL

## PERFORMANCE



## BUSINESS-WISE PERFORMANCE



## WATER STEWARDSHIP INITIATIVES

Our Cellulosic Staple Fibre business Intellicolor fibre has revolutionised the dyeing process by utilising cationic or basic dyes, significantly reducing dye input. This innovation achieves up to 95% dye bath exhaustion, resulting in brighter shades and superior colour depth while reducing water consumption and effluent generation. This results in savings of 20-25% in Effluent Treatment Plant (ETP) costs. Furthermore, the installation of the DMRO Plant has further optimised our operation by reducing the use of DM water, leading to improved efficiency, decreased chemical consumption, and enhanced system reliability through advanced DMRO technology.

CASE  
STUDIES

## Driving Water Sustainability through 12 MLD SWRO Plant Installation

Grasim has commissioned a 12 MLD Seawater Reverse Osmosis (SWRO) plant at its Cellulosic Fashion Yarn unit in Veraval. This plant uses innovative technology to harness seawater for industrial purposes while ensuring environmental responsibility. It will play a significant role in addressing water scarcity challenges in regions like Veraval and providing sustainable water resources for industrial use.

## Execution and Methodology

The project progressed through several key stages before establishing an efficient seawater intake and purification system. Initially, two HDPE intake pipelines were installed using horizontal boring techniques to draw seawater effectively. The seawater then underwent a pre-treatment including chemical dosing, sedimentation, and filtration using a Lamella system, to remove larger particles, debris, and organic matter.

Following this, the treated water passed through an ultra-filtration unit that eliminated solids, bacteria, and viruses. Subsequently, a high-pressure RO system with semi-permeable membranes purified the water by rejecting salts and impurities under applied pressure. To enhance efficiency, a Pressure Exchanger device was integrated to reclaim pressure at the RO outlet, achieving significant daily power savings. Finally, the concentrated brine or rejected water was responsibly discharged back into the ocean, adhering to environmental standards to minimise any disruption to marine ecosystems.

## Outcomes and Impact

The 12 MLD SWRO plant has strengthened water security by converting seawater into a dependable freshwater source, reducing reliance on freshwater reserves. It has also enhanced industrial productivity by offering a sustainable water supply, improving operational efficiency and reducing costs. The project has demonstrated environmental stewardship through responsible discharge practices, safeguarding marine biodiversity and upholding ecosystem integrity.

Furthermore, the integration of energy recovery devices has reduced carbon emissions. The deployment of the SWRO project promotes water sustainability, addresses supply issues, and enables carbon-neutral operations in water-scarce areas.

## 4

## WASTE MANAGEMENT

Operating across diverse industries, we recognise the environmental impacts and safety risks associated with improper waste management. As our operations generate various types of waste, including solvents, chemicals, plastic, textile, fly ash, battery waste, e-waste, construction and demolition waste, etc. proper handling, treatment, and disposal are essential. To address this, we have established a comprehensive waste management system that focuses on minimisation, recycling, and safe disposal. This system ensures compliance with regulations and supports our sustainability goals, including achieving zero waste to landfill. The majority of waste generated on our sites is either recycled, reused, or recovered, with a key focus on reducing waste sent to incineration or landfills.

We conduct regular internal audits to improve waste management. We have defined targets and action plans to reduce waste. We provide waste management training to all employees, and integrate recycling programs to divert waste from landfills.

**74%**  
Recovery rate for  
hazardous waste through  
reuse and recycling



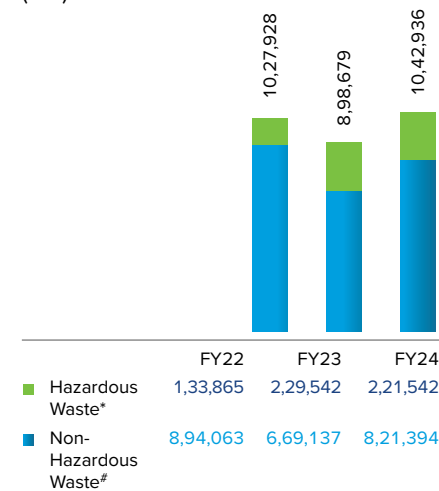


## NATURAL CAPITAL

## PERFORMANCE

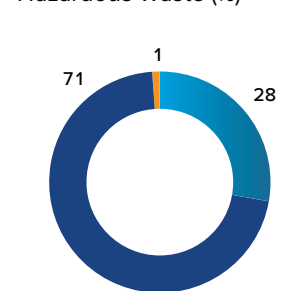
## Waste Generated

(MT)

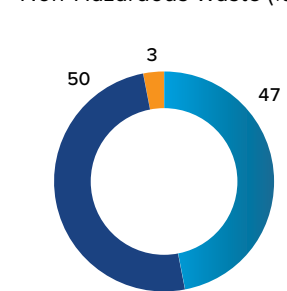


## Business-wise Waste Disposal

Hazardous Waste (%)

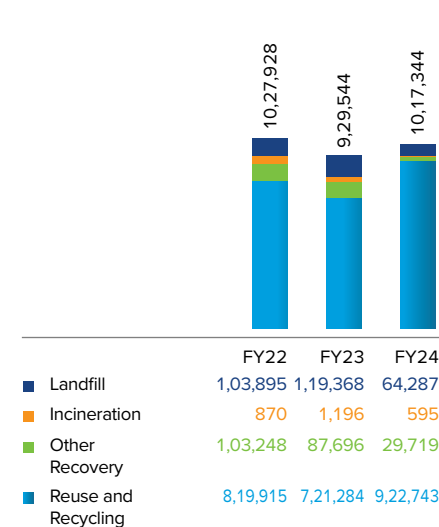


Non-Hazardous Waste (%)



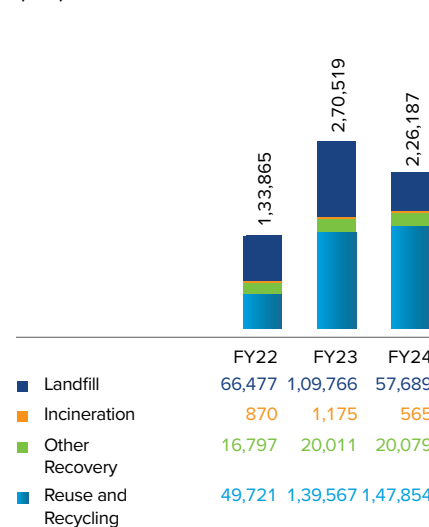
## Waste Disposal

(MT)



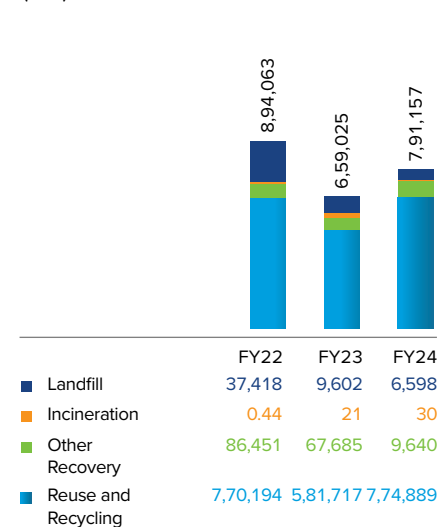
## Hazardous Waste\*

(MT)



## Non-Hazardous Waste#

(MT)



Note: Indicator covered under reasonable assurance scope.

\* Waste Categorised as per "Hazardous and Other Wastes Rules, 2016; E- Waste Management Rules, 2022; Biomedical Waste Management Rules, 2016; and Battery Waste Management Rules, 2022"

# Waste Categorised as per "Solid Waste Management Rules, 2016; Plastic Waste Management Rules, 2016; Construction and Demolition Waste Management Rules, 2016; and Flyash Notification, 2021"

## WASTE MANAGEMENT INITIATIVES

- Our technology to produce Liva Reviva Cellulosic fibre integrates up to 30% textile waste with wood from FSC-certified forests, supporting the circular economy.
- We enhance sustainability with use of recycled materials in our products. For example: By blending recycled cotton with our Excel fibres, fostering successful partnerships, such as our collaboration with SKG Mill and recognition by industry leaders like IKEA.
- To encourage recycling, we have installed plastic bottle crushers at railway stations and bus stands in Ludhiana, Chandigarh, and Amritsar.
- As part of our Corporate Environmental Responsibility (CER) plan, we distributed 5,500 paper and jute bags to schools and offices in Ludhiana to replace plastic bags, and 1,475 glass and metallic bottles to farmers and government offices to reduce plastic waste.
- The Full Circle Textiles Project aims to develop scalable, economically viable solutions for cellulosic chemical recycling, promoting a closed-loop system for sustainability.
- We improve waste management by carefully segregating waste at each site, and tailoring recycling and treatment efforts to specific needs.
- We utilise ETP sludge as gypsum (raw material) in cement manufacturing and co-process it with oil-soaked cotton, sulphur and cellulose waste as Alternative Fuel Resource (AFR) in cement plants.
- In collaboration with Zara and Evrnu, we have transformed unsold garments into eco-friendly clothing using NuCycl® technology and our Lyocell fibre production, showcasing the potential of circular solutions in the fashion industry.
- We created the 'Aditya Udyan' green belt using 1,507 MT of fly ash, planting 18,050 trees of 16 different species, and reclaiming 5,000 m<sup>2</sup> of land through the Miyawaki Plantation. Read more about 'Aditya Udyan' in the Biodiversity section on [Page 132](#).

## Fly Ash Utilisation at GRCD – Renukoot

At our Chemicals Division in Renukoot, we operate a 50 MW power plant using two coal-fired boilers that produced 1.27 Lakh Metric Tonnes (LMT) of fly ash in FY 2023-24. We utilise 100% of the produced fly ash, by transporting it to cement industries, filling low-lying areas, and manufacturing bricks and paver tiles in-house.

Each paver tile we produce contains 12.09% fly ash, while each fly ash brick contains 50% fly ash. This reduces our need for conventional red bricks, offering cost savings and environmental benefits.

## Making Manure from Waste

Our residential complex at GRC, Renukoot generates approximately 1.5 MT of domestic waste daily. We convert this waste into compost for our lush green spaces that cover 62% of our campus. The process includes collection, sorting, and bacterial and enzyme digestion. To date, we have produced 15.95 MT of compost from domestic waste and an additional 3.28 MT from food waste.

This initiative has strengthened our environmental stewardship and generated cost savings of approximately ₹2.5 lakh by reducing the need to purchase manure.

## Extended Producer Responsibility

Plastic is an integral part of our packaging, and we understand the responsibility that comes with its disposal. Following the Plastic Waste Management Rules, 2016, and subsequent amendments, we have registered as a Brand Owner on the Central Pollution Control Board (CPCB) centralised online portal. As part of our commitment to EPR,

Grasim has obtained Brand Owner registration and has submitted its EPR Plan to the CPCB in accordance with the guidelines. Grasim procures EPR Credits by recycling plastic waste (both pre-consumer and post-consumer) through the help of CPCB-registered Plastic Waste Processors (PWPs), categorised either as rigid or flexible.





## NATURAL CAPITAL

5

### BIODIVERSITY

Our approach emphasises strict compliance with biodiversity laws and regulations, ensuring responsible stewardship of natural resources. Guided by a robust biodiversity policy, we adopt best practices that respect and protect the environment, aiming for no net loss of biodiversity.

One of our key achievements this year is the successful planting of 53,374 trees adding to more than 7 lakh trees that we have already planted by FY 2022-23. We plan to enhance our conservation work through stakeholder collaboration and increasing our teams' biodiversity awareness. Read more about our Biodiversity Policy [here](#).

### BIODIVERSITY INITIATIVES

- Our sustained commitment at Grasim to preserve and enhance ancient and endangered forests within the MMCF supply chain has earned us the prestigious 'Dark Green Shirt' rating in Canopy's esteemed Hot Button Report 2023 for the fourth consecutive year.
- We remain focused on continuously improving our wood-sourcing practices, conserving forests, promoting innovative problem-solving approaches, and developing best-in-class fibres. These efforts prevent the deforestation of ancient forests for rayon and Cellulosic fibre production, providing sustainable alternatives that can be manufactured at scale.
- In line with our biodiversity policy, we have planned to initiate biodiversity assessment studies and develop roadmaps for reaching our goal of 'no net loss' of biodiversity.

### CASE STUDY

#### Aditya Udyan: Green Belt and Ecosystem Restoration Initiative

During the pandemic, Grasim faced challenges in transporting fly ash, leading to its storage within our industrial complex. Post-pandemic, to address this, we sought constructive repurposing of the area.



#### Implementation

Under guidance from statutory bodies and with government approval, we initiated the 'Aditya Udyan' project using the Miyawaki model of plantation to reclaim a fly ash-covered area. We planted trees from 16 different species, including neem and peepal, to create a dense, diverse ecosystem that enhances local biodiversity and stabilises the environment.



#### Outcomes and Impact

This approach quickly established dense foliage, preventing erosion and reducing water leaching. The project transformed the area into a vibrant habitat, improving local ecosystem services and serving as a carbon sink. It also provided employment to local community members, boosting the economy of the region. Aditya Udyan has reclaimed 5,000 m<sup>2</sup> of land, becoming a destination for nature enthusiasts and setting a precedent for sustainable industrial wasteland restoration.

## 18,050

Trees planted using Miyawaki model

6

### ENVIRONMENTAL COMPLIANCE

We prioritise environmental compliance across all facets of our operations and implement stringent measures to adhere to regulations and guidelines. Our dedicated team of environmental experts continuously monitors, evaluates, and implements best practices that go beyond mere compliance and legal requirements to enhance efficiencies. Regular audits and assessments help us identify areas for improvement and ensure ongoing compliance.

Our environmental policies are approved by the Board of Directors and demonstrate a high-level endorsement of our sustainability initiatives. We also conduct incident investigations and implement corrective actions when needed to proactively address environmental risks. We actively participate in relevant multi-stakeholder and industry initiatives to strengthen environmental standards and practices beyond our operations.







# SOCIAL AND RELATIONSHIP CAPITAL

At Grasim, our mission revolves around creating value by empowering our stakeholders – employees, customers, communities, and partners – who are central to the organisation. Our culture and operations embody this commitment, ensuring the impact aligns with our ethos of being 'A Force for Good'. We strive to have a positive influence on stakeholders' lives, going beyond traditional CSR activities, actively engaging in community work and supporting grassroots initiatives. By aligning our business goals with community needs, we build strong relationships with local communities, promoting sustainable livelihood and contributing to our nation's success.

#### Alignment with SDGs



## FY 2023-24 HIGHLIGHTS

**12.11** lakh  
CSR beneficiaries

**₹58.39** crore  
CSR spend

**311**  
Villages covered

**50%**  
Input materials sourced  
within India

**15%**  
Input materials sourced  
from MSMEs

## OUR APPROACH

We focus on creating an inclusive, transparent, and culturally sensitive environment that promotes compassion and care while strengthening the societal fabric in our operational regions. We deliver on this commitment through active engagement with communities, introducing sustainable development initiatives that uplift their lives and prioritise their well-being.

We recognise the importance of establishing robust and dependable networks with our suppliers and customers. By building strong relationships and understanding stakeholder needs, we are enhancing our operational excellence, ensuring the delivery of high-quality, innovative products through a reliable distribution network, and supporting customer satisfaction efforts.



#### Stakeholders Impacted

Local Communities  
NGOs, and Other Groups  
Suppliers and Value  
Chain Partners  
Customers

#### Material Issues

Customer Health and Safety  
Empowering Communities  
Responsible Supply Chain  
Quality and  
Customer Satisfaction  
Stakeholder Engagement  
Human Rights  
Organisational Resilience

#### Key Risks

External Risk  
Operational Risk  
Knowledge Risk  
Sustainability Risk  
Compliance Risk

#### Supporting / Aligned Policies

[CSR Policy](#)  
[Supplier Code of Conduct](#)  
[Responsible Supply  
Chain Policy](#)  
[Grievance  
Redressal Mechanism](#)  
[Human Rights Policy](#)  
[Quality Policy](#)  
[Information Security Policy](#)

## FOCUS AREAS

Social Responsibility  
Supply Chain Management  
Customer Relationship



## SOCIAL AND RELATIONSHIP CAPITAL

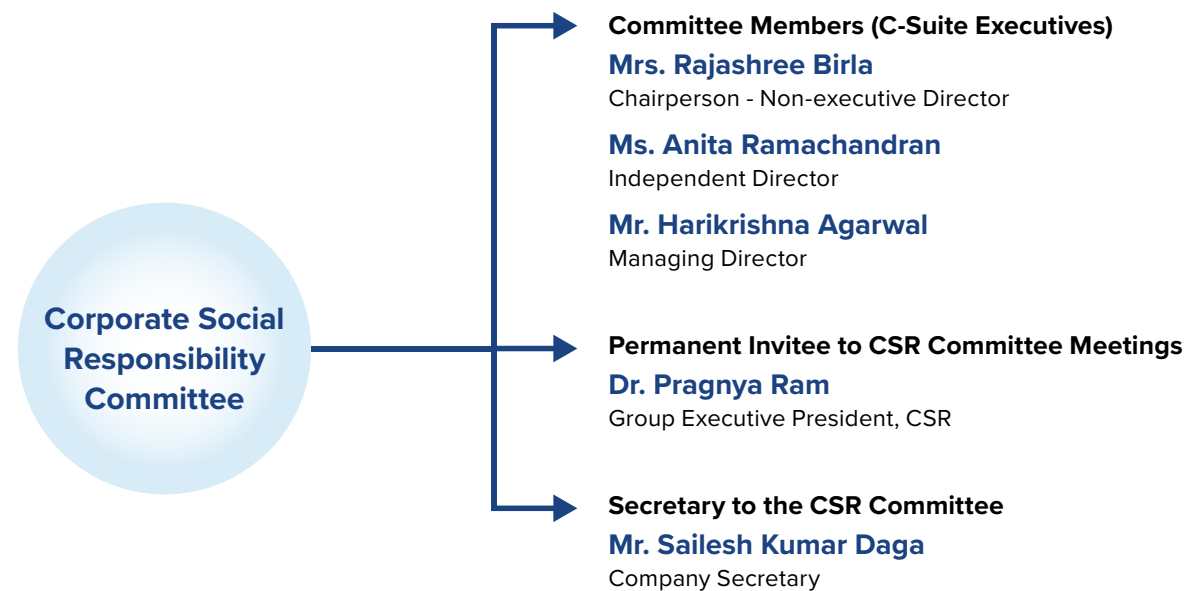
1

### SOCIAL RESPONSIBILITY

Grasim's CSR philosophy is rooted in the trusteeship concept of management introduced by our founder, Shri G. D. Birla. Our commitment to CSR reflects our long-standing values. We actively pursue welfare initiatives aimed at socio-economic empowerment to enhance the quality of life for the less privileged. Our comprehensive and accessible CSR Policy guides our efforts to develop and implement impactful solutions for underserved communities.

#### CSR Governance

Our CSR activities are implemented through the Aditya Birla Centre for Community Initiatives and Rural Development. Led by Mrs. Rajashree Birla, the Centre provides strategic direction for our CSR outreach and enhancement of community relations. Grasim has a dedicated CSR Committee at the Board level to oversee these activities.



The CSR Committee details the execution methods and implementation timelines. We have established a strong implementation framework with regular monitoring and a dedicated team across our units to ensure effective execution.

#### CSR Strategy

Environmental protection and social development are key components of our sustainable business practices. Driven by the Aditya Birla Group's 'We Care' philosophy, our CSR efforts are focused on transforming the lives of communities, particularly in rural and tribal areas. We support the creation of Self-Help Groups (SHGs), entrepreneurship, and Farmer Producer Organisations (FPOs) to foster self-reliance, economic independence, and social empowerment.

#### CSR beneficiaries

(Nos.)

### 12,10,513



\* includes COVID related beneficiaries

#### Community Engagement

Developmental projects within our CSR programme are identified by engaging community members. This helps us understand their core needs, facilitating appropriate interventions to address the identified gaps. Utilising a participatory rural appraisal mapping process aids in this endeavour. Regular consultations with village panchayats and other local stakeholders ensure a collaborative approach to project selection, planning, implementation, and the monitoring of both progress and impacts. We have clear communication channels and capacity-building initiatives for local stakeholders. We conduct regular surveys and stakeholder engagement programs at all local operations, to identify emerging concerns and track grievances.

#### Community Development Programmes

Our community development programmes span across 9 states, 15 districts and 311 villages in India. In FY 2023-24, our CSR initiatives impacted approximately 12.11 lakh individuals, with a total spend of ₹58.39 crore. Our projects focus on education, healthcare, sustainable livelihood, infrastructure development and social reform, epitomising a holistic approach to inclusive growth.

#### I. Education

Grasim strives to elevate the standard of education through collaborative efforts, capacity-building workshops, networking opportunities, and bolstering schools and Anganwadi centres. We also support:

- Formal schools
- Balwadis
- Quality elementary education
- Aditya Bal Vidya Mandirs
- Girl child education
- Non-formal education

## 90,674

No. of beneficiaries

| School Enrolment Programme                                                                                                                                                                                                          | Literacy Outreach                                                                                                                                                                                                                                                                                                                                                                                           | Project Gyanarjan                                                                                                                                                                                                                                                                                                                                   | Project Shishu                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Developed and implemented to ensure quality early childhood education at the anganwadi in Saiyedpura village, reaching 3,396 children.</p> |  <p>We work towards ensuring zero dropouts at our Aditya Bal Vidya Mandir by providing educational materials and uniforms to students. We distributed free notebooks to students from 1<sup>st</sup> to 10<sup>th</sup> standard in CSR village schools and distributed 70 wooden desks to 10 CSR village schools.</p> |  <p>We provided special coaching to 130 students from underprivileged backgrounds, between 10<sup>th</sup> and 12<sup>th</sup> standards, to excel in their Board examinations and competitive entrance examinations for engineering and medical sciences.</p> |  <p>Learning kits and sitting mats were provided to 150 Anganwadis, benefitting over 1,500 children.</p> |





## SOCIAL AND RELATIONSHIP CAPITAL

### II. Healthcare

We aim to broaden access to quality healthcare facilities for people living in rural and other underserved areas by extending our support to:

- Hospitals
- Primary health care centres
- Anganwadis
- Mother and Childcare projects

- Broad-based healthcare programmes like:
  - Immunisation with a thrust on polio eradication
  - Managing malnutrition
  - Adolescent health
  - Specialised support for the visually impaired and differently-abled
  - Awareness building for preventive health care
  - Non-communicable diseases

Grasim operates 5 hospitals in collaboration with the Grasim Jan Seva Trust, catering to approximately 1.57 lakh outpatient department (OPD) patients. Our healthcare services cater to individuals in need, with particular attention given to children, senior citizens, women, and marginalised communities.

**7,77,196**

**No. of Beneficiaries**

#### Delivery Room



We renovated the Delivery Room at the Halol Referral Hospital to improve maternal and child healthcare outcomes. The Insulators CSR team undertook the initiative to equip the room with modern delivery beds and other essential infrastructure to create a safe and comfortable environment for expectant mothers.

#### Artificial Limb Fitment Camp



In collaboration with Karnataka Marwari Youth Federation, Bengaluru, Grasim organised its 29<sup>th</sup> Free Artificial Limb Fitment Camp to mark the birth anniversary of Mr. Aditya Vikram Birla. In the reporting year, we have fitted 205 limbs and 20 hands for 225 Persons with Disabilities (PwDs) with an overall coverage of 4,641 people.

#### Rural Mobile General Health Check-up Camps



With the help of Grasim Medical Centre, we set up 1,031 daily Rural Mobile General Health Checkup Camps at remote CSR villages to ensure effective treatment and access to free medicines. This initiative benefitted 46,283 people.

#### Medical Services



A Blood Pressure and Sugar Screening Camp, a Larva Survey for the prevention of water and vector-borne diseases, Immunisation for Children, National Pulse Polio Drive and Health Check-up camp have been conducted in collaboration with local Primary Health Centres (PHC).

#### Project Arogya



We extended our outreach to the local community by providing OPD services to over 6,000 residents in the vicinity of the Aditya Birla Jan Seva Trust dispensary at Rishra, catering to their healthcare needs.

#### Cancer Screening Camp



A cervical cancer and breast cancer screening camp was organised in collaboration with the Rotary Club Kolkata Yuvis and catered to over 100 women in the community.

### III. Sustainable Livelihood

Our programmes are designed to improve livelihood opportunities to suit local circumstances and embrace environmentally sustainable practices. These include:

- Formation of Self-Help Groups to empower women
- Skill enhancement and vocational training
- Partnership with Industrial Training Institutes to build employable skills
- Agriculture development and better farmer focus
- Animal Husbandry
- Soil and Water Conservation
- Watershed Development
- Agro-Forestry



**1,41,275**  
**No. of Beneficiaries**

### Empowering Women and Rural Youth

#### Project Kaushalya – Skill Development Centre



To enhance rural employment and entrepreneurship, we provided manufacturing and services industry-oriented short-term skills training to 4,863 rural youth in the areas of retail sales, beauty and hair care, electrician, computer operator, and garment stitching. In FY 2023-24, we focused on training women, resulting in over 60% of the participants being young women and girls.

#### Project Anya



Through Project Anya, our CSR team procured and provided women members with waste fabric, and they converted them into face masks of varied designs and colours. Made of linen and natural fibre, the masks had anti-microbial properties and were distributed among community members at no cost. Additionally, 'Lakshmi Mahila Samiti' was instituted to empower women to access credit from formal financial institutions.

#### Enterprise Development



In FY 2023-24, our CSR teams developed 14 enterprises led by women, who engaged in the production and sales of various handmade items like candles, agarbattis, handicrafts, papads, and pickles to supplement their family income. Our CSR teams helped women entrepreneurs through product training, and infrastructure support, by providing seed funding and market linkages.

#### Self Help Groups (SHGs)



Grasim promotes and supports women by establishing Self Help Groups (SHGs). In FY 2023-24, 129 women SHGs were formed. In total, 450 SHGs are currently being supported through capacity building, training, production and market linkages.





## SOCIAL AND RELATIONSHIP CAPITAL

### Animal Husbandry

In FY 2023-24, the Bharatiya Agro Industries Foundation (BAIF) and Bharatiya Institute for Sustainable Livelihoods and Development (BISLD) enhanced the quality and well-being of cattle and livestock, positively impacting 27,931 beneficiaries.

#### Breed Improvement Programme



Artificial Insemination (AI) was utilised to help produce high-genetic potential animals, with 606 cases resulting in over 150 female calves. Each of the calves had a minimum value of ₹25,000 by the end of the second year. The programme involved providing doorstep AI services to farmers, leading to the breed improvement of 470 animals and benefiting 356 families. Additionally, our improved management practices on animal husbandry led to increased milk production and enhanced productivity.

#### Vaccination Campaigns



We took proactive steps to safeguard animal health by administering 6,029 vaccinations, 2,531 deworming procedures, and providing 92 mineral mixtures to prevent the spread of foot and mouth disease. Small ruminant deworming treatments covered 531 calves and 186 sheep and goats, effectively benefitting 717 animals and 324 families. Additionally, Grasim organised 3 health camps to provide curative healthcare measures that treated 318 animals and benefited 182 families.

#### Grasim Gokul Gaushala



To care for old, injured, and abandoned cattle and create awareness of cruelty against cows, Grasim established a modern gaushala spanning 14 acres. The facility that can house 1,000 free-roaming cattle is located at Takrawada Village of Nagda, Madhya Pradesh. Three cow sheds were constructed, and 856 cows were mobilised from nearby villages and the Nagda town after following an SOP, and in coordination with the veterinary department and government authority.

### Sustainable Agriculture

#### Project Krishak Samridhi

To enhance employment opportunities in agriculture and to promote agriculture as lucrative employment for more than 10,000 rural youth, Grasim created a sustainable value chain for agricultural produce and enhanced agricultural income in FY 2023-24. This involved promoting Farmer Producer Organisations (FPOs), developing Wadis, strengthening village-level institutions and supporting women agriculturists. We also offer training to rural youth in the cultivation, storage, grading, and packaging of high-value crops like orange, mushroom and dragonfruit.

#### Maize Seeds Distribution

The Grasim Jana Seva Trust, which works in the 10 villages of Ranebennur Taluk of Haveri District, distributed maize seeds for 1 acre of land to 47 marginalised women farmers in FY 2023-24. These lands were regularly monitored after sowing the seeds with regular feedback collected from the beneficiaries. This encouraged marginalised farmer women to harvest the crop on time. It was observed that the average amount received after selling the crop yield from the 1 acre of land increased to ₹58,000 with an average quantity of 20 quintals, resulting in a significant average profit of ₹38,000.

### IV. Infrastructure Development

In this space, we endeavour to set up essential services that create a strong foundation for sustainable development by offering:

- Basic infrastructure facilities
- Housing facilities
- Safe drinking water
- Sanitation & hygiene
- Renewable sources of energy

Grasim is actively engaged in improving the infrastructure within and around our operations to foster community development. Our efforts are directed towards improving the quality of life and empowering local communities. This includes initiatives such as building roads, schools, healthcare facilities, and other essential amenities that contribute to the well-being and progress of the community. By investing in such infrastructure, we aim to achieve sustainable and inclusive growth, thereby uplifting the overall socio-economic landscape of the regions we operate in.



#### Providing Well-equipped Learning Spaces

In FY 2023-24, we undertook the comprehensive renovation of the anganwadi at Saiyedpura village to strengthen its infrastructure and offer well-equipped learning spaces.



**1,45,104**  
No. of Beneficiaries

Our renovation efforts also include:

Construction of dedicated toilets and washroom facilities at the Government School in Nutan, Halol

Construction of a compound wall and layering of floor tiles at the Ananda Balawadi in Kavalettu village

Construction of a dining hall serving mid-day meals at the Government Higher Primary School in Nalavagala village

Construction and renovation of a new classroom at Prerna Vidhya Mandir, Kharach that benefitted 100 students from 9<sup>th</sup> and 10<sup>th</sup> standards





## SOCIAL AND RELATIONSHIP CAPITAL

### Water Conservation

#### Safe Drinking Water



To ensure safe drinking water at educational centres, we installed 2 solar water heaters, each with a capacity of 2,000 litres, at the Morarji Desai Residential School in Mekanur village. We also set up a robust RO system at the government school in Nutan, Halol.

#### Project Amrit Sarovar



We installed water purification systems and water coolers in five government schools, giving access to clean water to over 10,000 students. A water purification system and water chiller were installed at the Government ESI Hospital, Serampore to provide clean drinking water to patients and other visitors.

#### Project Amrit Sanchay



We installed a reliable rooftop rainwater harvesting structure at the Shimla Government High School building in Rishra Gram Panchayat to conserve groundwater and encourage students to adopt water conservation practices.

#### Project Jal



In association with other NRI donors, Grasim continues to enhance the water-holding capacity of the pond at Dayadra which has benefitted more than 2,500 people.

### V. Social Reforms and Development

To bring about social reform in our communities and achieve progress, we advocate and support:

- Dowry-less marriage
- Widow remarriage
- Awareness programmes on anti-social issues
- De-addiction campaigns and programmes
- Espousing basic moral values
- Gender equality
- Promoting participation in sports

We aim to drive positive social transformation through awareness building, dialogue and consultations. Our efforts extend across diverse sectors of society, aiming to address their unique challenges comprehensively.



**56,264**  
No. of beneficiaries

### Enhancing Awareness of Local Stakeholders

#### Health and Safety



We organise safety awareness campaigns, drives, sessions and training on Road Safety, Fire Safety, Disaster Management and LPG Safety with the involvement of gram panchayat members, village leaders, primary school children and other community members. We collaborated with the Gujarat State Disaster Management Authority (GSDMA) and the District Emergency Operation Centre (DEOC) to organise School Safety Week for primary school children.

#### Project Vikas



Under Project Vikas, we supported 300 families in slum areas through WASH and Sanitation awareness sessions and training. We distributed sanitary pads and napkins among 100 adolescent girls to spread menstrual hygiene awareness. We provided basic hygiene and WASH training to 100 children, safety shoes to 50 workers employed as rag pickers, and tarpaulin sheets to protect their dwellings from weather conditions.

2

## SUPPLY CHAIN MANAGEMENT

Supply chain sustainability is a key goal at Grasim. We collaborate with our partners to ensure sustainable practices that comply with all relevant laws and are in alignment with our ESG standards.

### Suppliers Management and Commitment

Our Supplier Code of Conduct (SCoC) guides our value chain sustainability efforts. This code highlights ESG integration in value creation, retention and enhancement through mutually beneficial relationships with our suppliers, vendors, third-party authorised contractors, consultants, and agents.

The SCoC outlines essential commitments for our value chain partners, emphasising Human Rights and Labour Practices with a zero-tolerance policy for forced or child labour, discrimination, and sexual harassment. It ensures fair wages, acceptable living conditions, defined working hours, stringent health and safety measures, effective grievance mechanisms, and the right to collective bargaining.

Environmental stewardship is an essential area of focus and requires partners to monitor and manage GHG emissions, and energy and water use, enhance biodiversity, and minimise pollution. Our procurement practices involve regular reviews with vendors to ensure compliance with these standards. Additionally, it enforces ethical business practices, including anti-corruption, anti-competitive practices, and managing conflicts of interest.

### Supplier Registration and Onboarding

We have a structured onboarding process that uses a detailed registration form to assess suppliers' compliance with legal and ESG standards. It collects all necessary information, such as certifications, financial health, and information on ESG parameters including human rights, environmental impacts, business ethics, etc.

### Supplier Screening and Identification

Our screening process evaluates potential suppliers on environmental, social, governance, and business criteria, ensuring alignment with our ESG objectives.



## SOCIAL AND RELATIONSHIP CAPITAL

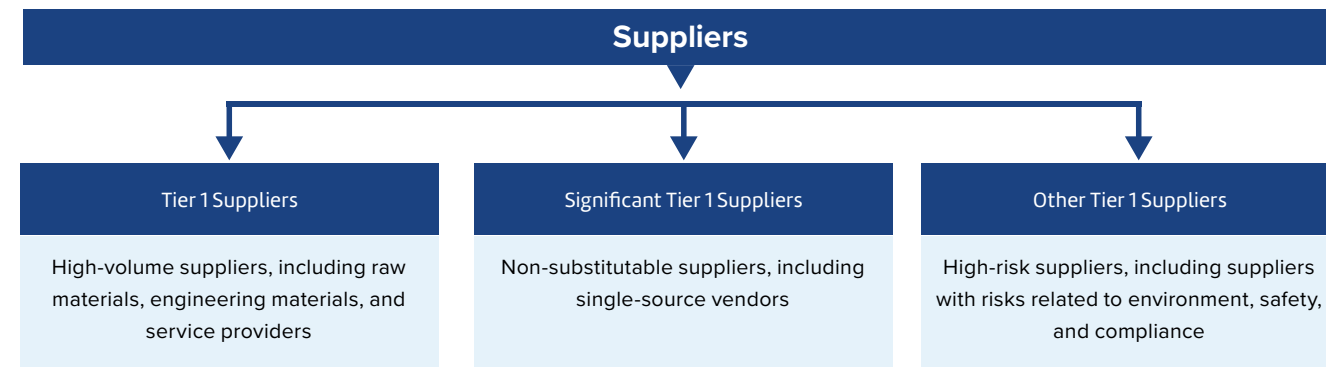
This involves desk assessments to verify the information received in the registration form and assessing the country-specific, sector-specific and commodity-specific risks.

Suppliers are categorised into Tier 1 and non-Tier 1, based on their direct supply role and procurement volume. Tier 1 suppliers refer to suppliers that directly supply goods, materials or services to our Company, whereas non-Tier 1 refers to suppliers that provide their products and services through Tier 1 suppliers.

Our supplier and vendor selection process includes the following considerations:

- About 10% weightage is assigned to ESG criteria relative to other factors such as price, quality, and delivery time
- About 5% of the total weightage is allocated to environmental, occupational health, safety and well-being
- Preferential inclusion of vendors and suppliers with better ESG performance through the application of weightage assigned for ESG criteria in supplier selection and contract awarding
- Exclusion of vendors and suppliers from contracting if they are unable to achieve minimum ESG requirements within a predetermined timeframe

Supplier assessments incorporating environmental and social considerations are undertaken annually, either by an independent third party through on-site visits, or internally through online surveys to thoroughly evaluate and identify key supply chain partners. Our suppliers are categorised as follows:



In line with our ESG commitments, we actively support our value chain partners by conducting annual self-assessments to identify potential risks, devise solutions and implement effective mitigation actions. Each supplier receives a performance rating and constructive feedback on how to enhance their systems and processes.

### Supplier ESG Programme

We have developed and implemented a comprehensive ESG programme to enhance the sustainability of our value chain partners. We ensure the alignment of purchasing practices with the Grasim's Supplier Code of Conduct to avoid potential conflicts with ESG requirements. We hold regular workshops and provide technical support to build capacity around key ESG areas such as social issues and human rights, environmental stewardship and decarbonisation, and diversity and inclusion. Our training sessions aim to enhance the performance of our partners, with continuous feedback gathered to address their concerns promptly.

We also train our contractors and internal stakeholders to participate in our Supplier ESG programme which is overseen by our Board-level Risk Management and Sustainability Committee. Furthermore, our vendor development process includes engaging with communities from vulnerable and marginalised groups, focusing on sustainable procurement from local vendors to optimise costs and create shared value.

### INITIATIVES

CSF business has initiated 'Project Synergy' for supplier sustainability assessment. The aim of this project is assess the business' critical suppliers for ESG related aspects. The business has engaged a third party to carry out this assessment. As a part of the assessment, suppliers will be guided through a specifically designed Sustainability Supplier Assessment Questionnaire (SAQ) and assisted in creating the required action plan. By means of this SAQ, comprehensive insights of our suppliers' sustainability practices are gathered.

### Sustainable Supply Chain Initiatives

- We reduce our carbon footprint by minimising the use of road transport and increasing our dependence on rail transport.
- We prioritise responsible sourcing, especially in our Cellulosic Fibre business.
- We adhere to globally recognised standards such as FSC®, SFI®, and PEFC™ by exclusively sourcing wood from sustainably managed forests.

- Our publicly accessible [Wood Fibre Sourcing Policy](#) ensures the traceability and validation of wood sources through internal mechanisms and stringent checks.
- We have implemented the 'Forest to Fashion' Initiative, a groundbreaking project in the apparel industry for supply-chain mapping and collaborating with global brands to trace raw material sources.
- Our publicly accessible [Grievance Redressal Policy](#) provides a channel for suppliers to submit their concerns via email.

3

## CUSTOMER RELATIONSHIP

We are committed to delivering the highest standards of products and services. We offer a range of differentiated products, services, and solutions tailored to meet the needs of various customer groups, including B2B (business accounts), B2C (individual consumers), and B2ECA (emerging corporate accounts). Our focus on integrating responsible practices and health and safety provisions, alongside the delivery of a superior customer experience at all touchpoints, has strengthened our customer reach.

### CUSTOMER OUTREACH THROUGH LIVA BY BIRLA CELLULOSE

Grasim recognises the importance of handspun and woven handloom fabrics in preserving India's cultural heritage. Under the LIVA brand, Birla Cellulose promotes sustainable and eco-friendly fashion using fibres like Viscose, Modal, and Excel. Through technical seminars, marketing activities, and awareness campaigns, we enhance visibility and support for the handloom sector. Our efforts also include rural outreach and market connectivity initiatives, actively creating economic and social opportunities for weavers and sustaining cultural value for consumers.

We measure progress on our customer engagement strategies through the Lakshya Channel Partner Loyalty programme, which rewards dealers for meeting sales targets. This programme has also helped expand our product range.

### Customer Satisfaction Index

We assess customer satisfaction using the Net Promoter Score (NPS), where customers rate their likelihood of recommending us on a scale of 1 to 10. A dedicated team conducts monthly feedback sessions across departments, focusing on key accounts. This feedback is relayed to sales representatives and zonal heads to promptly address any concerns.

### Customer Privacy and Data Protection

In today's digital age, protecting customer data is a top priority. We adhere to a detailed [Information Security Policy](#) that is publicly available, to ensure customer data protection. Our ISO 27000 certification underscores our commitment to data confidentiality and cybersecurity.

### Zero Instances of data breach





# HUMAN CAPITAL

The dedication and talent of our employees are the driving forces behind our operations, and we are deeply committed to nurturing a workplace that promotes their growth and well-being. We believe in the power of open communication, ensuring that every voice within our organisation is heard and valued. This sense of unity is a reflection of Grasim's core values and our aspiration to be 'A Force for Good' in everything we do. The diversity and inclusivity of our culture drive us toward our mission of achieving collective success and generating widespread benefits. Our vision is to establish a legacy of value creation grounded in our people who form the foundation of our forward-thinking strategy.

#### Alignment with SDGs



## FY 2023-24 HIGHLIGHTS

**45,929**  
Total workforce

**30,120**  
Workforce upskilled

**4%**  
Gender diversity in the  
workforce

**7%**  
Permanent workforce  
turnover rate

**7**  
Average training hours

**0.04**  
LTIFR – employees

## OUR APPROACH

At Grasim, we believe in the inherent potential of our employees and are fully committed to their growth and development in a fair, equitable, and transparent manner. We encourage every employee to achieve their personal and professional potential. Our workplace embraces diversity and maintains a zero-tolerance approach towards discrimination, ensuring an environment free of bias and prejudice. We strive to build an organisation based on merit, fostering an open, safe, and motivating work environment.



#### Stakeholders Impacted

Employees  
Local Communities  
Government and Regulators  
Suppliers and Value  
Chain Partners

#### Material Issues

Human Rights  
Diversity and Inclusion  
Occupational Health and Safety  
Responsible Supply Chain  
Employee Training and  
Skill Development

#### Key Risks

Strategic Risk  
Operational Risk  
Compliance Risk

#### Supporting / Aligned Policies

[Human Rights Policy](#)  
[Prevention of Sexual  
Harassment \(POSH\) Policy](#)  
[Diversity and Inclusion Policy](#)  
[Code of Conduct](#)  
[Grievance Handling Policy](#)  
[Whistle Blower Policy](#)  
[Occupational Health Policy](#)  
[Safety Policy](#)

## FOCUS AREAS

Talent Management  
Learning and Development  
Diversity and Inclusion  
Human Rights  
Employee Well-being  
Health and Safety



## HUMAN CAPITAL

1

### TALENT MANAGEMENT

Grasim's talent management strategy focuses on attracting, developing, and retaining high-performing employees to drive business. Our commitment to talent management is a key driver of success, enabling us to attract and retain the best talent for a sustainable and successful business. We implement several measures and initiatives to manage and retain our talent pool, and ensure their overall well-being and development.

#### Talent Attraction and Recruitment

Our business success and remarkable growth stem from our recruitment and nurturing of highly skilled employees who thrive in roles that are tailored to their strengths. By offering internal mobility across various departments and businesses, we empower our staff to carve out fulfilling career paths and realise their full potential. Additionally, we actively seek external talent, aiming to provide opportunities for those eager to launch or advance their careers in a supportive environment that fosters both professional and personal development.

12%

of our new hires were females  
(Permanent Workforce)

#### Talent Development

We ensure regular performance appraisals and career development opportunities, including skill upgradation initiatives and leadership development programmes. We do this for continued and proactive talent engagement and development. Our approach includes agile conversations and 360-degree feedback, offering multidimensional insights into performance and areas for growth. By engaging employees in various departments within the organisation, we help to diversify their experience. Further, we nurture future leaders by offering targeted opportunities within our leadership development programmes.

#### Talent Retention

For effective talent retention, we implement robust transition assistance programmes to facilitate continued employability and the effective management of employee careers. Moreover, we provide a variety of learning and development opportunities to promote professional growth.

Recognising our employees' contributions is also a priority. We appreciate their impact on the organisation's success with both monetary and non-monetary awards and recognitions. For instance, our 'Pride Award' is an aspirational recognition scheme for our valued employees, recognising exceptional contributions, noteworthy innovations, or modifications that have had a direct and significant impact on the business.

7%

Turnover rate for permanent  
workforce in FY 2023-24



#### Incentivising Sustainable Practices

We recognise the rising importance of environmental and social sustainability in our businesses. To accelerate progress, we collaborate with our employees and encourage them to actively participate in related activities, while providing extra incentives to those who contribute to improving processes and achieving ESG-related targets. Based on the achievement of the ESG goals and targets, we reward our employees at the end of the year.

2

### LEARNING AND DEVELOPMENT (L&D)

We prioritise nurturing personnel with tailored programmes and ample growth opportunities, integrating on-the-job training, digital learning, coaching, mentorship, and workshops. Our approach addresses safety, technical, behavioural, and managerial skills for diverse groups across various locations.

#### iLearn Policy

We have implemented the iLearn Policy, which embodies our commitment to employee development. The policy is aimed at ensuring holistic training for all employees and advancing their career growth. It focuses particularly on mid-career professionals, enhancing their expertise and cultivating specialised skills to support their professional growth.



#### L&D Framework

Our Learning and Development (L&D) Framework includes goal-oriented development plans and supports career growth through structured goal-setting and mid-year reviews. This ensures continuous progress and alignment between individual development and organisational objectives. We promote a developmental culture that encourages reflection, leadership advocacy, knowledge sharing, and cross-functional learning.

We have incorporated a Management Development Plan (MDP) in close collaboration with each employee's manager to improve performance, boost employability,

support career progression and prepare them for more demanding roles. The plan is structured to include 70% on-the-job learning (projects, customer visits, plant visits and secondments), 20% guided learning (coaching, mentoring and reverse mentoring), and 10% formal learning (instructor-led training, virtual classroom, simulations, and assessments).

1.2+ lakh hours  
Skill upgradation training

#### L&D Programmes

We ensure that our management keeps employees informed about their career growth initiatives through training programmes, counselling sessions, and workshops aimed at enhancing skills and fostering career advancement. Our employees undergo various training initiatives.

##### Shikhar Tak Safar

Programme for sharing best practices for excellence

##### E-Karigar

Online training modules and courses

##### Samarthya

Enhance professionalism and transform mindset

##### Focus 50

Fostering leaders for tomorrow

##### Lead the Change

Gearing Middle Management





## HUMAN CAPITAL



3

### DIVERSITY AND INCLUSION

Our core focus revolves around establishing an inclusive workplace that values a diverse workforce and nurtures their professional growth. Through our Diversity and Inclusion Policy, we actively seek, support, internally monitor and advance diverse talent. This fosters a culture of respect and inclusivity among team members across the Company.

#### Equal Opportunity Employer

As an equal opportunity employer, we are committed to building a workforce that comprises of people from diverse backgrounds and facets of life. We respect our employees and their experiences, continually working to enhance their journey at Grasim. From recruitment to retirement, we ensure equitable treatment for persons with disabilities, as demonstrated through our customised infrastructure, extensive job prospects, training, and growth initiatives. We maintain a workplace environment free from discrimination based on race, colour, nationality, religion, age, marital status, disabilities, gender, gender identity or expression, sexual orientation or individuals affected by HIV/AIDS and any other characteristics or status that is legally protected.

#### Fostering Inclusivity

Inclusivity remains core to our organisational culture, driving positive change and advancement at Grasim. Our commitment to inclusivity is reinforced by gender sensitisation workshops and trainings. Our senior leadership including our CHROs oversight across different initiatives on diversity and inclusion.

**3+** lakh

Training hours in FY 2023-24



4

### HUMAN RIGHTS

We uphold the principles of equality in line with the UN Global Compact (UNGC) Principles, OECD Due Diligence Guidance for Responsible Business Conduct, International Labour Organization Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights (UNGPs) and UN Sustainable Development Goals (UN SDGs). We have a zero tolerance towards human rights violations and non-compliances as evident through our extensive policy framework to address and protect human rights.

#### Human Rights Assessments

In line with our commitment to protecting human rights, we regularly conduct due diligence assessments to identify, assess, monitor, and mitigate potential adverse impacts within our business operations and supply chain. Our comprehensive human rights compliance assessments cover a wide range of issues.

These assessments ensure that we effectively manage human rights issues and resolve grievances from affected stakeholders. During the reporting year, no human rights violations were identified. Our Human Rights policy ensures that periodic assessments are conducted for human rights violations.

Our comprehensive human rights compliance assessments cover a wide range of issues, including:

|                                            |                                                                       |                                      |                                                               |                                                 |
|--------------------------------------------|-----------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------|-------------------------------------------------|
| Forced and Bonded Labour                   | Child Labour                                                          | Modern Slavery and Human Trafficking | Freedom of Association and the Right To Collective Bargaining | Rights to Minimum Wages and Fair Remuneration   |
| All Forms of Discrimination and harassment | Rights of Indigenous People, Minorities, and Marginalised Communities | Freedom of Expression                | Health and Safety and Better Working Conditions               | Overall Development and Well-being of Employees |

#### Human Rights Trainings

Through dedicated training sessions, we educate, train, and guide our employees, workers and security staff on human rights, discrimination awareness, diversity and inclusion, and proper incident reporting protocols. These sessions include mentorship programmes designed for all category of employees with diverse backgrounds.

We are committed to providing a work environment that is inclusive, safe, and free of sexual harassment for all employees, irrespective of the gender, sexual orientation, or difference in abilities. We prioritise this by implementing our Zero Tolerance Policy to Prevent & Redress Sexual Harassment at Workplace. We promote tailored initiatives to support women and provide comprehensive Prevention of Sexual Harassment (POSH) trainings. All our employees undergo POSH trainings annually.

**14,000+**  
Human rights  
training hours

**8,000+**  
POSH training hours

#### Human Rights Grievance Redressal

Our Human Rights Policy ensures access to the grievance redressal mechanism that provides a framework for timely resolution of grievances in a culturally appropriate manner. Under this mechanism, employees are free to report violations of applicable laws, regulations and Code of Conduct. If an employee raises a concern, they will not be under any risk in the form of retribution or retaliation. The Company does not tolerate any harassment or victimisation (informal pressure) against any employee raising concerns and will take appropriate action accordingly.





## HUMAN CAPITAL

5

### EMPLOYEE WELL-BEING

We proactively engage with our employees through open feedback channels, satisfaction surveys, sports tournaments, social events, team gatherings, and health & nutrition sessions for their empowerment and well-being. Our employee benefits package includes health insurance, life insurance, financial incentives, subsidised meals, transportation, and transition assistance programmes.

#### Employee Wellness Initiatives

All female employees are supported with maternity leave, childcare leave, flexible work arrangements, and Mediclaim coverage. Additionally, we have designated areas within the office premises for breastfeeding and a zone where

caretakers and children can stay. Our permanent male employees are entitled to paternal leaves. Moreover, our employees also have the option to take paid family leave to focus on ailing family members.

We proactively work on conducting awareness sessions, alongside monthly initiatives that focus on Happy Living, PCOD, breast cancer awareness, safety protocols, and managing mental health. Additionally, we regularly conduct health assessments and checkups, medical camps, and counselling sessions. All employees are offered quick access to doctors and OPD insurance for diagnostic tests. During the reporting period, we have implemented key initiatives to manage and retain our talent pool effectively.

#### AB Multiply App



We have launched a Wellness App, as a fitness initiative for employees working in the metro cities. This app offers gym sessions, health assessment, consultations, dieticians, health counsellors and mental health physiologists.

#### Prayas - Personal growth leads to organisational growth



Prayas is a mental health awareness initiative that includes all the cadres of employees. The programme contents are customised based on individual units' needs and requirements.

#### Embracing a new life post-retirement



We introduced a new post-retirement programme for employees to orient their life in a better manner with their partner, by keeping in consideration matters of health, wealth, legal matters, networking, etc.

#### Emotional Wellness Programmes



We conduct 'Emotional Wellness Programmes' across our sites to promote mutual respect and empathy for co-workers, self-worth, collaboration, and overcoming challenges. The programmes emphasise dealing with stress, daily meditation, teamwork for long-term progress, self-growth, and mindset development.

### Employee Satisfaction

Our success in fostering employee development and well-being becomes evident when employees feel their grievances are recorded, their voices and concerns are heard, and their issues are addressed effectively. We maintain a robust grievance redressal mechanism to manage all concerns raised by employees, ensuring they are handled with the utmost care and professionalism.

#### Employee Satisfaction Survey

We assess employee satisfaction through our Vibes Survey, conducted every alternate year, to evaluate the impact of our business strategies and well-being initiatives. These surveys assess key metrics such as stress levels, overall happiness, sense of purpose, and job satisfaction.

The feedback helps us identify successful efforts and areas for improvement. By focusing on these crucial aspects, we aim to create a supportive and fulfilling work environment. Further, continuous evaluation and adaptation based on survey results ensure that employee well-being remains a top priority.

### Employee Volunteering

Our employee volunteering initiatives aim at providing structured opportunities for effective employee engagement. In Vadodara and Mumbai, employees participated in workshops to assist differently abled individuals with entrepreneurial and job readiness skills, covering topics such as business essentials, financial literacy, and entrepreneurial development.

6

### HEALTH AND SAFETY

We maintain a conducive work environment and ensure safe working conditions for all employees, contractors, subcontractors, and workers. Our commitment extends to promoting physical well-being and preventing work-related stress, aiming to minimise absenteeism, enhance efficiency, and elevate the overall workplace experience.

#### Health and Safety Management

We have adopted an Occupational Health and Safety (OHS) management system in accordance with ISO 45001 across all units, ensuring adherence to laws, regulations, industry norms, and best practices. We have also developed robust operating guidelines to ensure effective contractor safety management.

Moreover, we conduct Hazard Identification and Risk Assessments (HIRA) as part of our health and safety management programme to systematically identify and mitigate risks effectively. To address potential hazards proactively, we implement preventive actions. Additionally, our programme includes Hazard and Operability Study (HAZOP) and prioritisation of action plans with quantified targets to manage these risks. We integrate actions to prepare for and respond to emergency situations, ensuring readiness across all operations.



We emphasise regular preventive maintenance to uphold the safe operation of equipment and processes. In the event of an incident, thorough investigation and root cause analysis guides us in implementing corrective actions. The insights gained from these investigations are shared widely across all units for continual safety improvement.

Our OHS issues are overseen by the Safety Committee, ensuring that all aspects of occupational health and safety are effectively managed and communicated to the Board of Directors. Routine safety examinations and independent third-party audits are undertaken to ensure compliance with safety protocols.

**100%****Sites Certified with  
ISO 45001 Certification**





## HUMAN CAPITAL

### CASE STUDY

#### Health Emergency Response Service (ERS) for Chemicals

Chemicals has established a robust safety system within its plant, alongside advanced vehicle tracking through a Central Control Tower. However, there was a critical gap in emergency support for roadside incidents during transportation. This lack of emergency response capability posed significant risks to public safety and the environment in case of accidents involving chemical shipments.

##### Methodology and Execution

To address this challenge, Chemicals contracted with Nicer Globe/ICC, becoming a registered member of ICC. This partnership enabled the implementation of an Emergency Response Service (ERS) specifically for roadside incidents. The ERS includes immediate on-site support from the agency in the event of an accident, with a Quick Response Team (QRT) always on standby. The QRT is equipped to handle local support, liaison with government bodies, site clearance, and trans-shipment. This measure ensures rapid and effective response to any incidents during transportation.

##### Impact

The implementation of the ERS has significantly enhanced the safety and preparedness of Chemicals' distribution activities. Key benefits include:

##### 1. Improved Incident Management

Immediate on-site support and quick response to roadside accidents minimise the impact of incidents.

##### 2. Enhanced Public and Environmental Safety

The primary objective of the ERS is to prevent and mitigate the consequences of transportation incidents, protecting both the general public and the environment.

##### 3. Efficient Coordination

The QRT's ability to liaise with government bodies and manage site clearance ensures swift and effective resolution of incidents.

##### 4. Increased Confidence

The establishment of a robust emergency support system reinforces Grasim Chemicals' commitment to safety and responsibility in its distribution operations.



#### Workplace Safety

We maintain a safe working environment through rigorous standards and practices. We utilise Personal Protective Equipment (PPE) matrix to identify and provide the appropriate PPE for each area and operation. Regular toolbox meetings are held to discuss safety practices and reinforce protocols. We also assign job roles to employees and workers who meet the specific health requirements necessary for the position.

Our Management conducts routine factory rounds to identify unsafe acts and conditions. Employees promptly report observed hazards, enabling corrective actions to mitigate risks and uphold a safe working environment. Thorough investigations of near misses help to identify root causes, leading to immediate action to enhance safety protocols and prevent recurrence. This systematic approach enhances vigilance and leads to continual improvement in safety practices across our operations.

#### Process Safety

We have an integrated approach towards the management of process safety risks associated with our business activities and operations, focusing on design safety, operational safety, and maintenance. Design safety ensures that all systems and processes are engineered to minimise risks from the outset, incorporating safety features and compliance with industry standards. Operational safety emphasises the safe use and management of machinery, including rigorous training for operators and strict adherence to safety protocols. Regular maintenance is conducted to avoid safety incidents, ensuring that all equipment is in optimal working condition and potential hazards are addressed proactively.

#### Health and Safety Training

Health and Safety training forms the foundation of a secure workplace environment. We conduct training programmes tailored to address specific risks and operational needs. For instance, to mitigate the significant risks associated with working at heights, we provide training on fall protection equipment and protocols. For hazards associated with confined spaces, we conduct training on emergency response procedures to mitigate accidents and injuries related to restricted entry points and ventilation. Additionally, we emphasise behaviour-based safety to encourage safe practices and proactive risk management among all employees and contractors.

We have adopted an employee safety programme that encompasses virtual reality training sessions focusing on height safety and night shift protocols, utilisation of Personal Protective Equipment (PPE), Self-Contained Breathing Apparatus (SCBA), scaffolding, and gas cylinders to ensure accident prevention and injury mitigation. Additionally, all employees are equipped with emergency preparedness through response plans and comprehensive training to enhance response efficiency and minimise the likelihood of potential accidents.

Our contractual agreements ensure compliance with all safety guidelines as specified in our Occupational Health Policy, Safety Policy and Supplier Code of Conduct. Through rigorous screening, we identify, assess, and monitor safety performance and risks. We also seek to develop objectives/targets regarding contractor safety, monitor contractor safety performance and report on contractor safety management.

**1.75+ lakh**  
Training hours on Occupational Health and Safety

#### Safety Performance

|                                  | Permanent Workforce | Contractual Workforce |
|----------------------------------|---------------------|-----------------------|
| Fatality (number)                | -                   | 3                     |
| LTI (number)                     | 1                   | 20                    |
| LTIFR (per Million Hours worked) | 0.04                | 0.30                  |

#### Occupational Health

Regular inspections and periodic health checkups are conducted to safeguard the occupational health of our workforce, and prevent, control and eliminate hazards to occupational health. Health assessment reports resulting from these health checkups are developed to ensure optimum occupational health standards across the organisation.



# INDEPENDENT ASSURANCE STATEMENT

To  
The Board of Directors  
Grasim Industries Limited  
Aditya Birla Centre, 'A' Wing, 2<sup>nd</sup> Floor,  
S.K. Ahire Marg, Worli, Mumbai-400030

## INDEPENDENT ASSURANCE STATEMENT ON BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR) DISCLOSURES AND INTEGRATED ANNUAL REPORT (IAR) FOR THE FINANCIAL YEAR 2023-24.

### Introduction and objective of engagement

Grasim Industries Limited (the 'Company') has developed its Business Responsibility and Sustainability Report ('BRSR') including the BRSR Core Indicators, based on the BRSR reporting guidelines prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct, 2018 (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard. The Company has also developed its Integrated Annual Report 2023-24 ('IAR') based on the principles of the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC). The BRSR would form a part of the IAR.

BDO India LLP (BDO) was engaged by the Company to provide independent assurance on select non-financial sustainability disclosures in the BRSR and IAR (the 'Report') for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

### The Company's responsibilities

The content of the Report and its presentation are the sole responsibilities of the Management of the Company. The Company's Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

### BDO's responsibility

BDO's responsibility, as agreed with the Management of the Company, is to provide assurance on the BRSR Core Indicators and those of IAR as described in the 'Scope & boundary of assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

### Assurance standard and criteria

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement", issued by the International Auditing and Standards Board.

We applied the criteria of 'Reasonable' Assurance for non-financial Core Indicators of BRSR (Business Responsibility & Sustainability Report), and criteria of 'Limited' Assurance for select non-financial information of the IAR (Integrated Annual Report).

### Scope & boundary of assurance

We have assured the BRSR Core Indicators<sup>1</sup>, selected BRSR Non-core Indicators and Integrated Annual Report sustainability indicators (as set out under Appendix 1 to this statement), pertaining to the Company's non-financial performance for the period 1<sup>st</sup> April 2023 through 31<sup>st</sup> March 2024. We understand that the financial information in the BRSR Core is derived from the Company's audited financial records.

The reporting scope and boundary cover the Company's operations.

### Assurance methodology

Our assurance process entailed conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. The physical verification on sample basis was carried out at the following locations:

- Corporate Office, Mumbai;
- Cellulosic Staple Fibre Division, Harihar;
- Cellulosic Staple Fibre Division, Chemicals Division, and Speciality Chemicals, Vilayat;
- Jayashree Textiles, Rishra;
- Chemicals Division, Renukoot;
- Cellulosic Staple Fibre Division, Chemicals Division, Nagda.

We used our professional judgement as Assurance Provider for selection of sample of the Company's locations/facilities and non-financial information for the verifications.

We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/omission of relevant information/data in the Report. Our review process included:

- Evaluate and assess the appropriateness of the quantification methods used to arrive at the non-financial/ sustainability information of the BRSR Core Indicators and IAR;
- Review of consistency of data/information within the Report as well as between the Report and source;
- Engagement through discussions with personnel at both corporate and plant/facility levels who are accountable for the data and information presented in the Report;
- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and management procedures, and related internal controls.

### Limitations & exclusions

There are inherent limitations in an assurance engagement, including, for example, the use of judgement and selective testing of data. Accordingly, there are possibilities that material misstatements in the sustainability information of the Report may remain undetected.

The assurance scope specifically excludes:

- Data and information outside the defined reporting period (1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024);
- Review of the 'economic and/or financial performance indicators' included in the Reports or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial records;
- The Company's statements and claims related to any topics other than those listed in the 'Scope and boundary of assurance';
- The Company's statements that describe qualitative/ quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

### Our observations

The sustainability disclosures of the Company, as defined under the scope and boundary of assurance, are fairly reliable. The Company may re-evaluate boundaries and categories under Scope 3 emissions estimations, as applicable.

Our above observations, however, do not affect our conclusion regarding the Report.

### Our conclusions

Based on the scope of our review, we concluded the following:

- Reasonable Assurance of BRSR Core indicators: The non-financial sustainability disclosures of the BRSR Core indicators as mentioned in 'Scope and boundary of assurance' reasonably fulfil the criteria of relevance, completeness, reliability, neutrality, and understandability as per 'reasonable' assurance criteria;
- Limited Assurance of selected indicators for BRSR (other than core) and IAR: Based on the procedures performed, nothing has come to our attention that causes us not to believe that the disclosures of the Company is presented fairly, in all material respects, in accordance with the relevant reporting guidelines/standards.

### Our assurance team and independence

BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organisation across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organisation. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India LLP

Indra Guha

Gurugram, Haryana  
8<sup>th</sup> July 2024

Partner| Sustainability & ESG  
Business Advisory Services

<sup>1</sup> SEBI vide Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023





## INDEPENDENT ASSURANCE STATEMENT

## APPENDIX 1

The sustainability non-financial indicators considered during the engagement are based on GRI Standard and BRSR Framework, as presented below.

## A. BRSR Core Indicators

| Sr. No. | Principle/ Indicator/ Reference          | Attribute                                                                | Parameter                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------|------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Principle 6-E7                           | Green-house gas (GHG) footprint                                          | 1. Total scope 1 emissions<br>2. Total scope 2 emissions<br>3. GHG emission Intensity (Scope 1 + 2):<br>a) Total Scope 1 and Scope 2 emissions per rupee of turnover<br>b) Total Scope 1 and Scope 2 emission per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>c) Total Scope 1 and Scope 2 emission intensity in terms of physical output                                                                                                           |
| 2       | Principle 6-E3<br>Principle 6-E4         | Water footprint                                                          | 1. Total water withdrawn<br>2. Total volume of water consumption<br>3. Water consumption intensity:<br>a) Water consumption per rupee of turnover<br>b) Water consumption per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>c) Water intensity in terms of physical output<br>4. Water Discharge by destination and levels of Treatment                                                                                                               |
| 3       | Principle 6-E1                           | Energy footprint                                                         | 1. Total energy consumed<br>2. % of energy consumed from renewable sources<br>3. Energy intensity:<br>a) Energy consumed per rupee of turnover<br>b) Energy consumed per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>c) Energy intensity in terms of physical output                                                                                                                                                                                |
| 4       | Principle 6 – E9                         | Embracing circularity- details related to waste management by the entity | 1. Total waste generated<br>2. Waste generated intensity:<br>a) Waste generated per rupee of turnover<br>b) Waste generated per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>c) Waste intensity in terms of physical output<br>3. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations<br>4. For each category of waste generated, total waste disposed by nature of disposal method |
| 5       | Principle 3 – E1(C)<br>Principle 3 – E11 | Enhancing employee wellbeing and Safety                                  | 1. Spending on measures towards well- being of employees and workers- cost incurred as a % of total revenue of the Company.<br>2. Details of safety related incidents for employees and workers<br>a) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)<br>b) Total recordable work-related injuries<br>c) No. of fatalities<br>d) High consequence work-related injury or ill-health (excluding fatalities)                                |
| 6       | Principle 5 – E3(b)<br>Principle 5 – E7  | Enabling Gender Diversity in Business                                    | 1. Gross wages paid to females as a % of total wages paid<br>2. Complaints on POSH<br>a) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)<br>b) Complaints on POSH as a % of female employees / workers<br>c) Complaints on POSH upheld                                                                                                                                              |
| 7       | Principle 8 – E4<br>Principle 8 – E5     | Enabling Inclusive Development                                           | 1. Input material sourced from following sources as % of total purchases Directly sourced from MSMEs/ small producers and directly from within India<br>2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost                                                                                                                                                               |
| 8       | Principle 9 – E7<br>Principle 1 – E8     | Fairness in Engaging with Customers and Suppliers                        | 1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events<br>2. Number of days of accounts payable                                                                                                                                                                                                                                                                                                       |

| Sr. No. | Principle/ Indicator/ Reference | Attribute             | Parameter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------|---------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9       | Principle 1 – E9                | Open-ness of business | 1. Concentration of purchases & sales done with trading houses, dealers, and related parties<br>a) Purchases from trading houses as % of total purchases<br>b) Number of trading houses where purchases are made from<br>c) Purchases from top 10 trading houses as % of total purchases from trading houses<br>d) Sales to dealers / distributors as % of total sales<br>e) Number of dealers / distributors to whom sales are made<br>f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors<br>2. Loans and advances & investments with related parties Share of RPTs (as respective % age) in:<br>a) Purchases<br>b) Sales<br>c) Loans & advances<br>d) Investments |

## B. BRSR Indicators

| Sr. No. | Principle Reference | Attribute                                                                               | Indicator Description                                                                                                                                                                                                                                                           |
|---------|---------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Section A-20        | Employees                                                                               | Details of employees and workers (including differently abled)                                                                                                                                                                                                                  |
| 2       | Section A-21        | Participation/Inclusion/Re presentation of women                                        | Number and percentage of Representation of Women in Board of Directors and Key Managerial Personnels                                                                                                                                                                            |
| 3       | Principle 3-E5      | Return to work and Retention rates of permanent employees                               | Return to work and retention rates of permanent employees and workers that took parental leave                                                                                                                                                                                  |
| 4       | Principle 3-E9      | Performance and career development                                                      | Details of performance and career development reviews of employees and workers                                                                                                                                                                                                  |
| 5       | Principle 6-E6      | Air emissions                                                                           | Details of air emissions (other than GHG emissions)*                                                                                                                                                                                                                            |
| 6       | Principle 6-L1      | Water withdrawal, consumption, and discharge in areas of water stress for each facility | 1. Name of the areas<br>2. Nature of operations<br>3. Water withdrawal, consumption and discharge:<br>a) Total volume of water consumption<br>b) Water intensity per rupee of turnover<br>c) Water discharge by destination and level of treatment<br>d) Total water discharged |
| 7       | Principle 6-L2      | Scope 3 emissions                                                                       | Total Scope 3 Emissions & its intensity                                                                                                                                                                                                                                         |

## C. GRI Indicators

| Sr. No. | Indicator Reference | Indicator Description                                                             |
|---------|---------------------|-----------------------------------------------------------------------------------|
| 1       | 302-1               | Energy consumption within the organisation                                        |
| 2       | 303-3               | Water withdrawal                                                                  |
| 3       | 303-4               | Water discharge                                                                   |
| 4       | 303-5               | Water consumption                                                                 |
| 5       | 305-1               | Direct (Scope 1) GHG Emissions                                                    |
| 6       | 305-2               | Energy indirect (Scope 2) GHG emissions                                           |
| 7       | 305-3               | Other indirect (Scope 3) GHG emissions                                            |
| 8       | 305-7               | Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and other significant air emissions* |
| 9       | 306-3               | Waste generated                                                                   |
| 10      | 2-7                 | Employees                                                                         |
| 11      | 401-3               | Parental leave                                                                    |
| 12      | 403-5               | Worker training on occupational health and safety                                 |
| 13      | 404-2               | Programs for upgrading employee skills and transition assistance programs         |
| 14      | 405-1               | Diversity of governance bodies and employees                                      |

Notes:

- For BRSR indicators, “E” denotes Essential Indicators and “L” denotes Leadership Indicators.
- \* In addition to GHG emissions, NOx, SOx, and PM emissions are covered under the scope of assurance.



SUSTAINABILITY DATA BOOK

| Sustainability Indicators                                                           | Unit                       | Businesses of Grasim Industries Limited |           |                                  | Total    |
|-------------------------------------------------------------------------------------|----------------------------|-----------------------------------------|-----------|----------------------------------|----------|
|                                                                                     |                            | Cellulosic Fibres                       | Chemicals | Others (Textiles and Insulators) |          |
| Energy and Emission                                                                 |                            |                                         |           |                                  |          |
| Energy Consumption                                                                  |                            |                                         |           |                                  |          |
| Non-Renewable Energy                                                                | Million GJ                 | 31.78                                   | 30.63     | 1.29                             | 63.71    |
| Renewable Energy                                                                    | Million GJ                 | 3.07                                    | 1.34      | 0.17                             | 4.58     |
| Total Energy Consumption                                                            | Million GJ                 | 34.85                                   | 31.97     | 1.46                             | 68.28    |
| GHG Emissions                                                                       |                            |                                         |           |                                  |          |
| Scope 1 (Direct Emissions)                                                          | Million tCO <sub>2</sub> e | 2.97                                    | 2.27      | 0.07                             | 5.31     |
| Scope 2 (Indirect Emissions)                                                        | Million tCO <sub>2</sub> e | 0.12                                    | 0.98      | 0.09                             | 1.19     |
| Scope 3 (Indirect Emissions)                                                        | Million tCO <sub>2</sub> e | 2.35                                    | 2.12      | 0.39                             | 4.85     |
| Category - 1 (Purchased Goods & Services)                                           | Million tCO <sub>2</sub> e | 1.02                                    | 0.85      | 0.30                             | 2.17     |
| Category - 2 (Capital Goods)                                                        | Million tCO <sub>2</sub> e | 0.00                                    | 0.00      | 0.00                             | 0.00     |
| Category - 3 (Fuel & Energy Related Activities not included in Scope 1 and Scope 2) | Million tCO <sub>2</sub> e | 0.33                                    | 0.58      | 0.03                             | 0.95     |
| Category - 4 (Upstream Transportation & Distribution)                               | Million tCO <sub>2</sub> e | 0.59                                    | 0.31      | 0.01                             | 0.92     |
| Category - 5 (Waste Generated in Operations)                                        | Million tCO <sub>2</sub> e | 0.04                                    | 0.02      | 0.00                             | 0.07     |
| Category - 6 (Business Travel)                                                      | Million tCO <sub>2</sub> e | 0.00                                    | 0.00      | 0.00                             | 0.00     |
| Category - 7 (Employee Commuting)                                                   | Million tCO <sub>2</sub> e | 0.00                                    | 0.00      | 0.00                             | 0.00     |
| Category - 9 (Downstream Transportation & Distribution)                             | Million tCO <sub>2</sub> e | 0.34                                    | 0.33      | 0.02                             | 0.70     |
| Total Emissions (Scope 1 + Scope 2)                                                 | Million tCO <sub>2</sub> e | 3.09                                    | 3.25      | 0.16                             | 6.50     |
| Total Emissions (Scope 1 + Scope 2 + Scope 3)                                       | Million tCO <sub>2</sub> e | 5.44                                    | 5.37      | 0.54                             | 11.35    |
| Biogenic Emissions                                                                  |                            |                                         |           |                                  |          |
| Total Biogenic Emissions                                                            | Million tCO <sub>2</sub> e | 0.25                                    | 0.001     | 0.01                             | 0.26     |
| Non-GHG Air Emissions                                                               |                            |                                         |           |                                  |          |
| Oxides of Sulphur (SOx)                                                             | MT                         | 4,632.45                                | 2,965.15  | 137.66                           | 7,735.26 |
| Oxides of Nitrogen (NOx)                                                            | MT                         | 906.83                                  | 1,335.71  | 76.74                            | 2,319.28 |
| Suspended Particulate Matter (SPM)                                                  | MT                         | 570.83                                  | 472.27    | 54.63                            | 1,097.72 |
| Water and Wastewater                                                                |                            |                                         |           |                                  |          |
| Water Withdrawal                                                                    |                            |                                         |           |                                  |          |
| Sea Water                                                                           | Million Cubic Metre        | 1.30                                    | -         | -                                | 1.30     |
| Surface Water                                                                       | Million Cubic Metre        | 29.97                                   | 7.00      | 0.10                             | 37.08    |
| Ground Water                                                                        | Million Cubic Metre        | -                                       | 0.98      | 1.42                             | 2.41     |
| Third Party (Public / Private Utility)                                              | Million Cubic Metre        | 7.27                                    | 5.56      | 0.17                             | 13.01    |
| Others (Rainwater Storage)                                                          | Million Cubic Metre        | -                                       | 0.12      | -                                | 0.12     |
| Total Water Withdrawal                                                              | Million Cubic Metre        | 38.54                                   | 13.67     | 1.69                             | 53.91    |

| Sustainability Indicators         | Unit                | Businesses of Grasim Industries Limited |             |                                  | Total        |
|-----------------------------------|---------------------|-----------------------------------------|-------------|----------------------------------|--------------|
|                                   |                     | Cellulosic Fibres                       | Chemicals   | Others (Textiles and Insulators) |              |
| Water                             |                     |                                         |             |                                  |              |
| Total Water Consumption           | Million Cubic Metre | 36.96                                   | 14.41       | 3.29                             | 54.66        |
| Wastewater Recycling & Discharge  |                     |                                         |             |                                  |              |
| Treated Wastewater Recycled       | Million Cubic Metre | 23.64                                   | 1.87        | 1.68                             | 27.19        |
| Treated Wastewater Discharged     | Million Cubic Metre | 25.22                                   | 1.13        | 0.08                             | 26.43        |
| Waste                             |                     |                                         |             |                                  |              |
| Waste Generation                  |                     |                                         |             |                                  |              |
| Battery Waste                     | MT                  | 58.32                                   | 20.28       | 9.83                             | 88.43        |
| Bio-medical Waste                 | MT                  | 2.55                                    | 1.49        | 3.59                             | 7.63         |
| Construction and Demolition Waste | MT                  | 12,098.38                               | 3,701.90    | -                                | 15,800.28    |
| E-Waste                           | MT                  | 48.15                                   | 18.23       | 6.85                             | 73.23        |
| Plastic Waste                     | MT                  | 490.93                                  | 600.65      | 169.70                           | 1,261.28     |
| Other Hazardous Waste             | MT                  | 62,733.01                               | 1,56,913.93 | 1,725.99                         | 2,21,372.93  |
| Other Non-Hazardous Waste         | MT                  | 3,60,652.51                             | 4,21,694.89 | 21,985.49                        | 8,04,332.89  |
| Waste Disposal                    |                     |                                         |             |                                  |              |
| Hazardous Waste*                  |                     |                                         |             |                                  |              |
| Reuse                             | MT                  | 5,295.88                                | 54,327.81   | 351.97                           | 59,975.66    |
| Recycle                           | MT                  | 25,273.89                               | 62,580.61   | 23.45                            | 87,877.95    |
| Recovery                          | MT                  | 20,079.36                               | -           | -                                | 20,079.36    |
| Incineration                      | MT                  | 89.10                                   | 471.44      | 4.79                             | 565.33       |
| Landfilling                       | MT                  | 12,631.17                               | 43,741.07   | 1,316.53                         | 57,688.77    |
| Total Hazardous Waste Managed     | MT                  | 63,369.41                               | 1,61,120.93 | 1,696.73                         | 2,26,187.07  |
| Non-Hazardous Waste#              |                     |                                         |             |                                  |              |
| Reuse                             | MT                  | 1,40,178.27                             | 3,50,982.04 | 2,348.22                         | 4,93,508.52  |
| Recycle                           | MT                  | 2,17,733.63                             | 46,869.29   | 16,777.68                        | 2,81,380.60  |
| Recovery                          | MT                  | 9,590.31                                | -           | 49.83                            | 9,640.14     |
| Incineration                      | MT                  | -                                       | 29.89       | -                                | 29.89        |
| Landfilling                       | MT                  | 3,266.10                                | 544.81      | 2,787.40                         | 6,598.31     |
| Total Non-Hazardous Waste Managed | MT                  | 3,70,768.30                             | 3,98,426.02 | 21,963.13                        | 7,91,157.45  |
| Total Waste Managed               | MT                  | 4,34,137.71                             | 5,59,546.95 | 23,659.86                        | 10,17,344.52 |

\* Waste Categorised as per “Hazardous and Other Wastes Rules, 2016; E- Waste Management Rules, 2022; Biomedical Waste Management Rules, 2016; and Battery Waste Management Rules, 2022”

<sup>#</sup> Waste Categorised as per “Solid Waste Management Rules, 2016; Plastic Waste Management Rules, 2016; Construction and Demolition Waste Management Rules, 2016; and Flyash Notification, 2021”





SUSTAINABILITY DATA BOOK

| Sustainability Indicators                                | Unit                     | Businesses of Grasim Industries Limited |           |                                  | Total |
|----------------------------------------------------------|--------------------------|-----------------------------------------|-----------|----------------------------------|-------|
|                                                          |                          | Cellulosic Fibres                       | Chemicals | Others (Textiles and Insulators) |       |
| Safety                                                   |                          |                                         |           |                                  |       |
| Total Recordable Injuries                                |                          |                                         |           |                                  |       |
| Employees (Permanent and Other than Permanent)           | Number                   | -                                       | 4         | 2                                | 6     |
| Workers (Permanent and Other than Permanent)             | Number                   | 47                                      | 10        | 19                               | 76    |
| Total                                                    | Number                   | 47                                      | 14        | 21                               | 82    |
| High Consequences Work-Related Injury                    |                          |                                         |           |                                  |       |
| Employees (Permanent and Other than Permanent)           | Number                   | -                                       | -         | 4                                | 4     |
| Workers (Permanent and Other than Permanent)             | Number                   | -                                       | -         | -                                | -     |
| Total                                                    | Number                   | -                                       | -         | 4                                | 4     |
| Fatality                                                 |                          |                                         |           |                                  |       |
| Employees (Permanent and Other than Permanent)           | Number                   | -                                       | -         | -                                | -     |
| Workers (Permanent and Other than Permanent)             | Number                   | 3                                       | -         | -                                | 3     |
| Total                                                    | Number                   | 3                                       | -         | -                                | 3     |
| Lost Time Incident Frequency Rate (LTIFR)                |                          |                                         |           |                                  |       |
| Employees (Permanent and Other than Permanent)           | Per million hours worked | -                                       | 0.14      | -                                | 0.04  |
| Workers (Permanent and Other than Permanent)             | Per million hours worked | 0.45                                    | -         | 0.37                             | 0.30  |
| Employees & Workers (Permanent and Other than Permanent) | Per million hours worked | 0.32                                    | 0.03      | 0.35                             | 0.24  |

| Sustainability Indicators                               | Unit   | Businesses of Grasim Industries Limited |           |                                                          | Total     |
|---------------------------------------------------------|--------|-----------------------------------------|-----------|----------------------------------------------------------|-----------|
|                                                         |        | Cellulosic Fibres                       | Chemicals | Others (Textiles and Insulators, Paints, B2B E-commerce) |           |
|                                                         |        |                                         |           |                                                          |           |
| Head Count                                              |        |                                         |           |                                                          |           |
| Permanent Employees                                     |        |                                         |           |                                                          |           |
| Male                                                    | Number | 3,287                                   | 2,856     | 2,959                                                    | 9,102     |
| Female                                                  | Number | 280                                     | 266       | 394                                                      | 940       |
| Total                                                   | Number | 3,567                                   | 3,122     | 3,353                                                    | 10,042    |
| Permanent Workers                                       |        |                                         |           |                                                          |           |
| Male                                                    | Number | 8,914                                   | 494       | 6,338                                                    | 15,746    |
| Female                                                  | Number | 85                                      | 2         | 54                                                       | 141       |
| Total                                                   | Number | 8,999                                   | 496       | 6,392                                                    | 15,887    |
| Total Permanent Workforce                               | Number | 12,566                                  | 3,618     | 9,745                                                    | 25,929    |
| Other than Permanent Employees                          |        |                                         |           |                                                          |           |
| Male                                                    | Number | 55                                      | 53        | 314                                                      | 422       |
| Female                                                  | Number | 22                                      | 12        | 29                                                       | 63        |
| Total                                                   | Number | 77                                      | 65        | 343                                                      | 485       |
| Other than Permanent Workers                            |        |                                         |           |                                                          |           |
| Male                                                    | Number | 10,666                                  | 6,327     | 1,973                                                    | 18,966    |
| Female                                                  | Number | 290                                     | 146       | 113                                                      | 549       |
| Total                                                   | Number | 10,956                                  | 6,473     | 2,086                                                    | 19,515    |
| Total Other than Permanent Workforce                    | Number | 11,033                                  | 6,538     | 2,429                                                    | 20,000    |
| Total Workforce (Permanent + Other than Permanent)      | Number | 23,599                                  | 10,156    | 12,174                                                   | 45,929    |
| Training & Development                                  |        |                                         |           |                                                          |           |
| Permanent                                               |        |                                         |           |                                                          |           |
| Employees                                               | Hours  | 51,000+                                 | 1,00,000+ | 13,500+                                                  | 1,64,500+ |
| Workers                                                 | Hours  | 37,000+                                 | 800+      | 12,000+                                                  | 49,800+   |
| Total                                                   | Hours  | 88,000+                                 | 1,00,800+ | 25,500+                                                  | 2,14,300+ |
| Other than Permanent                                    |        |                                         |           |                                                          |           |
| Employees & Workers                                     | Hours  | 80,500+                                 | 14,500+   | 6,000+                                                   | 1,01,000+ |
| Total Training Hours (Permanent & Other than Permanent) | Hours  | 1,68,500+                               | 1,15,300+ | 31,500+                                                  | 3,15,300+ |



# FINANCIAL HIGHLIGHTS - CONSOLIDATED

|                                               | Unit        | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|-----------------------------------------------|-------------|------------|------------|------------|------------|------------|
| <b>Production</b>                             |             |            |            |            |            |            |
| Cement (Includes White Cement, Putty, Others) | Mn. Tonnes  | 115.84     | 103.13     | 91.83      | 84.01      | 81.33      |
| Cellulosic Staple Fibre                       | Lakh Tonnes | 8.12       | 7.21       | 6.23       | 4.52       | 5.67       |
| Caustic Soda                                  | Lakh Tonnes | 12.00      | 11.48      | 10.49      | 8.94       | 9.98       |
| <b>Sales*</b>                                 |             |            |            |            |            |            |
| Cement (Includes White Cement, Putty, Others) | Mn. Tonnes  | 119.04     | 105.7      | 93.99      | 86.40      | 83.11      |
| Cellulosic Staple Fibre                       | Lakh Tonnes | 8.10       | 7.11       | 6.02       | 4.63       | 5.54       |
| Caustic Soda                                  | Lakh Tonnes | 12.05      | 11.45      | 10.44      | 9.00       | 9.91       |

\*(Including Captive Consumption)

| Profit & Loss Account                          | FY 2023-24               |                 | FY 2022-23      | FY 2021-22    | FY 2020-21    | FY 2019-20    |
|------------------------------------------------|--------------------------|-----------------|-----------------|---------------|---------------|---------------|
|                                                | USD Million <sup>1</sup> | ₹ crore         | ₹ crore         | ₹ crore       | ₹ crore       | ₹ crore       |
| <b>Revenue from Operations (Net)</b>           |                          |                 |                 |               |               |               |
| Cellulosic Fibres                              | 1,806                    | 14,949          | 15,149          | 12,210        | 6,965         | 9,235         |
| Chemicals                                      | 992                      | 8,213           | 10,422          | 7,888         | 4,581         | 5,502         |
| Building Materials                             | 8,692                    | 71,953          | 63,381          | 52,599        | 44,726        | 42,430        |
| Financial Services                             | 4,108                    | 34,008          | 27,365          | 22,094        | 19,190        | 16,605        |
| Others                                         | 373                      | 3,086           | 3,092           | 2,321         | 1,454         | 2,287         |
| Inter-Segment Elimination                      | (149)                    | (1,231)         | (1,781)         | (1,411)       | (511)         | (919)         |
| <b>Total Revenue from Operations</b>           | <b>15,822</b>            | <b>1,30,978</b> | <b>1,17,627</b> | <b>95,701</b> | <b>76,404</b> | <b>75,141</b> |
| <b>EBITDA</b>                                  |                          |                 |                 |               |               |               |
| Cellulosic Fibres                              | 208                      | 1,722           | 1,031           | 1,721         | 1,187         | 1,339         |
| Chemicals                                      | 127                      | 1,054           | 2,271           | 1,534         | 590           | 1,008         |
| Building Materials                             | 1,590                    | 13,164          | 10,919          | 11,971        | 12,300        | 9,898         |
| Financial Services                             | 497                      | 4,114           | 5,603           | 2,069         | 1,472         | 1,198         |
| Others                                         | 54                       | 445             | 494             | 382           | 116           | 144           |
| Net Unallocable Income/(Expenditure)           | 41                       | 338             | 159             | 96            | 101           | 27            |
| <b>Total EBITDA</b>                            | <b>2,517</b>             | <b>20,837</b>   | <b>20,478</b>   | <b>17,772</b> | <b>15,766</b> | <b>13,615</b> |
| Interest                                       | 200                      | 1,655           | 1,320           | 1,296         | 1,809         | 2,276         |
| <b>Profit before Depreciation and Tax</b>      | <b>2,317</b>             | <b>19,182</b>   | <b>19,158</b>   | <b>16,477</b> | <b>13,957</b> | <b>11,340</b> |
| Depreciation                                   | 604                      | 5,001           | 4,552           | 4,161         | 4,033         | 4,004         |
| <b>Profit before Tax and Exceptional Items</b> | <b>1,713</b>             | <b>14,180</b>   | <b>14,606</b>   | <b>12,316</b> | <b>9,924</b>  | <b>7,335</b>  |
| Exceptional Items                              | (69)                     | (569)           | (88)            | (69)          | (342)         | (1,406)       |

| Profit & Loss Account                                     | FY 2023-24               |               | FY 2022-23    | FY 2021-22    | FY 2020-21   | FY 2019-20   |
|-----------------------------------------------------------|--------------------------|---------------|---------------|---------------|--------------|--------------|
|                                                           | USD Million <sup>1</sup> | ₹ crore       | ₹ crore       | ₹ crore       | ₹ crore      | ₹ crore      |
| <b>Profit before Tax</b>                                  | <b>1,644</b>             | <b>13,611</b> | <b>14,518</b> | <b>12,247</b> | <b>9,582</b> | <b>5,929</b> |
| Total Tax Expenses                                        | 456                      | 3,774         | 3,649         | 1,936         | 3,022        | (84)         |
| <b>Net Profit from Continuing Operations</b>              | <b>1,188</b>             | <b>9,837</b>  | <b>10,869</b> | <b>10,310</b> | <b>6,560</b> | <b>6,014</b> |
| Profit from Discontinued Operations (Net of Tax)          | -                        | -             | -             | 516           | 237          | 63           |
| <b>Net Profit before Minority Interest</b>                | <b>1,188</b>             | <b>9,837</b>  | <b>10,869</b> | <b>10,826</b> | <b>6,797</b> | <b>6,076</b> |
| Less: Minority Interest                                   | 520                      | 4,301         | 4,251         | 3,657         | 2,682        | 2,227        |
| Add: Share in Profit/(Loss) of Equity Accounted Investees | 11                       | 89            | 209           | 380           | 189          | 562          |
| <b>Net Profit for the period before Minority Interest</b> | <b>1,199</b>             | <b>9,926</b>  | <b>11,078</b> | <b>11,206</b> | <b>6,987</b> | <b>6,639</b> |
| <b>Net Profit for the period after Minority Interest</b>  | <b>679</b>               | <b>5,624</b>  | <b>6,827</b>  | <b>7,550</b>  | <b>4,305</b> | <b>4,412</b> |
| Other Comprehensive Income (Owners of the Company)        | 470                      | 3,893         | (3,104)       | 3,282         | 4,781        | (5,067)      |
| <b>Total Comprehensive Income (Owners of the Company)</b> | <b>1,150</b>             | <b>9,518</b>  | <b>3,723</b>  | <b>10,832</b> | <b>9,085</b> | <b>(655)</b> |

Note <sup>1</sup> - 1 USD = INR 82.7825

| Balance Sheet                                      | As on 31 <sup>st</sup> March 2024 |                 | As on 31 <sup>st</sup> March 2023 | As on 31 <sup>st</sup> March 2022 | As on 31 <sup>st</sup> March 2021 | As on 31 <sup>st</sup> March 2020 |
|----------------------------------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                    | USD Million <sup>2</sup>          | ₹ crore         | ₹ crore                           | ₹ crore                           | ₹ crore                           | ₹ crore                           |
| Net Fixed Assets (incl. CWIP and Capital Advances) | 12,230                            | 1,02,002        | 85,964                            | 78,123                            | 73,033                            | 73,645                            |
| Long-Term Loans, Advances and Non-Current Assets   | 520                               | 4,336           | 5,195                             | 4,185                             | 3,018                             | 4,129                             |
| Loans and Advances of Financing Activities         | 14,764                            | 1,23,135        | 93,433                            | 66,199                            | 59,862                            | 58,504                            |
| Investments (Non-Current and Current)              | 5,096                             | 42,505          | 34,440                            | 33,329                            | 32,928                            | 23,261                            |
| Investments of Insurance Business                  | 6,092                             | 50,810          | 40,424                            | 33,292                            | 27,135                            | 20,263                            |
| Goodwill                                           | 2,416                             | 20,154          | 20,138                            | 20,059                            | 20,014                            | 20,047                            |
| Deferred Tax Assets                                | 51                                | 423             | 382                               | 246                               | 205                               | 138                               |
| Assets held to cover Linked Liabilities            | 4,317                             | 36,005          | 30,506                            | 30,160                            | 27,969                            | 22,829                            |
| Current Assets                                     | 3,977                             | 33,170          | 26,722                            | 23,803                            | 23,391                            | 21,504                            |
|                                                    | <b>49,462</b>                     | <b>4,12,539</b> | <b>3,37,205</b>                   | <b>2,89,395</b>                   | <b>2,67,554</b>                   | <b>2,44,319</b>                   |
| Equity Share Capital                               | 16                                | 133             | 132                               | 132                               | 132                               | 132                               |
| Reserves and Surplus                               | 10,613                            | 88,520          | 78,610                            | 75,567                            | 65,362                            | 56,501                            |
| <b>Net Worth</b>                                   | <b>10,629</b>                     | <b>88,652</b>   | <b>78,742</b>                     | <b>75,698</b>                     | <b>65,494</b>                     | <b>56,632</b>                     |
| Non Controlling Interest                           | 6,029                             | 50,286          | 44,171                            | 40,476                            | 37,068                            | 34,305                            |





## FINANCIAL HIGHLIGHTS - CONSOLIDATED

| Balance Sheet                            | As on 31 <sup>st</sup> March 2024 |                 | As on 31 <sup>st</sup><br>March 2023 | As on 31 <sup>st</sup><br>March 2022 | As on 31 <sup>st</sup><br>March 2021 | As on 31 <sup>st</sup><br>March 2020 |
|------------------------------------------|-----------------------------------|-----------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                                          | USD Million <sup>2</sup>          | ₹ crore         | ₹ crore                              | ₹ crore                              | ₹ crore                              | ₹ crore                              |
| Deferred Tax Liabilities                 | 1,129                             | 9,417           | 8,443                                | 8,527                                | 8,457                                | 6,979                                |
| Long-Term Liabilities & Provisions       | 362                               | 3,017           | 2,591                                | 2,557                                | 2,549                                | 2,130                                |
| Policy Holders Liability                 | 10,238                            | 85,388          | 69,090                               | 60,873                               | 52,476                               | 41,265                               |
| Total Loan Funds <sup>3</sup>            | 3,211                             | 26,780          | 17,899                               | 15,727                               | 25,879                               | 29,031                               |
| Borrowings related to Financial Services | 12,987                            | 1,08,322        | 83,449                               | 57,276                               | 51,530                               | 54,182                               |
| Current Liabilities <sup>3</sup>         | 4,877                             | 40,676          | 32,820                               | 28,259                               | 24,102                               | 19,795                               |
|                                          | <b>49,462</b>                     | <b>4,12,539</b> | <b>3,37,205</b>                      | <b>2,89,395</b>                      | <b>2,67,554</b>                      | <b>2,44,319</b>                      |

Note <sup>2</sup> – 1 USD = ₹83.4050

Note <sup>3</sup> – Short Term Borrowing have been included in Total Loan Funds excluding the same from Current Liabilities.

| Ratios & Statistics                                                    | Unit      | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|------------------------------------------------------------------------|-----------|------------|------------|------------|------------|------------|
| EBITDA Margin <sup>4</sup>                                             | %         | 15.09      | 14.50      | 17.86      | 19.57      | 17.29      |
| Net Margin <sup>5</sup>                                                | %         | 7.58       | 9.42       | 11.17      | 8.83       | 8.75       |
| Interest Cover <sup>6</sup>                                            | Times     | 8.65       | 10.38      | 11.32      | 7.08       | 4.73       |
| ROACE<br>(EBIT/Avg. CE) (Excl. CWIP)                                   | %         | 10.64      | 11.59      | 10.38      | 9.40       | 7.92       |
| RONW<br>(PAT Excl. Exceptional Items)/Avg. NW)                         | %         | 7.40       | 8.96       | 10.79      | 7.61       | 10.15      |
| Total Debt Equity Ratio (Including ABCL Borrowings)                    | Times     | 0.97       | 0.82       | 0.63       | 0.75       | 0.92       |
| Total Debt Equity Ratio (Excluding ABCL Borrowings)                    | Times     | 0.19       | 0.15       | 0.14       | 0.25       | 0.32       |
| Net Debt to Equity Ratio (Excluding ABCL Borrowings)                   | Times     | 0.11       | 0.06       | 0.04       | 0.08       | 0.23       |
| Net Debt to EBITDA Ratio (Excluding ABCL Borrowings)                   | Times     | 0.74       | 0.34       | 0.24       | 0.55       | 1.53       |
| Earnings per Share (Diluted from Continuing & Discontinued Operations) | ₹ / Share | 85.15      | 103.47     | 114.34     | 65.24      | 66.91      |
| Book Value per Share                                                   | ₹ / Share | 1,342.06   | 1,193.36   | 1,146.55   | 992.58     | 858.87     |
| Share Price                                                            | ₹ / Share | 2,287.30   | 1,632.50   | 1,664.00   | 1,450.55   | 476.10     |
| Partly Paid Share Price                                                | ₹ / Share | 1,024.90   | -          | -          | -          | -          |
| Market Capitalisation (NSE)                                            | ₹ / Share | 1,52,876   | 1,07,502   | 1,09,540   | 95,453     | 31,318     |

Note<sup>4</sup> – EBITDA margin is calculated as (EBITDA - (Corporate Dividend and Treasury Income))/ Revenue from Operations.

Note<sup>5</sup> – Net margin is calculated as (Net profit for the year - Profit from Discontinued Operations) / Revenue from Operations.

Note<sup>6</sup> – Interest Cover Ratio is calculated as (Profit after Tax + Non-Cash Expenses - Unrealised Gain on Investments) / (Interest Expenses + Interest Capitalised).

## FINANCIAL HIGHLIGHTS - STANDALONE

| Profit & Loss Account                   | FY 2023-24               |               | FY 2022-23    | FY 2021-22    | FY 2020-21    | FY 2019-20     |
|-----------------------------------------|--------------------------|---------------|---------------|---------------|---------------|----------------|
|                                         | USD Million <sup>1</sup> | ₹ crore       | ₹ crore       | ₹ crore       | ₹ crore       | ₹ crore        |
| Revenue from Operations (Net)           | <b>3,122</b>             | <b>25,847</b> | <b>26,840</b> | <b>20,857</b> | <b>12,386</b> | <b>16,082</b>  |
| EBITDA                                  | <b>432</b>               | <b>3,573</b>  | <b>4,198</b>  | <b>4,111</b>  | <b>2,078</b>  | <b>2,661</b>   |
| Interest                                | 53                       | 440           | 368           | 247           | 236           | 238            |
| Profit before Depreciation and Tax      | <b>378</b>               | <b>3,133</b>  | <b>3,830</b>  | <b>3,864</b>  | <b>1,842</b>  | <b>2,423</b>   |
| Depreciation                            | 147                      | 1,215         | 1,097         | 914           | 828           | 814            |
| Profit before Tax and Exceptional Items | <b>232</b>               | <b>1,917</b>  | <b>2,733</b>  | <b>2,950</b>  | <b>1,014</b>  | <b>1,610</b>   |
| Exceptional Items                       | (86)                     | (716)         | (88)          | (69)          | (81)          | (318)          |
| Profit before Tax                       | <b>145</b>               | <b>1,202</b>  | <b>2,645</b>  | <b>2,881</b>  | <b>933</b>    | <b>1,292</b>   |
| Total Tax Expense                       | 31                       | 256           | 521           | 186           | 122           | 66             |
| Net Profit from Continuing Operations   | <b>114</b>               | <b>945</b>    | <b>2,124</b>  | <b>2,695</b>  | <b>810</b>    | <b>1,225</b>   |
| Profit from Discontinued Operation      | -                        | -             | -             | 356           | 95            | 63             |
| Net Profit for the Period               | <b>114</b>               | <b>945</b>    | <b>2,124</b>  | <b>3,051</b>  | <b>905</b>    | <b>1,288</b>   |
| Other Comprehensive Income              | 471                      | 3,896         | (3,074)       | 3,219         | 4,589         | (5,070)        |
| Total Comprehensive Income              | <b>584</b>               | <b>4,842</b>  | <b>(950)</b>  | <b>6,270</b>  | <b>5,494</b>  | <b>(3,782)</b> |
| Equity Dividend (including CDT, if any) | 80                       | 664           | 658           | 658           | 592           | 263            |

| Cash Profit Calculation                 | FY 2023-24               |              | FY 2022-23   | FY 2021-22   | FY 2020-21   | FY 2019-20   |
|-----------------------------------------|--------------------------|--------------|--------------|--------------|--------------|--------------|
|                                         | USD Million <sup>1</sup> | ₹ crore      | ₹ crore      | ₹ crore      | ₹ crore      | ₹ crore      |
| Profit Before Tax and exceptional items | 232                      | 1,917        | 2,733        | 2,950        | 1,014        | 1,610        |
| Add: Depreciation                       | 147                      | 1,215        | 1,097        | 914          | 828          | 814          |
| Less: Current Tax                       | 17                       | 137          | 435          | 435          | 127          | 235          |
| Cash Profit                             | <b>362</b>               | <b>2,995</b> | <b>3,395</b> | <b>3,430</b> | <b>1,715</b> | <b>2,188</b> |

| Balance Sheet                                        | As on 31 <sup>st</sup> March 2024 |               | As on 31 <sup>st</sup><br>March 2023 | As on 31 <sup>st</sup><br>March 2022 | As on 31 <sup>st</sup><br>March 2021 | As on 31 <sup>st</sup><br>March 2020 |
|------------------------------------------------------|-----------------------------------|---------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                                                      | USD Million <sup>2</sup>          | ₹ crore       | ₹ crore                              | ₹ crore                              | ₹ crore                              | ₹ crore                              |
| Net Fixed Assets<br>(incl. CWIP and Capital Advance) | 2,959                             | 24,681        | 19,900                               | 16,714                               | 15,093                               | 15,199                               |
| Long-Term Loans, Advances and Non-Current Assets     | 67                                | 562           | 713                                  | 470                                  | 338                                  | 296                                  |
| Investments (Non-Current & Current)                  | 4,701                             | 39,212        | 33,897                               | 38,691                               | 33,640                               | 27,542                               |
| Goodwill                                             | 0.33                              | 3             | 3                                    | 3                                    | 3                                    | 3                                    |
| Current Assets                                       | 1,161                             | 9,680         | 7,664                                | 6,759                                | 5,626                                | 6,539                                |
| Total Assets                                         | <b>8,889</b>                      | <b>74,138</b> | <b>62,177</b>                        | <b>62,636</b>                        | <b>54,700</b>                        | <b>49,579</b>                        |
| Share Capital                                        | 16                                | 133           | 132                                  | 132                                  | 132                                  | 132                                  |
| Reserves and Surplus                                 | 6,232                             | 51,982        | 46,823                               | 48,484                               | 42,816                               | 37,560                               |
| Net Worth                                            | <b>6,248</b>                      | <b>52,115</b> | <b>46,955</b>                        | <b>48,616</b>                        | <b>42,948</b>                        | <b>37,692</b>                        |
| Deferred Tax Liability (Net)                         | 275                               | 2,297         | 1,535                                | 1,841                                | 1,734                                | 1,405                                |
| Long Term Liabilities & Provisions                   | 39                                | 324           | 156                                  | 185                                  | 205                                  | 199                                  |
| Total Loan Funds <sup>3</sup>                        | 1,133                             | 9,453         | 5,254                                | 4,304                                | 4,163                                | 5,087                                |
| Current Liabilities <sup>3</sup>                     | 1,193                             | 9,950         | 8,277                                | 7,690                                | 5,650                                | 5,196                                |
| Total Liabilities                                    | <b>8,889</b>                      | <b>74,138</b> | <b>62,177</b>                        | <b>62,636</b>                        | <b>54,700</b>                        | <b>49,579</b>                        |



FINANCIAL HIGHLIGHTS - STANDALONE

| Ratios & Statistics                                                    | Unit      | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|------------------------------------------------------------------------|-----------|------------|------------|------------|------------|------------|
| EBITDA Margin <sup>5</sup>                                             | %         | 9.36       | 12.19      | 15.71      | 13.08      | 13.81      |
| Net Margin <sup>6</sup>                                                | %         | 3.66       | 7.91       | 12.92      | 6.54       | 7.62       |
| Interest Cover <sup>7</sup>                                            | Times     | 5.35       | 9.15       | 12.24      | 5.88       | 7.55       |
| Debt Service Coverage Ratio                                            | Times     | 2.34       | 2.43       | 8.47       | 3.86       | 2.90       |
| Total Debt to Equity Ratio                                             | Times     | 0.18       | 0.11       | 0.08       | 0.10       | 0.13       |
| Net Debt to Equity Ratio <sup>4</sup>                                  | Times     | 0.11       | 0.04       | (0.01)     | 0.02       | 0.08       |
| Net Debt to EBITDA Ratio                                               | Times     | 1.67       | 0.42       | (0.13)     | 0.44       | 1.13       |
| Current Ratio                                                          | Times     | 1.27       | 1.30       | 1.46       | 1.38       | 1.55       |
| Dividend per Share                                                     | ₹ / Share | 10.00      | 10.00      | 10.00      | 9.00       | 4.00       |
| Earnings per Share (Diluted from Continuing & Discontinued Operations) | ₹ / Share | 14.31      | 32.19      | 46.22      | 13.72      | 19.53      |
| Book Value per Share                                                   | ₹ / Share | 788.93     | 711.62     | 736.35     | 650.89     | 571.62     |
| No. of Equity Shareholders                                             | No.       | 2,52,317   | 2,47,265   | 2,62,650   | 2,22,181   | 2,33,934   |
| No. of Employees                                                       | No.       | 25,929     | 24,455     | 23,591     | 23,561     | 24,123     |

Note<sup>1</sup> – 1 USD = ₹82.7825

Note<sup>2</sup> – 1 USD = ₹83.4050

Note<sup>3</sup> – Short Term Borrowing have been included in Total Loan Funds excluding the same from Current Liabilities.

Note<sup>4</sup> – For FY 2021-22, liquid Investments are higher than total debts.

Note<sup>5</sup> – EBITDA margin is calculated as (EBITDA - (Corporate Dividend and Treasury Income)) / Revenue from Operations.

Note<sup>6</sup> – Net margin is calculated as (Net profit for the year - Profit from Discontinued Operations) / Revenue from Operations.

Note<sup>7</sup> – Interest Cover Ratio is calculated as (Profit after Tax + Non-Cash Expenses - Unrealised Gain on Investments) / (Interest Expenses + Interest Capitalised).

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| Statement of use | Grasim has reported the information cited in this GRI content index for the period from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024 with reference to the GRI Standards. |
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| 409-1                                         | Operations and suppliers at significant risk for incidents of forced or compulsory labor      | BRSR Principle 5 EQ6                                             | 295         |
| <b>411: Rights of Indigenous Peoples 2016</b> |                                                                                               |                                                                  |             |
| 3-3                                           | Management of material topics                                                                 | BRSR Principle 5 EQ4, BRSR Principle 5 EQ5, BRSR Principle 5 EQ8 | 295-296     |
| 411-1                                         | Incidents of violations involving rights of indigenous peoples                                | BRSR Principle 5 EQ6                                             | 295         |
| <b>413: Local Communities 2016</b>            |                                                                                               |                                                                  |             |
| 3-3                                           | Management of material topics                                                                 | Social and Relational Capital                                    | 136         |
| 413-1                                         | Operations with local community engagement, impact assessments, and development programs      | Social and Relational Capital                                    | 137 - 143   |
| <b>414: Supplier Social Assessment 2016</b>   |                                                                                               |                                                                  |             |
| 3-3                                           | Management of material topics                                                                 | Social and Relational Capital                                    | 144         |
| 414-1                                         | New suppliers that were screened using social criteria                                        | BRSR Principle 3 LQ5                                             | 290         |
| <b>416: Customer Health and Safety 2016</b>   |                                                                                               |                                                                  |             |
| 3-3                                           | Management of material topics                                                                 | Social and Relational Capital                                    | 145         |
| 416-2                                         | Incidents of non-compliance concerning the health and safety impacts of products and services | BRSR Principle 9 EQ4                                             | 312         |
| <b>417: Marketing and Labeling 2016</b>       |                                                                                               |                                                                  |             |
| 3-3                                           | Management of material topics                                                                 | Intellectual Capital                                             | 116         |
| 417-1                                         | Requirements for product and service information and labeling                                 | BRSR Principle 9 LQ4                                             | 313         |
| 417-2                                         | Incidents of non-compliance concerning product and service information and labeling           | BRSR Principle 9 LQ4                                             | 313         |
| <b>418: Customer Privacy 2016</b>             |                                                                                               |                                                                  |             |
| 3-3                                           | Management of material topics                                                                 | Social and Relational Capital                                    | 145         |
| 418-1                                         | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | Principle 9 EQ7                                                  | 312         |





## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

| Sustainable Development Goal (SDG)                                                                                            |                                                                                                                                                                                              | Page No.                                              |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
|  1 No Poverty                                | End poverty in all its forms everywhere                                                                                                                                                      | 71, 73, 146, 213, 284, 291, 308                       |
|  2 Zero Hunger                               | End hunger, achieve food security and improved nutrition, and promote sustainable agriculture                                                                                                | 71, 73, 146, 281, 297, 306, 308, 311                  |
|  3 Good Health and Wellbeing                 | Ensure healthy lives and promote well-being for all at all ages                                                                                                                              | 71, 73, 146, 211, 284, 297, 308                       |
|  4 Quality Education                         | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all                                                                                         | 73, 211, 284, 308, 311                                |
|  5 Gender Equality                           | Achieve gender equality and empower all women and girls                                                                                                                                      | 71, 76, 146, 209, 280, 287, 289, 304                  |
|  6 Clean Water and Sanitation                | Ensure availability and sustainable management of water and sanitation for all                                                                                                               | 71, 73, 104, 112, 122, 134, 281, 297, 308             |
|  7 Affordable and Clean Energy               | Ensure access to affordable, reliable, sustainable and modern energy for all                                                                                                                 | 71, 73, 112, 122, 134, 281, 297, 306                  |
|  8 Decent Work and Economic Growth           | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all                                                                         | 71, 72, 73, 74, 98, 146, 281, 284, 293, 308           |
|  9 Industry, Innovation and Infrastructure  | Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation                                                                                   | 71, 72, 73, 74, 98, 104, 112, 122, 134, 284, 291, 308 |
|  10 Reduced Inequality                     | Reduce income inequality within and among countries                                                                                                                                          | 71, 73, 74, 146, 213, 281, 297, 306                   |
|  11 Sustainable Cities and Communities     | Make cities and human settlements inclusive, safe, resilient, and sustainable                                                                                                                | 72, 73, 74, 284, 291, 306, 308                        |
|  12 Responsible Consumption and Production | Ensure sustainable consumption and production patterns                                                                                                                                       | 71, 73, 74, 98, 104, 112, 122, 134, 281, 297, 311     |
|  13 Climate Action                         | Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy                                                           | 71, 73, 104, 112, 122, 134, 213, 281, 297, 306, 310   |
|  14 Life below Water                       | Conserve and sustainably use the oceans, seas and marine resources for sustainable development                                                                                               | 71, 73, 122, 134, 281, 297, 306, 310, 311             |
|  15 Life on Land                           | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss | 71, 73, 112, 122, 134, 281, 297, 306, 310, 311        |
|  16 Peace, Justice and Strong Institutions | Promote just, peaceful and inclusive societies                                                                                                                                               | 72, 278, 284, 291, 293, 308, 311                      |
|  17 Partnerships for the Goal              | Revitalise the global partnership for sustainable development                                                                                                                                | 71, 76, 98, 122, 134, 146, 278, 306, 310              |

## UNITED NATIONS GLOBAL COMPACT (UNGC) PRINCIPLES

| Fundamental Areas | Principles                                                                                                                            | Page numbers                    |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Human Rights      | Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights                         | 87, 110, 143, 144, 146–155, 296 |
|                   | Principle 2 – Businesses should make sure that they are not complicit in human rights abuses                                          | 150, 293–296                    |
| Labour            | Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | 151, 280, 286, 295              |
|                   | Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labour                                   | 143, 151, 295 – 297             |
|                   | Principle 5 – Businesses should uphold the effective abolition of child labour                                                        |                                 |
| Environment       | Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation                      | 123 – 133, 297 – 305            |
|                   | Principle 7 – Businesses should support a precautionary approach to environmental challenges                                          |                                 |
|                   | Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility                                 |                                 |
| Anti-Corruption   | Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies                      | 30, 279                         |
|                   | Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery                            |                                 |

# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 77<sup>th</sup> Annual Report in the form of Fifth Integrated Report of our Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2024.

## FINANCIAL HIGHLIGHTS

The financial performance of our Company for the year ended 31<sup>st</sup> March 2024 is summarised below:

(₹ in crore)

| Particulars                                                                                                    | Consolidated       |                    | Standalone       |                   |
|----------------------------------------------------------------------------------------------------------------|--------------------|--------------------|------------------|-------------------|
|                                                                                                                | FY 2023-24         | FY 2022-23         | FY 2023-24       | FY 2022-23        |
| Revenue from Operations                                                                                        | 1,30,978.48        | 1,17,627.08        | 25,847.33        | 26,839.71         |
| Other Income                                                                                                   | 1,264.10           | 3,612.05           | 1,256.60         | 1,018.34          |
| <b>Total Income</b>                                                                                            | <b>1,32,242.58</b> | <b>1,21,239.13</b> | <b>27,103.93</b> | <b>27,858.05</b>  |
| <b>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>                                   | <b>20,836.53</b>   | <b>20,477.64</b>   | <b>3,572.64</b>  | <b>4,198.23</b>   |
| Less: Finance Costs                                                                                            | (1,654.72)         | (1,320.27)         | (440.42)         | (367.67)          |
| Less: Depreciation and Amortisation Expenses                                                                   | (5,001.32)         | (4,551.59)         | (1,215.06)       | (1,097.29)        |
| <b>Profit Before Share in Profit of Equity Accounted Investees, Exceptional Items and Tax</b>                  | <b>14,180.49</b>   | <b>14,605.78</b>   | <b>1,917.16</b>  | <b>2,733.27</b>   |
| Share in Profit of Equity Accounted Investees                                                                  | 88.68              | 208.96             | -                | -                 |
| Exceptional Items                                                                                              | (569.36)           | (88.03)            | (715.60)         | (88.03)           |
| <b>Profit Before Tax (PBT)</b>                                                                                 | <b>13,699.81</b>   | <b>14,726.71</b>   | <b>1,201.56</b>  | <b>2,645.24</b>   |
| Tax Expenses                                                                                                   | 3,774.16           | 3,648.51           | 256.17           | 521.51            |
| <b>Profit for the Year Attributable to:</b>                                                                    | <b>9,925.65</b>    | <b>11,078.20</b>   | <b>945.39</b>    | <b>2,123.73</b>   |
| Shareholders of the Company                                                                                    | 5,624.49           | 6,827.26           | 945.39           | 2,123.73          |
| Non-Controlling Interest                                                                                       | 4,301.16           | 4,250.94           | -                | -                 |
| <b>Other Comprehensive Income for the Year Attributable to:</b>                                                | <b>3,962.47</b>    | <b>(3,180.78)</b>  | <b>3,896.30</b>  | <b>(3,074.01)</b> |
| Shareholders of the Company                                                                                    | 3,893.39           | (3,104.23)         | 3,896.30         | (3,074.01)        |
| Non-Controlling Interest                                                                                       | 69.08              | (76.55)            | -                | -                 |
| <b>Total Comprehensive Income for the Year Attributable to:</b>                                                | <b>13,888.12</b>   | <b>7,897.42</b>    | <b>4,841.69</b>  | <b>(950.28)</b>   |
| Shareholders of the Company                                                                                    | 9,517.88           | 3,723.03           | 4,841.69         | (950.28)          |
| Non-Controlling Interest                                                                                       | 4,370.24           | 4,174.39           | -                | -                 |
| <b>Profit for the Year Attributable to Shareholders of the Company</b>                                         | <b>5,624.49</b>    | <b>6,827.26</b>    | <b>945.39</b>    | <b>2,123.73</b>   |
| <b>Opening Balance in Retained Earnings</b>                                                                    | <b>12,980.04</b>   | <b>10,159.72</b>   | <b>9,476.76</b>  | <b>8,013.25</b>   |
| -Gain / (Loss) on Re-measurement of Defined Benefit Plans                                                      | (1.15)             | 49.01              | 14.21            | (2.57)            |
| - Gain on Sale of Non-Current Investments transferred to Retained Earnings from equity instruments through OCI | -                  | 1.37               | -                | -                 |
| - Stake Dilution in Subsidiary Companies                                                                       | (606.16)           | (10.85)            | -                | -                 |
| <b>Amount Available for Appropriation</b>                                                                      | <b>17,997.22</b>   | <b>17,026.51</b>   | <b>10,436.36</b> | <b>10,134.41</b>  |
| Add / Less: Transfer to Debenture Redemption Reserve                                                           | (12.75)            | -                  | -                | -                 |
| Transfer to General Reserve                                                                                    | (5,000.00)         | (3,000.00)         | -                | -                 |
| Transfer to Special Reserve Fund                                                                               | (645.16)           | (387.20)           | -                | -                 |
| Dividend Paid on Equity Shares                                                                                 | (657.21)           | (657.65)           | (657.21)         | (657.65)          |
| Other movements during the year                                                                                | 332.41             | (1.62)             | 334.20           | -                 |
| <b>Closing Balance in Retained Earnings</b>                                                                    | <b>12,014.51</b>   | <b>12,980.04</b>   | <b>10,113.35</b> | <b>9,476.76</b>   |





## DIVIDEND

Based on our Company's performance, your Directors have recommended dividend of ₹ 10 per equity share of face value of ₹ 2 each (on fully paid-up shares and partly paid-up shares in proportion to their share in the paid-up share capital) for the year ended 31<sup>st</sup> March 2024.

The dividend, if approved by the Members, would involve a cash outflow of ~ ₹ 664.03 crore.

In terms of the provisions of the Income Tax Act, 1961, dividend shall be taxed in the hands of shareholders at applicable rate of taxes. Our Company shall withhold tax at source appropriately.

The recommended dividend is in line with our Company's Dividend Distribution Policy which is available on the Company's website at [https://www.grasim.com/upload/pdf/Grasim\\_Dividend\\_Policy\\_16.pdf](https://www.grasim.com/upload/pdf/Grasim_Dividend_Policy_16.pdf)

## TRANSFER TO RESERVES

The Board of Directors ('Board') of the Company has decided not to transfer any amount to the General Reserves, for the year ended 31<sup>st</sup> March 2024.

## PERFORMANCE REVIEW

On a consolidated basis, the revenue from operations for FY 2023-24, stood at ₹ 1,30,978.48 crore registering a growth of ~11.35% as compared to the previous year of ₹ 1,17,627.08 crore. The Consolidated EBITDA increased to ₹ 20,836.53 crore for FY 2023-24, which was 1.75% higher than that of previous year of ₹ 20,477.64 crore.

On a standalone basis, revenue from operations for FY 2023-24 stood at ₹ 25,847.33 crore, as compared to ₹ 26,839.71 crore in the previous year. The standalone EBITDA is ₹ 3,572.64 crore for FY 2023-24 which was ₹ 4,198.23 crore in the previous year. The standalone PAT is ₹ 945.39 crore for FY 2023-24 which was ₹ 2,123.73 crore in the previous year.

## STRATEGIC INITIATIVES AND SIGNIFICANT DEVELOPMENTS

### Sustainability Linked Non-Convertible Debentures (NCD's)

During the year, our Company has received an investment from the International Finance Corporation (IFC), the private sector arm of the World Bank Group, for ₹ 1,250 crore (equivalent to approximately \$150 million) by way of subscription to Non-Convertible Debentures (NCD's) issued by the Company.

The Sustainability Linked NCDs will support the Company's investment in paints manufacturing. IFC's investment will accelerate Grasim's decarbonisation drive through the increased adoption of renewable energy and water recycling in the paints manufacturing process.

### Paints Business

On 22<sup>nd</sup> February 2024, our Company announced the launch of its paints brand, '**Birla Opus**', aiming for ₹ 10,000 crore gross revenue within 3 years of full-scale operations, thereby entering decorative paints industry of ~ ₹ 74,000 crore (~75% is organised sector).

Birla Opus has six strategically located, integrated, and global scale manufacturing plants with high level of automation with a total commercial capacity of 1,332 MLPA (million litres per annum) - a 40% addition to the current industry capacity. The commercial production has commenced at 3 sites namely Ludhiana (Punjab), Panipat (Haryana) and Cheyyar (Tamil Nadu) on 30<sup>th</sup> April 2024 with total installed capacity of 636 MLPA. The project work at Chamarajanagar (Karnataka), Mahad (Maharashtra) and Kharagpur (West Bengal) is progressing well. The Company has spent capex of ₹ 4,471 crore during FY 2023-24 and ~ ₹ 7,000 crore cumulatively up to FY 2023-24.

Birla Opus will offer the widest range of decorative paints in the industry, with 145+ products and 1,200+ SKUs across water-based paints, enamel paints, wood finishes, waterproofing and wallpapers. The products offered will be across consumer segments – economy, premium, luxury, designer finishes and institutional clients. The Company's products are being sold under the main brand name of **Birla Opus** and sub-brands of '**One**' for luxury products, '**Calista**' for premium products, '**Style**' for economy products and '**Prime**' for institutional range products.

The Company aims to expeditiously expand its distribution to over 6,000 towns through a network of 150 depots integrated with the warehousing systems by the FY 2024-25 end. This will be industry-first distribution expansion for any consumer-facing products to such a large extent within such a short period of time. Birla Opus products will be available across all 1 lakh population towns in India by July 2024.

Birla Opus is also offering higher product warranty than leading players in most water-based products and first-time warranty on enamels and wood finish products. As part of the inaugural offer, consumers will get an additional 10% volume on water-based products and contractors will get loyalty benefits across most of the products.

## BOARD'S REPORT (CONTD.)

Birla Opus is installing at dealers' premises, new-age compact tinting machines with 40% reduced footprint enabling easier colour adoption.

### **Birla Pivot, the B2B E-commerce business unit of our Company surpasses ₹ 1,000 crore revenue in its first year of operations**

Birla Pivot (B2B E-commerce) platform for building materials, has hit a remarkable milestone of achieving ₹ 1,000 crore revenue in its first full year of operations FY 2023-24.

Birla Pivot has created a new-age, high-growth digital platform that catalyses the growth of small businesses in India and provides an impetus to the government's vision of 'Digital India'.

Birla Pivot has grown rapidly since its inception in Feb '23 and accomplished some key milestones across every area:

- Launched Birla Pivot platform as a cloud native, micro-services based modular platform within 5 months. This foundation will support increasing complexity and scale of business in the future.
- The platform offers a wide range of products, now encompassing more than 35 product categories and over 18,000 SKUs sourced from 150+ Indian and international brands. These categories include essential construction materials like cement, steel, plywood, sanitaryware, tiles, among others. Additionally, in response to the increasing demand for superior yet cost-effective products, the unit has introduced its private label for Plywood and Tiles.
- Birla Pivot's customer base spans top-tier EPC companies, civil contractors, real estate developers, OEMs, fabricators, dealers, and retailers. With successful deliveries to over 200 cities across 25 states, the unit has established a robust network of suppliers and logistics providers, facilitating seamless operations, and ensuring a Pan-India reach. The Company's intelligent tech platform provides real-time updates on orders and enhances operational efficiency across the supply chain.

### **Industry Context**

India's construction materials industry is undergoing exponential growth and is projected to double to \$ 200 billion in next five years. With less than 2% digital penetration, the construction industry faces many challenges – from fragmented supplier networks, and logistical bottlenecks to access to credit.

However, this remains one of the sectors that is yet to see meaningful disruption or adoption of technology. Indian B2B supply chain continues to operate in an inefficient, fragmented, and localised manner with a lot of involvement from intermediaries. There is limited presence of large-scale distributors or digital channels, and sourcing happens largely offline. There is a huge opportunity to create a platform that can manage end to end requirements for the customers – right from demand prediction / sourcing to post delivery.

The aspiration for Birla Pivot is to reach a \$1 billion revenue in the next three to four years, leveraging technology to create smarter and more efficient solutions across the value chain. This would be the first big milestone in our journey of building the largest and the most trusted B2B E-commerce platform in India.

### **Amalgamation of Aditya Birla Solar Limited with Aditya Birla Renewables Limited**

During the year, the Hon'ble National Company Law Tribunal ('NCLT') Mumbai Bench vide its order dated 23<sup>rd</sup> June 2023, approved the Scheme of Amalgamation of Aditya Birla Solar Limited with and into Aditya Birla Renewables Limited (wholly-owned Subsidiary of the Company) and their respective shareholders under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act'). The certified copy of NCLT order dated 28<sup>th</sup> June 2023, was filed with the Registrar of Companies on 24<sup>th</sup> July 2023 and accordingly, the scheme was made effective on the said date.

### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of the Act, read with the Companies (Accounts) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations' / 'SEBI Listing Regulations') and Ind AS 110 – Consolidated Financial Statements and Ind AS 28 – Investments in Associates and Joint Ventures, the Audited Consolidated Financial Statements forms integral part of this Integrated Annual Report. Consolidated Financial Statements include financial performance of the Company's subsidiaries, Associates and Joint Ventures, which inter-alia includes UltraTech Cement Limited, Aditya Birla Capital Limited, Aditya Birla Renewables Limited and other entities as mentioned in notes to Consolidated Financial Statements.





## SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year, there is no change in the direct Subsidiaries, Associates and Joint Venture Companies of the Company.

In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries, associates and joint venture Companies is provided, in the prescribed Form AOC-1, in **Annexure 'A'** to this Report.

In accordance with the provisions of Section 136 of the Act, the Audited Standalone and Consolidated Financial Statements and related information of the Company and audited accounts of each of its subsidiaries are available on the website of the Company at <https://www.grasim.com/investors/results-reports-and-presentations>

UltraTech Cement Limited and Aditya Birla Capital Limited are the material listed Subsidiary Companies of the Company. Our Company does not have any material unlisted Subsidiary. The Audit Committee and the Board reviews the financial statements, significant transactions and working of all Subsidiary Companies, and the minutes of unlisted subsidiary Companies/Joint Venture are placed before the Board.

Our Company has in accordance with the Listing Regulations adopted the Policy for determining material subsidiaries. The said Policy is available on the Company's website at [https://www.grasim.com/upload/pdf/Grasim\\_Policy\\_Material\\_Subsiidiary\\_Cos.pdf](https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsiidiary_Cos.pdf)

### UltraTech Cement Limited ('UltraTech')

UltraTech is the top-tier manufacturer of grey cement and ready-mix concrete (RMC), and one of the largest manufacturers of white cement in India. UltraTech operates 24 integrated manufacturing units, 31 grinding units, 1 clinkerisation unit and 8 bulk packaging terminals. It also has 307 RMC plants across 134 cities. UltraTech has one white cement unit and three wall care putty units. As on 31<sup>st</sup> March 2024, UltraTech's grey cement capacity in India stood at 140.8 MTPA, reflecting an addition of 13.8 MTPA capacity in a year alone. Its robust logistics network includes daily dispatch of 50+ rakes, 12,000+ trucks addressing the requirement of 1,00,000+ channel partners. Following the commissioning of two new plants in April 2024 with a total capacity of 5.4 MTPA in Chhattisgarh and Tamil Nadu, UltraTech's overall capacity crossed the 150 MTPA+ milestone.

For FY 2023-24, consolidated grey cement sales volumes grew 13% YoY to 117 MT, with capacity utilisation at 84%. RMC sales volumes grew 32% YoY to 11.31 Mn M<sup>3</sup>. The share of green power (WHRS + renewables) in total power consumption was at 23.6%. Consolidated revenue grew 12% YoY to ₹ 70,908 crore. EBITDA improved 22% YoY to ₹ 13,586 crore while PAT jumped 38% YoY to ₹ 7,005 crore, driven by increase in volume, lower energy costs and lower logistics cost. Operating cash flow increased to ₹ 10,898 crore from ₹ 9,069 crore in the year earlier period.

### Aditya Birla Capital Limited ('ABCL')

Key Highlights of ABCL's Consolidated Performance for the Financial Year ended 31<sup>st</sup> March 2024 are as under:

- Consolidated Revenue: ₹ 34,008 crore (growth of 24% YoY)
- Consolidated Net Profit (excluding one offs): ₹ 2,768 crore (growth of 44% YoY)
- Overall AUM across asset management, life insurance and health insurance at over ₹ 4,36,442 crore (growth of 21% YoY)
- Overall lending book (NBFC and Housing Finance) at ₹ 1,24,059 crore (grew 31% YoY)
- Gross premium (across Life and Health Insurance) at ₹ 20,961 crore (grew 18% YoY)

### SHARE CAPITAL

The Authorised Share Capital of the Company stood at ₹ 4,23,50,00,000 comprising of 2,06,25,00,000 Equity Shares of ₹ 2 each and 11,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each as at 31<sup>st</sup> March 2024.

Issued Share Capital of the Company stood at ₹ 1,36,11,06,322 comprising of 65,84,79,226 Equity Shares and 2,20,73,935 Rights Equity Shares of Face Value ₹ 2 each as at 31<sup>st</sup> March 2024.

Subscribed and paid-up capital of the Company stood at ₹ 1,32,79,93,907 comprising of 65,84,79,226 Equity Shares of ₹ 2 each fully paid-up and 2,20,70,910 Equity Shares of ₹ 0.5 each partly paid-up as at 31<sup>st</sup> March 2024.

During the year, the Company allotted 47,100 equity shares of ₹ 2 each pursuant to the exercise of Stock Options in terms of the Employees Stock Option Scheme – 2013 of the Company.

## BOARD'S REPORT (CONTD.)

### ISSUE OF EQUITY SHARES ON RIGHTS BASIS

During the year under review, our Company has undertaken a rights issue to raise capital.

The key details of Rights Issue are as under:

1. **Amount to be raised:** ₹ 3,999.80 crore
2. **Rights ratio:** 6 Rights Equity Shares for every 179 fully paid-up Equity Shares held by eligible shareholders on the record date.
3. **Number of Rights Equity Shares allotted:** 2,20,70,910 shares
4. **Price of Rights Equity Shares:** ₹ 1,812 per Rights Equity Share when fully paid-up, including a premium of ₹ 1,810 per Rights Equity Share.
5. **Payment terms:** On application, ₹ 453 (comprising ₹ 0.50 towards face value and ₹ 452.50 towards premium) Rights Equity Shares Price was paid. Additionally, there would be up to three additional calls with terms and conditions as decided by the Board / Rights Issue Committee, to be completed on or before March 2026.

The purpose of the Rights Issue was to raise the necessary capital from its existing shareholders for repayment or pre-payment of its certain borrowing of the Company and general corporate purposes.

The Board at its meeting held on 22<sup>nd</sup> May 2024 has decided to make the first call of ₹ 453 per Rights Equity Share (comprising ₹ 0.50 towards face value and ₹ 452.50 towards premium) in respect of outstanding partly-paid up Equity Shares as on Record date i.e. 14<sup>th</sup> June 2024.

### EMPLOYEE STOCK OPTION SCHEME AND PURCHASE OF TREASURY SHARES

During the year, Grasim Employees' Welfare Trust ('Trust') acquired 3,89,207 equity shares of the Company from the secondary market. As per Ind AS, purchase of own equity shares are treated as treasury shares. The Trust constituted in terms of the Company's Employee Stock Option Schemes ('ESOS') holds 21,20,981 equity shares of the Company as on 31<sup>st</sup> March 2024 for transfer to the eligible employees under ESOS 2018 and ESOS 2022.

### ESOS-2013

During the year, the Stakeholders' Relationship Committee of the Board allotted 47,100 equity shares of ₹ 2/- each of the Company to Stock Option Grantees, pursuant to the exercise of the Stock Options and Restricted Stock Units ('RSUs') under ESOS-2013.

### ESOS-2018

During the year, 2,63,353 equity shares were transferred from the Trust account to the employees account due to exercise of Stock Options and RSUs by the grantees under ESOS-2018.

### ESOS-2022

During the year, the Nomination and Remuneration Committee ('NRC') of the Board approved grant of 4,99,087 Stock Options and 70,325 Performance Stock Units ('PSUs') to the eligible employees, including Managing Director of the Company, under ESOS-2022.

The ESOS-2018 and ESOS-2022 are being administered through the Trust.

The details of Stock Options and RSUs granted pursuant to ESOS-2013 and ESOS-2018 and Stock Options and PSUs granted pursuant to ESOS-2022, and the other disclosures in compliance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on your Company's website at <https://www.grasim.com/Upload/PDF/esos-disclosure-2024.pdf>

A certificate from the Secretarial Auditors with respect to implementation of your Company's ESOS, will be available at the ensuing AGM for inspection by the Members.

### DEPOSITS

During the year, your Company has not accepted or renewed any deposits within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

### ISSUE OF NON-CONVERTIBLE DEBENTURES

During the year, our Company has issued following NCD's on private placement basis:





| Particulars of NCD's                          | Face Value         | Amount               |
|-----------------------------------------------|--------------------|----------------------|
| Listed, Rated, Unsecured, Redeemable, NCD's   | ₹ 1,00,000 each    | ₹ 1,000 crore        |
| Unlisted, Rated, Unsecured, Redeemable, NCD's | ₹ 1,00,00,000 each | ₹ 1,250 crore        |
| <b>Total</b>                                  |                    | <b>₹ 2,250 crore</b> |

Our Company has redeemed 7,000 fully paid-up, Unsecured, Listed, Rated, Redeemable, NCD's of face value of ₹ 10,00,000 each aggregating to ₹ 700 crore during the year.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, disclosures relating to loans and investments as on 31<sup>st</sup> March 2024 are given in the Notes to the Financial Statements. During the year, there are no guarantees issued or securities provided by the Company in terms of Section 186 of the Act read with the Rules issued thereunder.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year, as stipulated under the Listing Regulations, is presented in a separate section and forms an integral part of this Integrated Annual Report.

## CORPORATE GOVERNANCE

Your Directors re-affirm their continued commitment to the best practices of Corporate Governance. Corporate Governance principles form an integral part of the core values of the Company. Our Company is in compliance with the provisions relating to Corporate Governance.

The Report on Corporate Governance for the year, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section, and forms an integral part of this Integrated Annual Report. A certificate from the Statutory Auditors on its compliance is given in **Annexure 'B'** to this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL Appointment / Re-appointment of Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Smt. Rajashree Birla and Mr. Raj Kumar, Non-executive Directors of our Company, are liable to retire by rotation at the ensuing Annual General Meeting ('AGM').

Smt. Rajashree Birla, being eligible, has offered herself for re-appointment at the ensuing AGM.

Further, in terms of the Listing Regulations, no listed Company shall appoint or continue the appointment of a Non-executive Director, who has attained the age of 75 years, unless a special resolution is passed to that effect. Smt. Rajashree Birla, has attained the age of 75 years, resolutions seeking her re-appointment and continuation as Non-executive Director form part of the Notice of ensuing AGM.

Brief profile of Smt. Rajashree Birla is provided in the Report on Corporate Governance and Notice of AGM.

Mr. Raj Kumar does not seek re-appointment at the ensuing AGM.

During the year, the Board appointed Mr. Sushil Agarwal (DIN: 00060017) as an Additional Director (Non-executive Director) of the Company, liable to retire by rotation, with effect from 8<sup>th</sup> February 2024. The Members of the Company have approved his appointment as Non-executive Directors of the Company through Postal Ballot w.e.f. 16<sup>th</sup> April 2024.

The Board of Directors at their meeting held on 22<sup>nd</sup> May 2024, based on recommendation of NRC and subject to the approval of Members of the Company, approved the appointment of the following Directors:

1. Mr. Ashvin Dhirajlal Parekh (DIN: 06559989), Independent Director, with effect from 23<sup>rd</sup> August 2024 upto 22<sup>nd</sup> August 2029 (both days inclusive).
2. Mr. Haigreve Khaitan (DIN: 00005290), Independent Director, with effect from 26<sup>th</sup> September 2024 upto 25<sup>th</sup> September 2029 (both days inclusive).
3. Mr. Mukkavilli Jagannath (DIN: 10090437), Non-executive Director, with effect from 26<sup>th</sup> September 2024, liable to retire by rotation.

The Company will seek approval of the Members for appointment of above Directors at the ensuing AGM of the Company.

The Board at its meeting held on 22<sup>nd</sup> May 2024 noted that the tenure of Mr. Cyril Shroff and Dr. Thomas M Connelly, Jr. as an Independent Directors, shall come to an end on 22<sup>nd</sup> August 2024.

## Cessation of Directors

Dr. Sanrput Misra (DIN: 00013625) has stepped down as a Non-executive Director of the Company with effect from

## BOARD'S REPORT (CONTD.)

28<sup>th</sup> December 2023, due to other plans and engagements. There was no other material reason for his resignation except as stated.

The Board placed on record its sincere appreciation for the valuable contribution and services rendered by Dr. Santrupt Misra during his tenure with the Company.

There is no pecuniary or business relationship between the Non-executive Directors and the Company, except for the sitting fees and commission payable to the Non-executive Directors, in accordance with the applicable laws and approval of the Members of the Company.

### Key Managerial Personnel

Pursuant to the provisions of Sections 2(51) and 203 of the Act, Mr. Harikrishna Agarwal, Managing Director, Mr. Pavan Kumar Jain, Chief Financial Officer ('CFO') and Mr. Sailesh Kumar Daga, Company Secretary are the Key Managerial Personnel ('KMP') of the Company as on 31<sup>st</sup> March 2024.

### MEETINGS OF THE BOARD

The Board of the Company met 6 (Six) times during the year to deliberate on various matters. The meetings were held on 26<sup>th</sup> May 2023, 10<sup>th</sup> August 2023, 16<sup>th</sup> October 2023, 13<sup>th</sup> November 2023, 4<sup>th</sup> January 2024 and 8<sup>th</sup> February 2024. Further details are provided in the Report on Corporate Governance, which forms an integral part of this Integrated Annual Report.

### STATUTORY COMMITTEES OF THE BOARD

#### Audit Committee

The Audit Committee comprises of Mr. N. Mohan Raj, Chairman, Dr. Thomas M. Connelly Jr., Mr. V. Chandrasekaran and Mr. Harikrishna Agarwal as its members. Majority of the members including Chairman of Audit Committee are Independent Directors. The CFO of your Company is a permanent invitee at the Audit Committee Meetings.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') comprises of Ms. Anita Ramachandran, Chairperson, Mr. Kumar Mangalam Birla, Mr. Adesh Kumar Gupta and Mr. Cyril Shroff as its members. Majority of the members including Chairperson of NRC are Independent Directors.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility ('CSR') Committee comprises of Smt. Rajashree Birla, Chairperson, Ms. Anita Ramachandran and Mr. Harikrishna Agarwal as its members.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('SRC') comprises of Ms. Anita Ramachandran, Chairperson, Mr. Yazdi Piroj Dandiwal and Mr. Harikrishna Agarwal as its members.

### Risk Management and Sustainability Committee

The Risk Management and Sustainability Committee ('RMSC') comprises of Mr. N. Mohan Raj, Chairman, Dr. Thomas M. Connelly, Jr., Mr. V. Chandrasekaran, Mr. Harikrishna Agarwal, Mr. Kapil Agrawal, Mr. Jayant V. Dhobley and Mr. Rakshit Hargave as its members.

The CFO and Chief Sustainability Officer of our Company are permanent invitees at the RMSC Meetings.

All the recommendations made by the above Committees, during the year, were accepted by the Board of the Company.

Further details relating to the above Committees are provided in the Report on Corporate Governance, which forms an integral part of this Integrated Annual Report.

### INDEPENDENT DIRECTORS

Our Company has received declarations from all the Independent Directors of the Company, confirming that:

- they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations;
- they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence; and
- they have registered their names in the Independent Directors Databank.

Our Company's Board is of the opinion that the Independent Directors possess requisite qualifications, experience and expertise in Corporate Governance, Legal & Compliance, Financial Literacy, General Management, Human Resource Development, Industry Knowledge, Technology, digitisation & innovation, Marketing, Risk Management, Strategic Expertise and Sustainability and they hold highest standards of integrity.





## FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-executive Directors, Executive Director and the Chairman of the Board.

The NRC of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors / Non-executive Directors / Executive Director and the Chairman of the Company.

The performance of Non-independent Directors, the Board, as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of the Company, after taking into account the views of Executive Director and Non-executive Directors. Evaluation as done by the Independent Directors was submitted to the NRC and subsequently to the Board.

Thereafter, the Board at its meeting discussed the performance of the Board, as a whole, its Committees and Individual Directors. The Board expressed satisfaction on the overall functioning of the Board and its Committees. The Board was also satisfied with the contribution of the Directors, in their respective capacities, which reflected the overall engagement of the Individual Directors.

The new Director inducted on the Company's Board attends an orientation programme. The details of the programme for familiarisation of Independent Directors are provided in the Report on Corporate Governance, which forms an integral part of this Integrated Annual Report and is also available on the Company's website at <https://www.grasim.com/Upload/PDF/familiarisation-programme-independent-directors.pdf>

## DIRECTORS' RESPONSIBILITY STATEMENT

The audited accounts for the year are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present your Company's financial condition and results of operations.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the accounting policies selected have been applied consistently, and judgements and estimates are made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2024, and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care have been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) annual accounts have been prepared on a 'going concern' basis;
- e) the Directors have laid down proper internal financial controls, and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, is given in **Annexure 'C'** to this Report.

## INTEGRATED ANNUAL REPORT

The Company is publishing its Integrated Annual Report for the FY 2023-24. This report is prepared in alignment with the Integrated Reporting Framework laid down by the International Integrated Reporting Council and aims at presenting the value creation approach for our stakeholders.

## BOARD'S REPORT (CONTD.)

### AUDITORS AND AUDIT REPORTS

#### Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) and M/s. KKC & Associates LLP, Chartered Accountants (Registration No. 105146W/W100621), were appointed as Joint Statutory Auditors of the Company for a term of 5 (five) consecutive years, to hold office till the conclusion of the 79<sup>th</sup> AGM and 80<sup>th</sup> AGM of the Company, respectively.

The observations made by the Joint Statutory Auditors on the Financial Statements (Standalone and Consolidated) of the Company, in their Report for the financial year ended 31<sup>st</sup> March 2024, read with the Notes therein, are self-explanatory and, therefore, do not call for any further explanation or comments from the Board of Directors under Section 134(3)(f) of the Act. The Auditors' Report does not contain any qualification, reservation, disclaimer or adverse remark.

#### Branch Auditor

The Board at its meeting held on 22<sup>nd</sup> May 2024 approved the appointment of M/s. Singhi & Co. (Registration Number 302049E), Chartered Accountants, as the Branch Auditor of the Company to hold office from the conclusion of this AGM until the conclusion of the 78<sup>th</sup> AGM of the Company to conduct the audit for Paints Business of the Company, for the financial year 2024-25 at a remuneration not exceeding ₹ 50 lakh plus tax as applicable and reimbursement of out-of-pocket expenses.

The resolution seeking appointment of Branch Auditor forms part of Notice of the ensuing AGM.

#### Cost Auditor

Our Company is required to prepare and maintain the cost accounts and cost records pursuant to Section 148(1) of the Act read with rules made thereunder.

Based on the recommendation of the Audit Committee, the Board appointed M/s. D. C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611), as the Cost Auditors to conduct the cost audit of the Company for FY 2024-25 at a remuneration of ₹ 26 lakh plus applicable taxes and reimbursement of out-of-pocket expenses.

The Company has received consent from M/s. D. C. Dave & Co., Cost Accountants, to act as the Cost Auditor of your Company for FY 2024-25, along with the certificate confirming their eligibility.

In accordance with the provisions of Section 148(1) of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, an Ordinary Resolution, for ratification of remuneration payable to the Cost Auditor for FY 2024-25, forms part of the Notice of the ensuing AGM.

#### Secretarial Auditor

The Secretarial Audit Report, issued by M/s. BNP & Associates, Company Secretaries, Mumbai, for the FY 2023-24, is given in **Annexure 'D'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark. The Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March 2024, in relation to compliance of all applicable SEBI Regulations / circulars / guidelines issued thereunder, pursuant to the requirement of Regulation 24A of the Listing Regulations, is available on the website of the Company at <https://www.grasim.com/Upload/PDF/annual-secretarial-compliance-report-22052024.pdf>

Pursuant to the provisions of Section 204 of the Act and Rules made thereunder, M/s. BNP & Associates, Company Secretaries, Mumbai, are appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for FY 2024-25.

### SECRETARIAL STANDARDS

During the year, our Company is in compliance with the applicable Secretarial Standards specified by the Institute of Company Secretaries of India.

### REPORTING OF FRAUDS BY AUDITORS

No instances of fraud were reported by the Auditors of the Company under Section 143 (12) of the Act.

### DISCLOSURES

#### Contracts and Arrangements with Related Parties

During the year, all contracts / arrangements / transactions entered into by the Company with Related Parties were on arm's length basis and in the ordinary course of business. There are no material transactions with any Related Party as defined under Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

In line with the requirements of the Act and amendment to the Listing Regulations, all Related Party Transactions have been approved by the Audit Committee and reviewed by it on a periodic basis. Our Company has formulated a 'Policy on Related Party Transactions', which is also available on the Company's website at <https://www.grasim.com/upload/pdf/>





[Grasim\\_policy\\_on\\_RPT.pdf](#). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The details of contracts and arrangements with Related Parties of the Company for the financial year ended 31<sup>st</sup> March 2024, are given in Notes to the Standalone Financial Statements, forming part of this Integrated Annual Report.

The Board at its meeting held on 22<sup>nd</sup> May 2024 has approved entering into material Related Party Transaction(s) with i) Hindalco Industries Limited, a promoter group Company for an aggregate value of up to ₹ 1,250 crore; and ii) AV Group NB Inc, Canada ('AVNB'), Joint Venture of the Company for an aggregate value of up to ₹ 1,108 crore.

As per Listing Regulations, the resolutions for approving the above-mentioned material Related Party Transaction(s) form part of the Notice of ensuing AGM.

Further, during the year, the approval of the Members obtained on 16<sup>th</sup> April 2024 for the material Related Party Transaction(s) between the following related parties, proposed to be entered during the FY 2024-25 and FY 2025-26:

- i. ABReL (RJ) Projects Limited, an indirect Subsidiary of the Company and ABReL EPC Limited, an indirect wholly-owned subsidiary ('WoS') of the Company for an aggregate value of up to ₹ 2,600 crore;
- ii. ABReL (RJ) Projects Limited, an indirect Subsidiary of the Company and Aditya Birla Renewables Limited, a WoS of the Company for an aggregate value of up to ₹ 1,325 crore; and
- iii. Aditya Birla Renewables Subsidiary Limited, an indirect Subsidiary of the Company and ABReL EPC Limited, an indirect WoS of the Company for an aggregate value of up to ₹ 1,450 crore.

## VIGIL MECHANISM / WHISTLE-BLOWER POLICY

Our Company has established a mechanism for directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct. It also provides adequate safeguards against the victimisation of employees, who avail the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. During the year, no person was denied access to the Audit Committee.

The details of the Vigil Mechanism are also provided in the Report on Corporate Governance, which forms an integral

part of this Integrated Annual Report and the Vigil Mechanism / Whistle-Blower Policy is available on the website of the Company at <https://www.grasim.com/Upload/PDF/whistle-blower-policy.pdf>

## CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Act and Rules made thereunder, the Board has a Corporate Social Responsibility ('CSR') Committee, which is chaired by Smt. Rajashree Birla. The other Members of the Committee as on 31<sup>st</sup> March 2024, are Ms. Anita Ramachandran, Independent Director and Mr. Harikrishna Agarwal, Managing Director. Dr. Pragnya Ram, Group Executive President - CSR is a permanent invitee to the Committee. The Corporate Social Responsibility Policy ('CSR Policy'), indicating the activities undertaken by the Company, is available on your Company's website at <https://www.grasim.com/Upload/PDF/grasim-csr-policy.pdf>

Our Company is a caring corporate citizen and lays significant emphasis on development of the host communities around which it operates. Our Company, with this intent, has identified several projects relating to Social Empowerment and Welfare, Rural Development, Sustainable Livelihood, Health Care and Education, during the year, and initiated various activities in neighbouring villages around its plant locations.

During the year, the Company has spent ₹ 58.39 crore, of which ₹ 40.99 crore (Excluding ₹ 4.50 crore spent towards the amount outstanding for financial year 2022-23) was spent towards obligatory CSR of the Company and an amount of ₹ 12.90 crore was voluntarily spent for CSR activities.

The initiatives undertaken by the Company on CSR activities, during the year, are given in **Annexure 'E'** to this Report, in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

## RISK MANAGEMENT AND SUSTAINABILITY

Our Company continues to place significant emphasis on robust risk management and sustainability practices to safeguard its interests and ensure sustainable growth amidst an evolving business landscape. The risk management framework encompasses identification, assessment, mitigation, and monitoring of various risks across the organisation. Our Company has a Board level Risk Management and Sustainability Committee ('RMSC'), which is inter alia, mandated to frame policy, monitor implementation and review risk management and sustainability performance of the Company. The Company has in place a risk management

## BOARD'S REPORT (CONTD.)

policy, which is available on the Company's website at <https://www.grasim.com/Upload/PDF/risk-management-policy.pdf>.

The Company has diligently identified and assessed a spectrum of risks inherent in its operations, encompassing external, strategic, financial, operational, sustainability, knowledge, cyber security and compliance domains. Through proactive measures, we strive to anticipate potential risks and promptly address emerging challenges to maintain operational resilience and protect shareholder value. In response to identified risks, the Company has implemented comprehensive mitigation strategies tailored to each risk category. The Management Discussion & Analysis Report sets out the key risks identified, and mitigation plans thereof.

During the fiscal year, the RMSC met thrice to review the risk management and sustainability performance covering various risks as stated above. The Board remains vigilant in overseeing the effectiveness of these risk management and sustainability measures and is confident in the Company's ability to navigate uncertainties and capitalise on opportunities for sustainable value creation. There are no risks, which in the opinion of the Board, threaten the existence of the Company.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As per Regulation 34(2)(f) of the Listing Regulations, a separate section on Business Responsibility and Sustainability Report, describing the initiatives taken by the Company from environmental, social and governance perspective, forms an integral part of this Integrated Annual Report.

### ANNUAL RETURN

Pursuant to Sections 92 and 134 of the Act, and the Rules made thereunder, the Annual Return of your Company as on 31<sup>st</sup> March 2024 is available on the Company's website at <https://www.grasim.com/Upload/PDF/form-MGT-7-annual-return-fy24.pdf>

### INTERNAL CONTROLS

Our Company has in place adequate internal control systems (including internal financial control system) commensurate with the size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safe keeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with

the growing size and complexity of the Company's operations. During the year, no material or serious observation has been received from the Joint Statutory Auditors of your Company, citing inefficiency or inadequacy of such controls.

### REMUNERATION POLICY

The Company's remuneration policy is directed towards rewarding the performance based on review of achievements. The remuneration policy is in consonance with the existing industry practice. There has been no change in the policy during the year.

The Remuneration Policy of the Company, as formulated by the NRC of the Board is given in **Annexure 'F'** to this Report and is also available on the Company's website at <https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf>

### RESEARCH AND DEVELOPMENT (R&D)

The R&D projects undertaken by the Company focus on developing and commercialising premium differentiated products, improving our competitive cost position, product quality and environmental sustainability. To support these goals, the businesses are managing a pipeline of projects that are addressing near and mid-term needs, as well as the exploration of future opportunities.

### CELLULOSIC STAPLE FIBRE (CSF)

The Cellulosic Staple Fibre (CSF) business is one of the leading global players in the Manmade Fibre (MMF) industry, and is recognized in the industry for its customer centricity, product quality and cost-competitiveness. This is enabled by a relentless focus on process consistency, operational efficiency and the delivery of innovative products that create sustainable value for its customers.

Sustainability continues to be central to the business strategy. The business's efforts to continuously expand its sustainable footprint were again recognized by the global NGO Canopy, which awarded the Business the highest rating of Dark Green Shirt with industry-leading aggregate points. Several notable innovations, including the launch of three new products contributed to this achievement.

The business launched Birla Viscose Ecosoft, which is a new variant of viscose fibre, made from bamboo pulp. Bamboo is one of the fastest growing plant species that is less resource intensive to cultivate versus other plants and hence increasingly seen as an eco-friendly solution for textile needs. Birla Viscose Ecosoft fibres offer high durability &





better moisture management. The resultant fabrics allow for high breathability, aiding in thermo-regulation. They are also characterised by soft textures and are light in weight.

The business launched Birla Viscose Intellicolor, which is a patented viscose fibre product that promises to redefine the textile industry landscape by addressing a longstanding challenge with conventional reactive dyeing and helps achieve brighter shades with high tinctorial value and color depth compared to reactive dyes with the same concentration of dyes. These innovative fibres use cationic or basic dyes, thereby reducing dye input and enabling up to 95% dye-bath exhaustion. Additionally, this product eliminates the need for salt and soda ash, streamlining operations while significantly reducing environmental impact in dye-houses.

The business also launched Birla SaFR, which are inherently flame-retardant sustainable cellulosic fibres, ideal for making flame retardant fabrics. These fibres are 100% plant based, made from wood pulp sourced from sustainably managed forests and manufactured in facilities that adhere to highest global norms on environmental responsibility.

The Business continued its membership with the Industry Consortium Fashion For Good, and participated in the evaluation of novel pigments made from waste feed-stocks such as industrial carbon, algae and wood, for making dope dyed cellulosic fibres. The novel pigments could potentially replace synthetic dyes, and offer a more sustainable means of textile production with a lower carbon footprint.

These new products and developments affirm our conviction that it is possible to create innovative and sustainable products while delivering excellent technical performance. In the realm of textile recycling and circularity, we have continued to collaborate with leading global innovators such as Renewcell, SaXcell, and Sodra. We successfully manufactured commercial quantities of Liva Reviva cellulosic fibers, incorporating 30% of Renewcell's Circulose pulp. Additionally, the processability of pulps from Sodra and Saxcell was rigorously evaluated in pilot runs.

The Business continues to harness the transformational potential of Industry 4.0 and AI/ML developments for addressing unique manufacturing problems. In the past year, prototyping of different advanced sensors combined with AI/ML and advanced imaging tools was done to provide real-time information regarding quality of intermediate process streams and final product. These new tools are been extensively tested on a commercial lines, and will provide valuable insights, which are key to consistency and quality. The R&D team has combined first-principles thermodynamic

modelling with data analytics to make dashboards that provide a comprehensive real-time information regarding equipment / process health, enabling the plant operators to run their lines at optimal levels.

Through our journey from concept to commercialisation and plant implementation of various new ideas, we have realized the importance of well-equipped pilot facilities in the innovation lifecycle. To accelerate the development of new sustainable feedstock options, we have established a kilo-scale pulping facility. Additionally, we are in the advanced stages of commissioning a larger pilot plant facility designed for small-lot testing of pulps from alternative feedstocks. This facility is expected to become operational in the second quarter of FY2025. It will also support testing of process conditions and new chemistries aimed at improving the efficiency and sustainability of the pulp-making process.

This Business has excellence in managing its diverse patent and trademark portfolio of branded products, including 25 patent filings out of which 13 are granted patents. It also has 4 publications in the current financial year.

With a strong products portfolio, and a committed and passionate workforce, the Business is well-set to continue its prominence in MMF industry, and to serve its customers and stakeholders with high quality products and services.

## CELLULOSIC FASHION YARN (CFY)

The Fashion Yarn business (Cellulosic Fashion Yarn-CFY) is taking the lead in introducing products in the market which has a potential to capture silk market. CFY business is now shifting its focus towards green Cellulosic Fashion yarn manufacturing with indigenously developed technology. A proof of concept has been successfully demonstrated at the laboratory scale, and there are plans underway to invest in establishing a pilot plant. Furthermore, CFY's Research and Development team has developed a tracer mechanism for Dull yarn products, enhancing the ability to trace products at various stages of consumption across the value chain.

## CHEMICALS

Our Company's Research and Development ('R&D') efforts are focusing on cost optimisation, developing new products after understanding customers latent needs and further enhancing our chlorine derivate portfolio.

Water Treatment Business being focus, our Company leveraged its R&D Centre for solving water treatment problems in potable water, some major health problems (reducing the Al load from treated water), working on STP

## BOARD'S REPORT (CONTD.)

of carbon black effluent which has pungent odour and oil content, providing water & waste-water treatment solutions to Oil and Natural Gas refineries, Pulp & Paper, rubber pyrolysis, quarries, economical solutions for Effluent Treatment Plants, colour removal to textile ETPs and CETPs and Grey water treatment to recycle domestic water and others.

R&D Team at Vilayat Site worked closely with customers from cable compounding, PVC pipes, garden pipes and artificial leather industries, developed greener and sustainable formulations and commercialise under 'Twist' brand.

Our Company's R&D which is recognised by the Department of Scientific and Industrial Research (DSIR) and is executing collaborative project with many renowned institutes. The Company received NSF / ANSI and Kosher certifications for its operating Units, certifications from FSSAI for food grade calcium chloride products, Eco-Passport by OEKO-TEX for new product range developed for textile industry and EU-REACH / UK-REACH for long chain chlorinated paraffins. R&D Centre published research articles / papers and presentations in the area of Water Treatment and Cleaning solutions at various forums like CII, ITM-IIM-Bhubaneswar, IIT-Roorkee, IMA-CIPET and Everything About Water journal.

Our Company's R&D Centre has also collaborated with the Aditya Birla Science and Technology Company Private Limited ('ABSTCPL') and the academia in the scientific and technical forums. R&D Centre has also worked with the industry to develop multiple improved technology of phosphoric acid, technology improvement of mono chloro acetic acid, new products for PVC compounding based on different variants of long chain chlorinated paraffin for export markets. The Company is also developing speciality blends (plastics, water treatment, etc.), new formulations for home and personal care FMCG segment and chemicals for agrochemical applications.

Various enhancements in production process have also been undertaken by the team to enhance its efficacy and quality of deliverables. Our Company observed an improvement in quality of HSBP product and plant capacity, developed new recipes in PAC liquid production for improved shelf life and usability of product.

Our Company has started first of its kind pilot facility in India at Renukoot site to evaluate suitability of new membranes, coating and salt types for chlor-alkali production by testing various membranes at operating conditions similar to commercial plant. The facility can help in making data driven decision by cross verifying vendors claim for their products.

### **SPECIALITY CHEMICALS (EPOXY POLYMERS & CURING AGENTS)**

Your Company's R&D team is leading and driving the Sustainability portfolio through New Product Development in the area of Bio-based products, waterless, solvent free, green processes and chemistries, as well as innovation in the area of Recyclability & Circularity of Materials. The teams are also involved in synthesising new molecules and in developing products and applications that drive growth of speciality segment for the business.

R&D team is working with leading Universities, Institutes and Global experts in building the innovation footprint and speeding up the research to market phase.

R&D team is engaged in development of various bio-based products. R&D has developed polyamide hardeners which are based on bio-materials like fatty acids & dimer acids derived from plant sources.

R&D team is involved in application development in epoxy system solutions for composite segment, wind segment, pipes, LPG, CNG & H2 storage tanks, e-mobility, products for power generation, transmission & distribution and auto-electronics, powder coating segment, adhesives and construction segment, water soluble coating solution for can coating applications, developing products for floor coating and marble coating.

### **TEXTILES**

Our Company is involved in driving innovation, servicing new customers with focus on sustainability and customers emerging needs, and constantly improving its processes.

Our Company has launched:

1. COMFYCOOL – Active cooling Linen Fabric range. Using innovative Thermoregulation technology which is triggered by body heat & moisture, COMFYCOOL Fabrics augments natural properties of Linen fabrics with the ability to dynamically respond to body heat, thus keeping the wearer cool & comfortable.
2. Cotton / Lyocell premium stretch fabric range designed for shirting applications that offers brilliant sheen and comfort.

Our Company continues to develop blends in both linen and wool with sustainable fibres, such as Silk, Cashmere, Lyocell, Hemp etc.





Our Company is working towards developing Circular Value Chain of Linen through pre-consumer recycling into new fabrics. This will help creating sustained value and help to reduce our environmental footprints further.

Our Company is continuously working in collaboration with ABSTCPL, TRADC (Textile Research & Application Development Centre) and global partners, e.g., CELC, Wool Mark, HeiQ, Sanitized, Asahi-Kasei and other specialty fibres and chemical suppliers to explore and develop innovative yarns and fabrics.

These R&D activities are aimed at addressing the present and future needs of the Textile business.

## INSULATORS

During the year our R&D efforts were focused on customer requirements-based initiatives, design optimisation for cost and performance, accelerated new products approval and indigenisation of key raw materials. Developmental actions were taken in the following areas:

- Optimisation of design of two major Disc Insulator products and implementation after customer acceptance.
- Development of Insulators for High Voltage Direct Current ('HVDC') transmission applications.
- Overseas customer approval for 4 new transmission line products.
- Weight reduction of Metal Parts using 3D Simulation.
- Increase in usage of Indigenous clays to substitute imported clays.

## PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 'G'** to this Report.

In accordance with the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set out in the aforesaid rules, forms part of this Report. In line with the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all the Members of the Company, excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars

about employees, may write to the Company Secretary at [grasim.secretarial@adityabirla.com](mailto:grasim.secretarial@adityabirla.com).

## POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Our Company has zero tolerance for sexual harassment at workplace. Our Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'), and the Rules framed thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Our Company has constituted Internal Complaints Committee to redress and resolve any complaints arising under the POSH Act. There were 2 (two) complaints pending at the beginning of the year. During the year, 5 (five) complaints were received. 6 (six) complaints were resolved and 1 (one) was outstanding as on 31<sup>st</sup> March 2024. The Company is committed to providing a safe and conducive work environment to all its employees and associates.

## HUMAN RESOURCES

Our Company's human resource is the strong foundation for creating many possibilities for its business. The efficient operations of manufacturing units, market development and expansion for various products were the highlight of our people effort.

Continuous people development for developing knowledge and skills coupled with the Talent Management practices will deliver the talent needs of the Organisation. Our Company's employee engagement score reflects high engagement and pride in being part of the Organisation.

The Group's Corporate Human Resources plays a critical role in the Company's talent management process.

## AWARDS AND ACCOLADES

Some of the significant accolades earned by our Company during the year include:

- Sustainable Organisation 2023 by The Economic Times
- Sustainable Organisation 2023 by BW Business World
- Sustainable Organisation 2023 by Nava Bharat
- Textiles Business certified as a 'Great Place to Work' 2024.
- Silver in BRSR-Large Cap (Manufacturing Sector) Sustainability Reporting Awards 2022-23 by ICAI

## BOARD'S REPORT (CONTD.)

- Winner of CII Industrial IP Award 2023 for Best Trademark Portfolio in Large Manufacturing / Engineering Category
- Birla Cellulose - No. 1 ranking in Canopy's Hot Button Report 2023 for its commitment to conserve Ancient and Endangered Forests and promote circular solutions.
- Cellulosic Division Vilayat awarded CII-ITC Excellence in Environment Management 2023
- Cellulosic Division, Vilayat - Bharuch wins 1<sup>st</sup> prize at FICCI Water Awards 2023.
- SFD, Nagda - Silver in Water Harvesting at CSR Health Impact Awards
- SFD, Nagda - CII ITC Award for Excellence in Environment Management, 2023
- Harihar Polyfibers & Grasilene Division - Platinum at Apex India Green Leaf Awards in Sustainability (Textile Sector)
- Grasilene Division - Gold at IRIM-National Awards for Manufacturing Competitiveness
- Aditya Birla Insulators, Rishra - ICC Social Impact 2024
- CFY business - ICC Award 2022 by Indian Chemical Council in Energy Conservation & Management.
- Textiles Business Golden Peacock CSR Award 2023
- Textiles Business - CII – ITC Sustainability Award 2023 (Corporate Excellence)
- Jayashree Textile - Gold at International Convention on Quality Control Circles 2023
- Chemical Units at Renukoot, Karwar and Vilayat awarded - IRIM National Award of Manufacturing Competitiveness
- Chemicals, Rehla - CII IQ National level Safety Practice Competition Award (Manufacturing Process)
- Chemicals, Ganjam Unit - Gold in FICCI Leader in Energy Management (Electrical)
- CFY Business - Energy Saving champion award-2023 by Forbes Marshall
- CFY team - SRTEPC - 'Best Export Performance 2022-23 (Continuous Viscose Filament Yarn Category)

### UPDATE ON MATERIAL ORDERS PASSED BY THE REGULATORS

- The Competition Commission of India ('CCI') had passed an order under Section 4 of the Competition Act, 2002, dated 16<sup>th</sup> March 2020, imposing a penalty of ₹ 301.61 crore. The Company had filed an appeal against the order before the Hon'ble National Company Law Appellate Tribunal ('NCLAT'), and has obtained a stay by depositing ₹ 30.16 crore with NCLAT by way of fixed deposit. While the matter is pending before the NCLAT, CCI has passed another order dated 3<sup>rd</sup> June 2021, and levied a penalty of ₹ 3.49 crore on the Company (@ ₹ 1 lakh per day for a period of 349 days and continuing thereafter) for non-compliance with its order passed on 16<sup>th</sup> March 2020. Our Company has filed a writ petition with the Hon'ble Delhi High Court, and the Hon'ble Delhi High Court has stayed the operation of the CCI order at 3<sup>rd</sup> June 2021.
- The CCI has passed another order dated 6<sup>th</sup> August 2021, under Section 4 of the Competition Act, 2002, for the period of 2017-18. However, because of the penalty of ₹ 301.61 crore has already been imposed on the Company in a previous order; the CCI deemed it appropriate not to impose any further monetary penalty on the Company. The Company filed an appeal before the Hon'ble NCLAT.
- Our Company, backed by independent expert's opinion, believes that the above orders are not tenable in law. Accordingly, no provision has been made in the books of account on account of these matters.

### GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these matters during the year:

1. No material changes and commitments affected the financial position of the Company between the end of the financial year and the date of this Report.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise;





3. Issue of shares (including sweat equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this report;
4. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries;
5. There were no revisions in the financial statement(s);
6. There has been no change in the nature of business of the Company;
7. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future. The update on the status of material orders passed by the Regulators or Court or Tribunals is provided in this Report;
8. There were no proceedings initiated under the Insolvency and Bankruptcy Code, 2016;
9. There was no instance of one-time settlement with any Bank or Financial Institution; and
10. There was no failure to implement any Corporate Action.

## ACKNOWLEDGEMENT

Your Directors express their deep sense of gratitude to the shareholders, banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support and look forward to their continued support in future.

Your Directors very warmly thank all our employees for their contribution to the Company's performance. We applaud them for their superior levels of competence, dedication and commitment to our Company.

For and on behalf of the Board

**Kumar Mangalam Birla**  
Chairman  
(DIN:00012813)

Mumbai, 22<sup>nd</sup> May 2024

# ANNEXURE 'A' TO THE BOARD'S REPORT

## FORM AOC - 1

### STATEMENT CONTAINING SALIENT FEATURES : PURSUANT TO FIRST PROVISO TO SUB- SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

#### Part 'A' - Subsidiaries

| Sr. No                                             | 1                                                 | 2                       | 3                                    | 4                                       | 5                                                                     | 6                                         |
|----------------------------------------------------|---------------------------------------------------|-------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------------------------------------|-------------------------------------------|
| Name of Subsidiaries                               | Samruddhi Swastik Trading And Investments Limited | ABNL Investment Limited | Grasim Business Services Pvt Limited | Aditya Birla Renewables Limited (ABReL) | ABReL Hybrid Projects Limited (w.e.f.31 <sup>st</sup> August 2023) ₹₹ | Aditya Birla Renewables SPV1 Limited ₹₹ + |
| Currency                                           | ₹ in crore                                        | ₹ in crore              | ₹ in crore                           | ₹ in crore                              | ₹ in crore                                                            | ₹ in crore                                |
| Share Capital (Equity)                             | 6.50                                              | 28.14                   | 0.10                                 | 833.05                                  | 0.01                                                                  | 62.61                                     |
| Other Equity                                       | 57.13                                             | 44.69                   | 0.29                                 | (32.70)                                 | (0.04)                                                                | 3.70                                      |
| Total Assets                                       | 64.80                                             | 80.06                   | 4.44                                 | 2,768.65                                | 0.01                                                                  | 265.97                                    |
| Total Liabilities                                  | 1.17                                              | 7.23                    | 4.05                                 | 1,968.30                                | 0.04                                                                  | 199.67                                    |
| Investments                                        | 60.46                                             | 23.92                   | -                                    | 1,077.23                                | -                                                                     | -                                         |
| Revenue from Operations                            | 0.28                                              | 13.65                   | 16.80                                | 163.16                                  | -                                                                     | 36.65                                     |
| Profit/(Loss) before Tax                           | 2.28                                              | 13.26                   | 0.44                                 | (36.69)                                 | (0.04)                                                                | (1.96)                                    |
| Tax Expenses                                       | 0.57                                              | 0.99                    | 0.11                                 | (6.49)                                  | -                                                                     | (0.49)                                    |
| Profit/(Loss) for the Year                         | 1.71                                              | 12.27                   | 0.33                                 | (30.20)                                 | (0.04)                                                                | (1.47)                                    |
| Proposed/Interim Dividend                          | -                                                 | -                       | -                                    | -                                       | -                                                                     | -                                         |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 100.00%                                           | 100.00%                 | 100.00%                              | 100.00%                                 | 100.00%                                                               | 88.89%                                    |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | NA                                                | NA                      | NA                                   | NA                                      | NA                                                                    | NA                                        |

| Sr. No                                             | 7                                             | 8                                         | 9                                           | 10                                       | 11                     | 12                                                                                                      |
|----------------------------------------------------|-----------------------------------------------|-------------------------------------------|---------------------------------------------|------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------|
| Name of Subsidiaries                               | Aditya Birla Renewables Subsidiary Limited ₹₹ | Aditya Birla Renewables Utikal Limited ₹₹ | Aditya Birla Renewables Energy Limited ₹₹ + | Aditya Birla Renewables Solar Limited ₹₹ | ABReL SPV 2 Limited ₹₹ | Aditya Birla Renewables Green Power Private Limited (formerly known as Waaco Energy Private Limited) ₹₹ |
| Currency                                           | ₹ in crore                                    | ₹ in crore                                | ₹ in crore                                  | ₹ in crore                               | ₹ in crore             | ₹ in crore                                                                                              |
| Share Capital (Equity)                             | 26.52                                         | 4.90                                      | 105.33                                      | 158.50                                   | 341.10                 | 34.26                                                                                                   |
| Other Equity                                       | 0.93                                          | 0.64                                      | 9.15                                        | 1.92                                     | (59.60)                | (1.01)                                                                                                  |
| Total Assets                                       | 111.39                                        | 20.80                                     | 534.01                                      | 776.96                                   | 3,196.47               | 92.25                                                                                                   |
| Total Liabilities                                  | 83.94                                         | 15.26                                     | 419.52                                      | 616.54                                   | 2,914.97               | 59.00                                                                                                   |
| Investments                                        | 3.60                                          | -                                         | 30.49                                       | -                                        | 67.21                  | 5.96                                                                                                    |
| Revenue from Operations                            | 14.33                                         | 3.28                                      | 9.66                                        | 43.34                                    | 47.06                  | 10.02                                                                                                   |
| Profit/(Loss) before Tax                           | 0.13                                          | 0.27                                      | 0.59                                        | (14.27)                                  | (45.07)                | 0.95                                                                                                    |
| Tax Expenses                                       | (0.05)                                        | 0.07                                      | 0.13                                        | (1.18)                                   | 3.52                   | 0.31                                                                                                    |
| Profit/(Loss) for the Year                         | 0.18                                          | 0.21                                      | 0.46                                        | (13.08)                                  | (48.60)                | 0.64                                                                                                    |
| Proposed/Interim Dividend                          | -                                             | -                                         | -                                           | -                                        | -                      | -                                                                                                       |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 74.00%                                        | 74.00%                                    | 88.89%                                      | 74.00%                                   | 100.00%                | 100.00%                                                                                                 |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | NA                                            | NA                                        | NA                                          | NA                                       | NA                     | NA                                                                                                      |

₹₹ Subsidiaries of ABReL

+ 74% shares held by ABReL and 26% shares held by UTCL





| Sr. No                                             | 13                              | 14                                 | 15                              | 16                              | 17                   | 18                               |
|----------------------------------------------------|---------------------------------|------------------------------------|---------------------------------|---------------------------------|----------------------|----------------------------------|
| Name of Subsidiaries                               | ABRel Solar Power Limited ₹₹ \$ | ABRel (MP) Renewables Limited ₹₹ + | ABRel Green Energy Limited ₹₹ + | ABRel EPCCO Services Limited ₹₹ | ABRel EPC Limited ₹₹ | ABRel (RJ) Projects Limited ₹₹ + |
| Currency                                           | ₹ in crore                      | ₹ in crore                         | ₹ in crore                      | ₹ in crore                      | ₹ in crore           | ₹ in crore                       |
| Share Capital (Equity)                             | 273.40                          | 136.12                             | 91.77                           | 0.01                            | 0.25                 | 0.01                             |
| Other Equity                                       | (20.99)                         | (1.71)                             | 2.49                            | 0.96                            | 18.10                | (0.10)                           |
| Total Assets                                       | 1,328.37                        | 700.96                             | 399.58                          | 9.25                            | 769.62               | 4.99                             |
| Total Liabilities                                  | 1,075.97                        | 566.54                             | 305.31                          | 8.29                            | 751.27               | 5.08                             |
| Investments                                        | 25.08                           | -                                  | -                               | -                               | -                    | -                                |
| Revenue from Operations                            | 26.92                           | -                                  | -                               | 39.77                           | 2,828.07             | -                                |
| Profit/(Loss) before Tax                           | (19.67)                         | (0.09)                             | 4.17                            | 1.22                            | 24.17                | (0.07)                           |
| Tax Expenses                                       | (0.21)                          | 0.09                               | 1.27                            | 0.38                            | 6.38                 | -                                |
| Profit/(Loss) for the Year                         | (19.46)                         | (0.19)                             | 2.90                            | 0.84                            | 17.79                | (0.07)                           |
| Proposed/Interim Dividend                          | -                               | -                                  | -                               | -                               | -                    | -                                |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 100.00%                         | 88.89%                             | 88.89%                          | 100.00%                         | 100.00%              | 88.89%                           |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | NA                              | NA                                 | NA                              | NA                              | NA                   | NA                               |

| Sr. No                                             | 19                              | 20                              | 21                              |
|----------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Name of Subsidiaries                               | ABRel (Odisha) SPV Limited ₹₹ + | ABRel Renewables EPC Limited ₹₹ | ABRel Century Energy Limited ₹₹ |
| Currency                                           | ₹ in crore                      | ₹ in crore                      | ₹ in crore                      |
| Share Capital (Equity)                             | 19.28                           | 0.01                            | 34.03                           |
| Other Equity                                       | (4.28)                          | 0.25                            | (12.53)                         |
| Total Assets                                       | 101.29                          | 27.78                           | 166.41                          |
| Total Liabilities                                  | 86.29                           | 27.52                           | 144.91                          |
| Investments                                        | -                               | -                               | -                               |
| Revenue from Operations                            | 1.87                            | 26.08                           | 13.38                           |
| Profit/(Loss) before Tax                           | (4.06)                          | (2.34)                          | (12.08)                         |
| Tax Expenses                                       | -                               | 0.07                            | -                               |
| Profit/(Loss) for the Year                         | (4.06)                          | (2.41)                          | (12.08)                         |
| Proposed/Interim Dividend                          | -                               | -                               | -                               |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 88.89%                          | 100.00%                         | 74.00%                          |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | NA                              | NA                              | NA                              |

₹₹ Subsidiaries of ABRel  
+ 74% shares held by ABRel and 26% shares held by UTCL  
\$ 74% shares held by ABRel and 26% shares held by Grasim

## ANNEXURE 'A' TO THE BOARD'S REPORT

| Sr. No                                             | 22                                    | 23                              | 24                                 | 25                                                  | 26                                                 |
|----------------------------------------------------|---------------------------------------|---------------------------------|------------------------------------|-----------------------------------------------------|----------------------------------------------------|
| Name of Subsidiaries                               | Aditya Birla Power Composites Limited | UltraTech Cement Limited (UTCL) | Harish Cement Limited <sup>!</sup> | Gotan Limestone Khanij Udyog Pvt. Ltd. <sup>!</sup> | Bhagwati Lime Stone Company Pvt. Ltd. <sup>!</sup> |
| Currency                                           | ₹ in crore                            | ₹ in crore                      | ₹ in crore                         | ₹ in crore                                          | ₹ in crore                                         |
| Share Capital (Equity)                             | 44.57                                 | 288.69                          | 0.25                               | 2.33                                                | 0.01                                               |
| Other Equity                                       | (37.12)                               | 58,806.84                       | 154.80                             | 15.57                                               | 0.88                                               |
| Total Assets                                       | 91.45                                 | 96,630.99                       | 157.42                             | 19.47                                               | 4.87                                               |
| Total Liabilities                                  | 84.00                                 | 37,535.46                       | 2.37                               | 1.57                                                | 3.98                                               |
| Investments                                        | -                                     | 9,465.42                        | -                                  | -                                                   | -                                                  |
| Revenue from Operations                            | 27.24                                 | 68,640.63                       | -                                  | -                                                   | 10.50                                              |
| Profit/(Loss) before Tax                           | (13.10)                               | 9,315.98                        | (8)                                | (0.34)                                              | (0.51)                                             |
| Tax Expenses                                       | -                                     | 2,411.11                        | -                                  | -                                                   | -                                                  |
| Profit/(Loss) for the Year                         | (13.10)                               | 6,904.87                        | (8)                                | (0.34)                                              | (0.51)                                             |
| Proposed/Interim Dividend                          | -                                     | 2,020.84                        | -                                  | -                                                   | -                                                  |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 51.00%                                | 57.27%                          | 100.00%                            | 100.00%                                             | 100.00%                                            |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | NA                                    | NA                              | NA                                 | NA                                                  | NA                                                 |

| Sr. No                                             | 27                                            | 28                                                                 | 29                           |
|----------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------|------------------------------|
| Name of Subsidiaries                               | UltraTech Cement Lanka Pvt. Ltd. <sup>!</sup> | UltraTech Cement Middle East Investment Ltd. (UCMEIL) <sup>!</sup> | Star Cement Co. LLC, Dubai @ |
| Currency                                           | SLR in crore                                  | ₹ in crore                                                         | AED in crore                 |
| Share Capital (Equity)                             | 50.00                                         | 13.89                                                              | 1,149.50                     |
| Other Equity                                       | 87.76                                         | 24.39                                                              | 871.90                       |
| Total Assets                                       | 513.40                                        | 142.67                                                             | 4,361.21                     |
| Total Liabilities                                  | 375.64                                        | 104.39                                                             | 2,339.81                     |
| Investments                                        | -                                             | -                                                                  | 850.30                       |
| Revenue from Operations                            | 1,889.35                                      | 492.74                                                             | -                            |
| Profit/(Loss) before Tax                           | (15.10)                                       | (3.94)                                                             | (2.50)                       |
| Tax Expenses                                       | (0.27)                                        | (0.07)                                                             | -                            |
| Profit/(Loss) for the Year                         | (14.83)                                       | (3.87)                                                             | (2.50)                       |
| Proposed/Interim Dividend                          | -                                             | -                                                                  | -                            |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 80.00%                                        | 100.00%                                                            | 100.00%                      |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | BS - SLR 3.5986 = 1.00 INR                    | BS - AED 0.0440 = 1.00 INR                                         | BS - AED 0.0440 = 1.00 INR   |
|                                                    | PL - SLR 3.8344 = 1.00 INR                    | PL - AED 0.0444 = 1.00 INR                                         | PL - AED 0.0444 = 1.00 INR   |

<sup>!</sup> Subsidiaries of UltraTech Cement Ltd.

@ Subsidiaries of UltraTech Cement Middle East Investment Ltd.

β Represents that the amount is less than 50,000





| Sr. No                                             | 30                                                       | 31                                                                | 32                                                       |
|----------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------|
| Name of Subsidiaries                               | Arabian Cement Industry LLC, Abu Dhabi @                 | Star Cement Co LLC, Ras Al Khaimah @                              | Al Nakhla Crushers LLC, Fujairah @                       |
| Currency                                           | AED in crore                                             | ₹ in crore                                                        | AED in crore                                             |
| Share Capital (Equity)                             | 1.00                                                     | 22.71                                                             | 11.36                                                    |
| Other Equity                                       | 1.78                                                     | 40.52                                                             | 489.51                                                   |
| Total Assets                                       | 20.26                                                    | 460.24                                                            | 53.00                                                    |
| Total Liabilities                                  | 17.48                                                    | 397.01                                                            | 30.95                                                    |
| Investments                                        | -                                                        | -                                                                 | -                                                        |
| Revenue from Operations                            | 29.03                                                    | 654.37                                                            | 44.87                                                    |
| Profit/(Loss) before Tax                           | 2.56                                                     | 57.66                                                             | 2.74                                                     |
| Tax Expenses                                       | (0.26)                                                   | (5.91)                                                            | (1.27)                                                   |
| Profit/(Loss) for the Year                         | 2.82                                                     | 63.57                                                             | 4.02                                                     |
| Proposed/Interim Dividend                          | -                                                        | -                                                                 | -                                                        |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 100.00%                                                  | 100.00%                                                           | 100.00%                                                  |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | BS - AED 0.0440 = 1.00 INR<br>PL - AED 0.0444 = 1.00 INR | BS - AED 0.0440 = 1.00 INR<br>PL - AED 0.0444 = 1.00 INR          | BS - AED 0.0440 = 1.00 INR<br>PL - AED 0.0444 = 1.00 INR |
| Sr. No                                             | 33                                                       | 34                                                                | 35                                                       |
| Name of Subsidiaries                               | UltraTech Cement Bahrain Company WLL Bahrain @           | Letein Valley Cement Ltd (w.e.f. 16 <sup>th</sup> January 2024) † | Bhumi Resources (Singapore) PTE. Ltd (Bhumi) † \$        |
| Currency                                           | BHD in crore                                             | ₹ in crore                                                        | USD in crore                                             |
| Share Capital (Equity)                             | 0.03                                                     | 6.64                                                              | 1.51                                                     |
| Other Equity                                       | 1.33                                                     | 294.78                                                            | (1.50)                                                   |
| Total Assets                                       | 1.71                                                     | 377.80                                                            | 0.02                                                     |
| Total Liabilities                                  | 0.35                                                     | 76.38                                                             | β                                                        |
| Investments                                        | -                                                        | -                                                                 | -                                                        |
| Revenue from Operations                            | 1.12                                                     | 245.98                                                            | -                                                        |
| Profit/(Loss) before Tax                           | 0.10                                                     | 22.51                                                             | β                                                        |
| Tax Expenses                                       | -                                                        | -                                                                 | -                                                        |
| Profit/(Loss) for the Year                         | 0.10                                                     | 22.51                                                             | β                                                        |
| Proposed/Interim Dividend                          | -                                                        | -                                                                 | -                                                        |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 100.00%                                                  | 100.00%                                                           | 100.00%                                                  |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | BS - BHD 0.0045 = 1.00 INR<br>PL - BHD 0.0046 = 1.00 INR | NA                                                                | BS - USD 1.00 = ₹ 83.4037<br>PL - USD 1.00 = ₹ 82.7932   |

† Subsidiaries of UltraTech Cement Ltd.

@ Subsidiaries of UltraTech Cement Middle East Investment Ltd.

\$\$ These have been classified as assets held for sale.

β Represents that the amount is less than 50,000

## ANNEXURE 'A' TO THE BOARD'S REPORT

| Sr. No                                             | 36                                                       | 37                                                       | 38                                                           |
|----------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| Name of Subsidiaries                               | Star Super Cement Industries LLC (SSCILLC)<br>@@         | Duqm Cement Project International, LLC,<br>Oman          | PT Anggana Energy Resources \$\$\$                           |
| Currency                                           | AED in crore                                             | OMR in crore                                             | IDR in crore                                                 |
| Share Capital (Equity)                             | 3.19                                                     | 0.05                                                     | 568.80                                                       |
| Other Equity                                       | 5.16                                                     | β                                                        | (474.36)                                                     |
| Total Assets                                       | 30.32                                                    | 0.06                                                     | 949.01                                                       |
| Total Liabilities                                  | 21.97                                                    | β                                                        | 854.57                                                       |
| Investments                                        | -                                                        | -                                                        | -                                                            |
| Revenue from Operations                            | 39.58                                                    | -                                                        | -                                                            |
| Profit/(Loss) before Tax                           | 2.07                                                     | β                                                        | (1.39)                                                       |
| Tax Expenses                                       | (0.44)                                                   | -                                                        | -                                                            |
| Profit/(Loss) for the Year                         | 2.51                                                     | β                                                        | (1.39)                                                       |
| Proposed/Interim Dividend                          | -                                                        | -                                                        | -                                                            |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 100.00%                                                  | UCMEIL - 70%                                             | 100% of BHUMI                                                |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | BS - AED 0.0440 = 1.00 INR<br>PL - AED 0.0444 = 1.00 INR | BS - OMR 0.0046 = 1.00 INR<br>PL - OMR 0.0046 = 1.00 INR | BS - IDR 190.1360 = 1.00 INR<br>PL - IDR 185.2890 = 1.00 INR |

| Sr. No                                             | 39                                                     | 40                                                     | 41                                                     |
|----------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Name of Subsidiaries                               | BC Tradelink Limited ##                                | Binani Cement Tanzania Limited ##                      | Binani Cement (Uganda) Ltd ##                          |
| Currency                                           | TZS in crore                                           | TZS in crore                                           | UGX in crore                                           |
| Share Capital (Equity)                             | β                                                      | 3.20                                                   | β                                                      |
| Other Equity                                       | 2.42                                                   | 249.07                                                 | 0.59                                                   |
| Total Assets                                       | 2.42                                                   | 252.53                                                 | 0.59                                                   |
| Total Liabilities                                  | -                                                      | 0.25                                                   | -                                                      |
| Investments                                        | -                                                      | -                                                      | -                                                      |
| Revenue from Operations                            | -                                                      | -                                                      | -                                                      |
| Profit/(Loss) before Tax                           | -                                                      | -                                                      | -                                                      |
| Tax Expenses                                       | -                                                      | -                                                      | -                                                      |
| Profit/(Loss) for the Year                         | -                                                      | -                                                      | -                                                      |
| Proposed/Interim Dividend                          | -                                                      | -                                                      | -                                                      |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 100.00%                                                | 100.00%                                                | 100.00%                                                |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | BS - TZS 30.7537 = ₹ 1.00<br>PL - TZS 29.7532 = ₹ 1.00 | BS - TZS 30.7537 = ₹ 1.00<br>PL - TZS 29.7532 = ₹ 1.00 | BS - UGX 46.5475 = ₹ 1.00<br>PL - UGX 45.4356 = ₹ 1.00 |

\$\$\$ These have been classified as assets held for sale.

## Wholly owned subsidiaries of SSCILLC

@@ Wholly owned subsidiaries of UCMEIL

β Represents that the amount is less than 50,000





| Sr. No                                             | 42                                  | 43                                      | 44                              | 45                                          | 46                                                  | 47                                              |
|----------------------------------------------------|-------------------------------------|-----------------------------------------|---------------------------------|---------------------------------------------|-----------------------------------------------------|-------------------------------------------------|
| Name of Subsidiaries                               | Aditya Birla Capital Limited (ABCL) | Aditya Birla Housing Finance Limited ii | Aditya Birla Finance Limited ii | Aditya Birla PE Advisors Private Limited ii | Aditya Birla Capital Technology Services Limited ii | Aditya Birla Trustee Company Private Limited ii |
| Currency                                           | ₹ in crore                          | ₹ in crore                              | ₹ in crore                      | ₹ in crore                                  | ₹ in crore                                          | ₹ in crore                                      |
| Share Capital (Equity)                             | 2,600.02                            | 501.20                                  | 689.40                          | 3.50                                        | 1.80                                                | 0.05                                            |
| Other Equity                                       | 11,338.56                           | 1,758.60                                | 14,554.14                       | 0.92                                        | (39.73)                                             | 0.40                                            |
| Total Assets                                       | 14,122.30                           | 18,461.29                               | 111,211.76                      | 4.49                                        | 5.24                                                | 0.47                                            |
| Total Liabilities                                  | 183.72                              | 16,201.49                               | 95,968.22                       | 0.07                                        | 43.17                                               | 0.02                                            |
| Investments                                        | 12,985.18                           | 265.75                                  | 5,862.38                        | 4.36                                        | -                                                   | 0.46                                            |
| Revenue from Operations                            | 859.57                              | 1,835.07                                | 12,702.22                       | -                                           | 24.65                                               | -                                               |
| Profit/(Loss) before Tax                           | 795.34                              | 376.46                                  | 2,987.07                        | 0.18                                        | (0.51)                                              | 0.02                                            |
| Tax Expenses                                       | 81.06                               | 85.77                                   | 766.21                          | (0.02)                                      | -                                                   | -                                               |
| Profit/(Loss) for the Year                         | 714.28                              | 290.69                                  | 2,220.86                        | 0.19                                        | (0.51)                                              | 0.02                                            |
| Proposed/Interim Dividend                          | -                                   | -                                       | -                               | -                                           | -                                                   | -                                               |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 52.68%                              | 100.00%                                 | 100.00%                         | 100.00%                                     | 100.00%                                             | 100.00%                                         |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | NA                                  | NA                                      | NA                              | NA                                          | NA                                                  | NA                                              |

| Sr. No                                             | 48                                        | 49                                 | 50                                                         | 51                                                                           | 52                                               | 53                                       |
|----------------------------------------------------|-------------------------------------------|------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------|
| Name of Subsidiaries                               | Aditya Birla Insurance Brokers Limited ii | Aditya Birla Money Mart Limited ii | Aditya Birla Money Insurance Advisory Services Limited iii | Aditya Birla Capital Digital Limited (w.e.f. 23 <sup>rd</sup> March 2023) ii | Aditya Birla Sun Life Trustee Private Limited ii | Aditya Birla Wellness Private Limited ii |
| Currency                                           | ₹ in crore                                | ₹ in crore                         | ₹ in crore                                                 | ₹ in crore                                                                   | ₹ in crore                                       | ₹ in crore                               |
| Share Capital (Equity)                             | 5.13                                      | 93.20                              | 4.97                                                       | 253.00                                                                       | 0.02                                             | 11.67                                    |
| Other Equity                                       | 188.59                                    | 2.48                               | 31.80                                                      | (193.17)                                                                     | 1.68                                             | 6.24                                     |
| Total Assets                                       | 364.53                                    | 148.15                             | 39.31                                                      | 195.82                                                                       | 2.02                                             | 25.17                                    |
| Total Liabilities                                  | 170.81                                    | 52.47                              | 2.54                                                       | 135.99                                                                       | 0.32                                             | 7.26                                     |
| Investments                                        | 127.24                                    | 21.40                              | 31.81                                                      | 39.73                                                                        | 1.78                                             | 11.23                                    |
| Revenue from Operations                            | 551.07                                    | -                                  | 40.82                                                      | 6.30                                                                         | 0.26                                             | 9.18                                     |
| Profit/(Loss) before Tax                           | 67.43                                     | 4.24                               | 30.20                                                      | (174.48)                                                                     | 0.36                                             | (5.14)                                   |
| Tax Expenses                                       | 16.82                                     | 2.24                               | 7.83                                                       | -                                                                            | 0.09                                             | -                                        |
| Profit/(Loss) for the Year                         | 50.61                                     | 2.00                               | 22.37                                                      | (174.48)                                                                     | 0.27                                             | (5.14)                                   |
| Proposed/Interim Dividend                          | -                                         | -                                  | -                                                          | -                                                                            | -                                                | -                                        |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 50.002%                                   | 100.00%                            | 100.00%                                                    | 100.00%                                                                      | 50.85%                                           | 51.00%                                   |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | NA                                        | NA                                 | NA                                                         | NA                                                                           | NA                                               | NA                                       |

ii Subsidiaries of Aditya Birla Capital Limited

iii Wholly owned subsidiaries of Aditya Birla Money Mart Limited

## ANNEXURE 'A' TO THE BOARD'S REPORT

| Sr. No                                             | 54                                                | 55                                                   | 56                            | 57                          | 58                                                 | 59                                                 |
|----------------------------------------------------|---------------------------------------------------|------------------------------------------------------|-------------------------------|-----------------------------|----------------------------------------------------|----------------------------------------------------|
| Name of Subsidiaries                               | Aditya Birla Financial Shared Services Limited !! | Aditya Birla Sun Life Pension Management Limited ₹₹₹ | Aditya Birla Money Limited !! | Aditya Birla ARC Limited !! | Aditya Birla Stressed Asset AMC Private Limited !! | Aditya Birla Sun Life Insurance Company Limited !! |
| Currency                                           | ₹ in crore                                        | ₹ in crore                                           | ₹ in crore                    | ₹ in crore                  | ₹ in crore                                         | ₹ in crore                                         |
| Share Capital (Equity)                             | 0.05                                              | 85.00                                                | 5.65                          | 100.00                      | 14.80                                              | 1,986.51                                           |
| Other Equity                                       | 3.39                                              | (26.44)                                              | 157.06                        | 167.06                      | 23.90                                              | 1,488.52                                           |
| Total Assets                                       | 221.24                                            | 66.89                                                | 2,116.11                      | 669.62                      | 39.52                                              | 90,543.29                                          |
| Total Liabilities                                  | 217.80                                            | 8.33                                                 | 1,953.40                      | 402.56                      | 0.82                                               | 87,068.27                                          |
| Investments                                        | -                                                 | 61.63                                                | 429.97                        | 563.86                      | 1.94                                               | 86,161.38                                          |
| Revenue from Operations                            | -                                                 | 1.41                                                 | 390.19                        | 173.74                      | 7.73                                               | 26,414.16                                          |
| Profit/(Loss) before Tax                           | 1.35                                              | (7.96)                                               | 68.93                         | 126.41                      | 8.01                                               | 200.25                                             |
| Tax Expenses                                       | 0.01                                              | 0.11                                                 | 15.96                         | 33.35                       | 1.07                                               | 15.11                                              |
| Profit/(Loss) for the Year                         | 1.34                                              | (8.07)                                               | 52.97                         | 93.06                       | 6.94                                               | 185.14                                             |
| Proposed/Interim Dividend                          | -                                                 | -                                                    | -                             | -                           | -                                                  | -                                                  |
| Percentage Holding as on 31 <sup>st</sup> Mar 2024 | 100.00%                                           | 100.00%                                              | 73.53%                        | 100.00%                     | 100.00%                                            | 51.00%                                             |
| Exchange Rate as on 31 <sup>st</sup> Mar 2024      | NA                                                | NA                                                   | NA                            | NA                          | NA                                                 | NA                                                 |

!! Subsidiaries of Aditya Birla Capital Limited

₹₹₹ wholly owned subsidiary of Aditya Birla Sun Life Insurance Company Limited

The financials of all the entities in above annexure are as per their statutory books.

### Notes:

#### A. Subsidiaries which are yet to commence operations

- ABReL (MP) Renewables Limited
- ABReL (RJ) Projects Limited
- ABReL Green Energy Limited
- ABReL Hybrid Projects Limited

#### B. Subsidiaries which have been liquidated or sold during the year. - Nil

#### C. Additional Notes

a. UltraTech Nathdwara Cement Limited (UNCL) (a wholly-owned subsidiary of the Company) and its wholly-owned subsidiaries viz. Swiss Merchandise Infrastructure Limited ('Swiss') and Merit Plaza Limited ('Merit') amalgamated with the Company from Appointed date of April 01, 2023. Consequently, the above mentioned wholly owned subsidiaries of the Company stand dissolved without winding up. Since the amalgamated entities are under common control, the accounting of the said amalgamation in the Standalone Financials has been done applying Pooling of Interest method as prescribed in Appendix C of Ind AS 103 'Business Combinations'. Consequently, the previous year figures have been restated considering that the amalgamation has taken place from the beginning of the preceding period i.e. 01/04/2022. Consequently, Bhumi Resources (Singapore) PTE. Ltd which was wholly owned subsidiary of UNCL, now becomes wholly owned subsidiary of the UTCL.

b. Aditya Birla Renewables Limited ('ABReL') and Aditya Birla Solar Limited ('ABSL'), both wholly owned Subsidiaries of the Company, had filed an application and Scheme of arrangement with the National Company Law Tribunal ('NCLT'), Mumbai on 27<sup>th</sup> March 2020. The NCLT has approved the Scheme of Amalgamation of ABSL with ABReL under the Sections 230 to 232 of the Companies Act, 2013 and rules applicable thereunder ('the Scheme') on 23<sup>rd</sup> June 2023. The Appointed Date of the Scheme is 1<sup>st</sup> April 2019 and the Scheme has been made effective from 24<sup>th</sup> July 2023 by filing a certified copy of the Order of the NCLT with the Registrar of Companies, Mumbai by ABSL and ABReL.





## FORM AOC - 1

## STATEMENT CONTAINING SALIENT FEATURES : PURSUANT TO FIRST PROVISO TO SUB- SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

## Part B : Joint Ventures/Associates

| Sr No | Name of the Associates and Joint Ventures                                             | Shares of Joint venture/Associate held by the Company on year end |                                        |                                                         |                       | Latest audited Balance Sheet Date | Network attributable to shareholding as per latest audited Balance Sheet |          | Profit/(Loss) for the year | Considered in Consolidation | Not considered in Consolidation |
|-------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------|-----------------------|-----------------------------------|--------------------------------------------------------------------------|----------|----------------------------|-----------------------------|---------------------------------|
|       |                                                                                       | Nos.                                                              | Investment in Joint venture/ Associate | Amount of Equity Investment in Joint venture/ Associate | Extent of Holding (%) |                                   |                                                                          |          |                            |                             |                                 |
| 1     | Madanpura (North) Coal Company Private Limited <sup>#</sup>                           | 11,52,560                                                         | 1.10                                   | 11.17%                                                  | 0.25                  | 0.06                              | 0.01                                                                     | 0.05     |                            |                             |                                 |
| 2     | Bhaskarpara Coal Company Limited                                                      | 81,41,050                                                         | 8.20                                   | 47.37%                                                  | 6.31                  | 0.05                              | 0.02                                                                     | 0.03     |                            |                             |                                 |
| 3     | AV Group NB Inc.                                                                      | 2,04,750                                                          | 153.04                                 | 45.00%                                                  | 480.46                | (351.20)                          | (158.04)                                                                 | (193.16) |                            |                             |                                 |
| 4     | Birla Jingwei Fibres Company Limited                                                  | -                                                                 | 117.40                                 | 26.63%                                                  | 57.32                 | 18.44                             | 4.91                                                                     | 13.53    |                            |                             |                                 |
| 5     | Bhubaneswari Coal Mining Limited                                                      | 3,35,40,000                                                       | 33.54                                  | 26.00%                                                  | 248.10                | 181.81                            | 47.27                                                                    | 134.54   |                            |                             |                                 |
| 6     | Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi                                   | 16,665                                                            | 0.47                                   | 33.33%                                                  | 0.38                  | 0.12                              | 0.04                                                                     | 0.08     |                            |                             |                                 |
| 7     | Aditya Group AB                                                                       | 50                                                                | 274.89                                 | 33.33%                                                  | 333.99                | (105.64)                          | (35.21)                                                                  | (70.43)  |                            |                             |                                 |
| 8     | AV Terrace Bay Inc. (AVTB) <sup>@</sup>                                               | 3,80,00,000                                                       | 218.24                                 | 40.00%                                                  | -                     | (456.84)                          | (61.88)                                                                  | (394.96) |                            |                             |                                 |
| 9     | Aditya Birla Science & Technology Co. Private Limited <sup>#</sup>                    | 98,99,500                                                         | 11.35                                  | 49.50%                                                  | 42.36                 | 11.15                             | 5.52                                                                     | 5.63     |                            |                             |                                 |
| 10    | Birla Advanced Knits Pvt. Ltd.                                                        | 2,50,00,000                                                       | 25.00                                  | 50.00%                                                  | 0.62                  | (44.80)                           | (22.40)                                                                  | (22.40)  |                            |                             |                                 |
| 11    | Renew Surya Uday Pvt. Ltd. <sup>#</sup>                                               | 97,85,162                                                         | 29.82                                  | 26.00%                                                  | 31.69                 | 2.46                              | 0.64                                                                     | 1.82     |                            |                             |                                 |
| 12    | Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E <sup>#</sup> | 14,90,16,781                                                      | 816.23                                 | 29.79%                                                  | 546.09                | 77.17                             | 22.99                                                                    | 54.18    |                            |                             |                                 |
| 13    | Greenyana Sunstream Private Limited <sup>#</sup>                                      | 32,17,970                                                         | 4.18                                   | 22.30%                                                  | 4.18                  | (0.67)                            | (0.15)                                                                   | (0.52)   |                            |                             |                                 |
| 14    | Aditya Birla Sun Life AMC Limited <sup>#</sup> \$                                     | 13,00,34,601                                                      | 29.75                                  | 45.14%                                                  | 1,423.94              | 774.23                            | 385.95                                                                   | 388.28   |                            |                             |                                 |
| 15    | Aditya Birla Health Insurance Co. Ltd.                                                | 23,30,06,086                                                      | 997.53                                 | 45.89%                                                  | 2,957.65              | (181.85)                          | (83.45)                                                                  | (98.40)  |                            |                             |                                 |

in ₹ crore

# Represents Associates

@ The Company has recognised an impairment charge of ₹ 218.24 crore against carrying value of investment in AVTB.

\$ During the year, Aditya Birla Capital Limited (ABCL) had sold 1,39,94,199 Equity Shares of Aditya Birla Sun Life AMC Limited ('ABSLAMC') representing 4.86% of the issued and paid-up equity share capital of the ABSLAMC, by way of an offer for sale through stock exchange mechanism, in order to achieve minimum public shareholding of the ABSLAMC as required under the applicable laws.

For and on behalf of the Board of Directors

**Harikrishna Agarwal**  
Managing Director  
DIN :09288720

**V. Chandrasekaran**  
Independent Director  
DIN: 03126243

**Pavan K. Jain**  
Chief Financial Officer

**Sailesh Daga**  
Company Secretary  
Membership No.: F 4164

Date : 22<sup>nd</sup> May 2024  
Place : Mumbai

# ANNEXURE 'B' TO THE BOARD'S REPORT

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Grasim Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Grasim Industries Limited (the 'Company'), for the year ended 31<sup>st</sup> March 2024 as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### MANAGEMENT'S RESPONSIBILITY

The compliance of the conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation, and maintenance of internal control procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### AUDITOR'S RESPONSIBILITY

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the

purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### OPINION

Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KKC & Associates LLP**  
Chartered Accountants  
FRN-105146W/W100621

**Gautam Shah**  
Partner  
Membership No: 117348  
ICAI UDIN: 24117348BKBZWQ9631

Place: Mumbai  
Date: 22<sup>nd</sup> May 2024





# ANNEXURE 'C' TO THE BOARD'S REPORT

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

### A. CONSERVATION OF ENERGY

#### a) The steps taken and impact on conservation of energy

The Company undertakes various initiatives for energy conservation through continuous improvements in operational efficiency, equipment upgradation, modernisation etc.

Following measures have been taken by different Businesses of the Company:

#### Cellulosic Staple Fibre (CSF) Business

1. Reuse and recycling waste heat to reduce specific energy consumption
  - Pre-heating of process liquor streams using waste heat.
  - Pre-heating of air streams in fibre and salt dryers using waste heat and steam condensates.
  - Heat recovery improvement by replacing Elements of Economizers of acid plant.
2. Adoption of high efficiency equipment to reduce energy consumption:
  - Adoption of energy efficient pumps and variable frequency drives (VFD) for various applications such as CS2 pressing & fire fighting.
  - Replacement of HPMV & MH fitting as well as conventional light fittings with LED lights.
  - CEP pump shaft assembly modification by blinding one stage for CEP pump.
  - Adoption of Resistance Control Unit (RCU) in CS2 furnace.
  - Energy efficient Air conditioning by adopting Power saver device for high rating ACs.
  - Adoption of Automatic cleaning system of chiller condenser tubes.

#### Cellulosic Fashion Yarn (CFY) Business

1. Energy consumption reduction by:
  - Upgradation to energy efficient motors,

- Optimisation such as use of variable frequency drive (VFD)
  - Flow controllers in compressed air circuits,
  - Aerodynamic blades in cooling towers.
2. CSY-1 AW modification in Air washer system.
  3. Installed advanced digital technology and control algorithms in reactive power management and monitoring system.
  4. Installation of Air-cooled two-stage energy efficient air compressor.
  5. Reduction in twists on TFO twister.
  6. CSY-2&3 Spin bath return pumping power saving through gravity line.
  7. Heat transfer improvement in chiller - frigitech solution.
  8. Air booster installation in Viscose GCF and pressure washing air supply.
  9. Reduction of coal by steam load balancing with grid power & cogeneration.
  10. Upgradation of heat exchanger in acid plant resulted in increased steam generation

#### Chlor-Alkali and Chlorine Derivatives Business

1. Remembraning/ recoating of six electrolyzers for improvement of cell efficiency and reduction in cell power consumption.
2. Improvement in Hydrogen utilisation by increasing captive consumption
3. Improving energy efficiency in chilled water systems by adoption of vapor compression machines and replacing vapor absorption systems.
4. Installation of high efficiency pumps, optimising combustion airflow with digital tools, VFD in Pumps and Fans in captive power plants to reduce auxiliary power consumption.
5. Revamping of caustic concentration units (CCUs) and modification of heating, vacuum and steam systems across all sites.

## ANNEXURE 'C' TO THE BOARD'S REPORT (CONTD.)

6. Reduction in heat rate of captive power plants by replacing old condenser tubes, improving heat exchanger co-efficient performance & condenser vacuum improvement.
7. Optimizing chlorine compression capacity as per chlorine generation.

### Speciality Chemicals Business

1. Installation of energy efficient motors and energy efficient transformer for reduction of power consumption and Green House Gas (GHG) emissions.

### Textiles Business

1. Optimisation of the compressor performance by modification of compressed air line with help of IOT based Energy Management System
2. Optimized the chiller performance at Worsted plant
3. Installed VFD at TFO machines in Worsted Plant
4. Installation of flash jet steam recovery pump and Condensate recovery system in boiler to improve boiler efficiency and reduce fresh water consumption
5. Installation of Volute technology at ETP, for dehydration of ETP sludge, instead of decanter machine
6. Replacement of diesel forklift with electric forklift in warehouse

### Insulators Business

1. Converted batch kilns to PLC for better efficiency.
2. Optimisation of hot air generator running hours by increasing the volume and temperature of hot air flue gases from the kiln cooling zone

3. Implementation of lower mass refractories to reduce the heat carried by kiln car furniture

## b) The steps taken by the Company for utilising alternate sources of energy

### CSF Business

1. Increased utilisation of Agri-based alternate fuel in captive power plant helped in reduction of CO<sub>2</sub> emissions

### CFY Business

1. Veraval unit sourced renewable power and consumed 17.27 Mn Units during the year.

### Chlor-Alkali and Chlorine Derivatives Business

1. Renewable energy share increased in overall energy mix from 8% to 12% on a larger base.
2. Utilization of biomass fuel at Veraval captive power plant to reduce carbon footprint.

### Textiles Business

1. Used Flax Dust and Small Fiber Waste to prepare pellets used in Boiler as a fuel.
2. The conversion of a 6 TPH boiler from coal/pet coke to biomass.

## c) The capital investment on energy conservation equipment

Total investment made during FY 2023-24 : ₹ 58.15 crore

## B. TECHNOLOGY ABSORPTION

### a) The efforts made towards technology absorption

#### CSF Business

1. Adoption of modified design of nozzles in EDTA scrubbers.





2. Adopted digitalisation techniques in few applications for efficient operation of Chillers, Evaporators, Dryers and steam traps.
3. Adoption of a combo system for vacuum creation through steam ejectors and mist condensing system Acid Absorption Crystallizer.

#### **CFY Business**

1. Development of In-house designed spinnerets for improvement in productivity and quality.
2. Developed new products by designing new spinnerets for quality improvement to capture silk market.
3. Installation of Flameproof exhaust fans on viscose dissolvers.
4. Replacement of filter media on baby filters of CSY machines and viscose filtration (2<sup>nd</sup> & 3<sup>rd</sup> stage filters)
5. Introduced third stage filtration with different filter media in Viscose.
6. New glue for sizing in CSY

#### **Chlor-Alkali and Chlorine Derivatives Business**

1. Commissioning of 4.8 TPD Sulphate Recovery System (SRS) in Brine plant at Renukoot unit
2. New state of the art Poly Aluminium Chloride (Liquid) Plant of 300 TPD at Rehla Unit & 110 TPD at Ganjam Unit.
3. Implementing online digital application (ECOO: Electrolyzer Commercial Operation Optimiser) to ensure the optimum operation of all electrolyzer across business.

#### **Speciality Chemicals Business**

1. Adopted filtration system for solvent less process instead of dilution system

#### **Textiles Business**

1. Installed an additional hackling machine in linen spinning

2. Installed Autoconar machines and Precision Winder.
3. Installation of Sludge dryer at ETP.

#### **Insulators Business**

1. To cater to new market requirements, RTV coating applied on porcelain insulators as per customers' requirement.

### **b) The benefits derived like product improvement, cost reduction, product development or import substitution**

#### **CSF Business**

1. Cost Reduction in caustic and pulp consumption with process optimisation.
2. Improvement in reliability and quality with the use of dashboards-based inspection system.
3. Development and launch of four new products - EcoSoft (Bamboo based CSF), Intellicolor (Anionic CSF) in textile, EcoDry (Hydrophobic CSF) for NW hygiene segment and sustainable pro-sodium for poultry feed.

#### **CFY Business**

1. Increased productivity & quality improvement in specific denier through development of in-house spinnerets
2. Safety risks eliminated by installing flameproof exhaust fans.
3. Enhance quality, penetrate the silk market, import substitution, and satisfy the evolving demands of customers in specific denier segments through the development of in-house spinnerets and the incorporation of additives.
4. Quality Improvement by use of additional filtration system with new filter media.
5. Quality and yarn workability improvement at customer end with acrylic based glue.

## ANNEXURE 'C' TO THE BOARD'S REPORT (CONTD.)

### Chlor-Alkali and Chlorine Derivatives Business

1. Sulphate recovered as Anhydrous Sodium Sulphate from SRS in Brine plant, is an added value as by-product. It has reduced brine sludge as no solid BaSO<sub>4</sub> waste is generated. It has also saved costs, as no handling of toxic BaCO<sub>3</sub> reagent is required.
2. Recommendations from ECOO aided in maintaining optimal DC load for each electrolyser which in turn helped in bringing down cell power consumption.

### Speciality Chemicals (Epoxy Polymers & Curing Agents) Business

1. Installed New LER line with new technology at Vilayat, which is toluene less & almost waterless and makes it more energy efficient process. It has potential of saving in 1.2 m<sup>3</sup> water/MT product & power consumption reduction by 10%

### Textiles Business

1. Additional hackling machine reduced the dependency on high cost of imported hackled sliver.
2. The Autoconar machines have led to improved quality, reduced hard waste, and lower energy consumption. The Precision Winder has reduced hard waste and increased filament yarn capacity.

3. Sludge dryer at ETP reduced volumetric quantity of sludge.

### Insulators Business

1. Based on the R & D study, the imported raw material was partially substituted by indigenous clays

### c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

#### Chlor-Alkali and Chlorine Derivatives Business

Imported technology used in Sulphate Recovery System (SRS) in brine plant at Renukoot unit.

### d) The expenditure incurred on Research and Development ('R&D'):

| Expenditure                                      | ₹ in crore      |
|--------------------------------------------------|-----------------|
| For in-house R&D                                 |                 |
| i) Capital                                       | ₹ 16.34         |
| ii) Revenue                                      | ₹ 77.27         |
| iii) Contribution to Scientific Research Company | ₹ 15.26         |
| <b>Total R&amp;D Expenses</b>                    | <b>₹ 108.87</b> |

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

|                             | ₹ in crore |
|-----------------------------|------------|
| • Foreign Exchange used :   | 11,395.81  |
| • Foreign Exchange earned : | 2,927.42   |





# ANNEXURE 'D' TO THE BOARD'S REPORT

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members of,  
Grasim Industries Limited**  
P.O. Birlagram, Nagda,  
District Ujjain - 456331,  
Madhya Pradesh, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Grasim Industries Limited having CIN: - L17124MP1947PLC000410 (hereinafter called the 'the Company') for the financial year ended on 31<sup>st</sup> March 2024 (the 'Audit Period').

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our verification of the Company's books, papers, minutes books, forms and returns filed, records provided through virtual data room/physically and other records maintained by the Company;
- (ii) Compliance certificates confirming compliance with corporate laws applicable to the Company given by the Key Managerial Personnel/Senior Managerial Personnel of the Company and taken on record by the Company's Audit Committee/Board of Directors; and
- (iii) Representations made, documents produced and information provided by the Company, its officers, agents and authorised representatives during our conduct of Secretarial Audit

We hereby report that, in our opinion, during the Audit Period covering the financial year ended on 31<sup>st</sup> March 2024, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

### 1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

- 1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the financial year in terms of the applicable provisions/clauses of:
  - (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investments and Foreign Direct Investment.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
    - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) \*Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
    - (f) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

## ANNEXURE 'D' TO THE BOARD'S REPORT (CONTD.)

- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021.

\*The Company has also maintained a Structured Digital Database ('SDD') pursuant to the requirement of regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- (vi) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards) and notified by the Central Government under Section 118 (10) of the Act which have mandatory application.

### 1.2 During the period under review:

- (i) The Company has complied with all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Complied with the applicable provisions/clauses of:
- (a) FEMA as mentioned under paragraph 1.1 (iv);
- (b) The Secretarial Standards on meetings of Board of Directors (SS-1) and on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, which are applicable to the meetings of the Board, Committees constituted by the Board and 76<sup>th</sup> Annual General Meeting held during the year. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board/Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Company.

### 1.3 During the audit period under review, provisions of the following Acts/Regulations were not applicable to the Company:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings.
- (ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

### 1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Company and provided to us with respect to the following Statute which is applicable to the Company: -

- (a) The Environment Protection Act, 1986

## 2. BOARD PROCESSES OF THE COMPANY:

We further report that:

### 2.1 The Board of Directors of the Company as on 31<sup>st</sup> March 2024 comprised of:

- (i) One Executive Director - Mr. Harikrishna Agarwal (DIN: 09288720);
- (ii) Six Non-executive Non-independent Directors - Mr. Kumar Mangalam Birla (DIN: 00012813), Smt. Rajashree Birla (DIN: 00022995), Ms. Ananyashree Birla (DIN: 06625036), Mr. Aryaman Vikram Birla (DIN: 08456879), Mr. Raj Kumar (DIN: 06627311) and Mr. Sushil Agarwal (DIN: 00060017);
- (iii) Seven Non-executive Independent Directors, including one Woman Independent Director - Ms. Anita Ramachandran (DIN: 00118188), Mr. N. Mohan Raj (DIN: 00181969), Mr. Yazdi Piroj Dandiwalla (DIN: 01055000), Dr. Thomas Martin Connolly Jr. (DIN: 03083495), Mr. V. Chandrasekaran (DIN: 03126243), Mr. Adesh Kumar Gupta (DIN: 00020403) and Mr. Cyril Shroff (DIN: 00018979).

### 2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

1. Re-appointment of Mr. Kumar Mangalam Birla (DIN: 00012813), as a Director of the Company, liable to retire by rotation at the 76<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> August 2023.
2. Re-appointment of Dr. Santrupt Misra (DIN: 00013625) as a Director of the Company, liable



to retire by rotation at the 76<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> August 2023.

3. Re-appointment of Mr. Harikrishna Agarwal (DIN: 09288720), Managing Director of the Company for a period of two years with effect from 1<sup>st</sup> December 2023 to 30<sup>th</sup> November 2025 at the 76<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> August 2023.
4. Cessation of office of Dr. Sanrupt Misra (DIN: 00013625) as Non-executive Non-independent Director of the Company w.e.f. 28<sup>th</sup> December 2023.
5. Appointment of Mr. Sushil Agarwal (DIN: 00060017) as an Additional Director (Non-executive Non-independent Director) of the Company with effect from 8<sup>th</sup> February 2024 at the meeting of the Board of Directors held on 08<sup>th</sup> February 2024, subject to the approval of the members of the Company.
6. Appointment of Mr. N Mohanraj (DIN: 00181969) as a Non-executive Independent Director of the Company with effect from 12<sup>th</sup> July 2024 for a second term of five consecutive years, not liable to retire by rotation, subject to the approval of the members of the Company.

2.3 Adequate notice(s) with Agenda and the detailed notes to Agenda of at least seven days was given to all the Directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the meetings were held at shorter notice, due compliance was ensured, as required under the Act and the Secretarial Standard on meetings of the Board of Directors.

2.4 A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.

2.5 We note from the minutes examined that at the Board meetings held during the year:

- (i) Decisions were taken through the majority of the Board; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

### 3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

### 4. SPECIFIC EVENTS/ACTIONS

4.1 During the year under review, the following specific events/actions, having a major bearing on the Company's affairs took place: -

1. Competition Commission of India (CCI) vide its order dated 16<sup>th</sup> March 2020 ('Order') held that the Company had violated section 4 (abuse of dominance) of the Competition Act, 2002 ('Act'). Besides cease and desist, CCI imposed a penalty of ₹ 301.62 crore. The Company had obtained a stay by depositing ₹ 30 crore with Hon'ble NCLAT on 11<sup>th</sup> November 2020, which has been extended from time to time.
2. CCI vide its order dated 3<sup>rd</sup> June 2021, levied a penalty of ₹ 3.49 crore on the Company (@ ₹ 1 lakh per day for a period of 349 days and continuing thereafter) for non-compliance with the order passed on 16<sup>th</sup> March 2020, against which the Company has filed a writ petition before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court directed that CCI will not take any precipitative steps against the Company till the next date of hearing.
3. Allotment of 1,00,000 Fully paid, Unsecured, Listed, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each was approved by the Members of Stakeholders Relationship Committee through resolution passed by circulation on 1<sup>st</sup> August 2023.
4. Allotment of 16,665 fully paid-up equity shares of ₹ 2 each under Employee Stock Option Scheme - 2013 (ESOS - 2013) was approved by the Members of Stakeholders Relationship Committee through resolution passed by circulation on 1<sup>st</sup> August 2023.
5. Allotment of 30,435 equity shares under Employee Stock Option Scheme - 2013: Options: Tranche III was approved by the Members of Stakeholders Relationship Committee through resolution passed by circulation on 9<sup>th</sup> February 2024.



## ANNEXURE 'D' TO THE BOARD'S REPORT (CONTD.)

6. Allotment of 1,250 Fully Paid, Unsecured, Unlisted, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,00,000 each was approved by the Members of Stakeholders Relationship Committee through resolution passed by circulation on 9<sup>th</sup> February 2024.
7. The Board of Directors at its meeting held on 16<sup>th</sup> October, 2023 considered the proposal for raising of funds by way of issue of equity shares of face value of ₹ 2 each through Rights issue for an amount not exceeding ₹ 4,000 crore to the eligible equity shareholders of the Company as on the record date (to be determined in due course), subject to receipt of regulatory/statutory approvals, in accordance with the applicable laws including the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI LODR Regulations, the Companies Act, 2013 and Rules made thereunder, as amended from time to time. Thereafter the Board of Directors of the Company approved various terms of the Rights Issue and the Letter of Offer for issue of 2,20,73,935 partly paid-up Equity Shares of face value of ₹ 2 each at its meeting held on 4<sup>th</sup> January 2024 and also informed the Stock Exchanges thereof.

In relation to the aforesaid Rights Issue and pursuant to the finalisation of the basis of allotment of the Rights Issue in consultation with the Lead Managers, the Registrar to the Issue and BSE Limited, the Designated Stock Exchange, the Rights Issue Committee - 2023 of the Company ('Rights Issue Committee') at its meeting held on 2<sup>nd</sup> February 2024, *inter-alia*, considered and approved the allotment of 2,20,67,231 partly paid-up Equity Shares at an issue price of ₹ 1,812 per Equity Share (including a premium of ₹ 1,810 per Equity Share) of which ₹ 453 per Equity Share (₹ 0.50 has been paid-up on application as share capital and ₹ 452.50 as a premium per equity share) to eligible equity shareholders ('Allotment') and the balance amount shall be payable in up to three additional calls, with terms and conditions such as the number of calls and the timing and quantum of each call as may be decided by the Board/Rights Issue Committee from time to time, to be completed on or prior to March 2026. Further, 6,704 Rights Equity Shares were kept in abeyance pending regulatory/other clearances.

Out of 6,704 Rights Equity shares kept in abeyance, 3,679 Rights Equity Shares of face value of ₹ 2 each (₹ 0.5 paid-up on application) were allotted on 7<sup>th</sup> March 2024 to notified persons, whose shares are attached under the Special Court Act (Torts) 1992.

8. The Board of Directors at its meeting held on 26<sup>th</sup> May, 2023 had accorded its approval for making an investment of ₹ 1,342 crore (Rupees One Thousand Three Hundred and Forty-Two crore only), by way of capital and/or to give loan by way of inter-corporate deposits to Aditya Birla Renewables Limited, its subsidiaries, associates and joint ventures and/or any other Company as may be incorporated for the purpose of Renewables Energy Business of the Company. The Board of Directors at its meeting held on 13<sup>th</sup> November, 2023 further increased the investment limit by ₹ 1,000 crore (Rupees One Thousand crore only) from ₹ 1,342 crore to ₹ 2,342 crore (Rupees Two Thousand Three Hundred and Forty-Two crore only). Subsequently, the Board of Directors of the Company at its meeting held on 8<sup>th</sup> February 2024 further gave its approval for making an additional investment of ₹ 600 crore (Rupees Six Hundred crore only) aggregating to ₹ 2,942 crore (Rupees Two Thousand Nine Hundred and Forty-Two crore only).
9. All the cases pursuant to Whistle Blower and POSH have been closed except one Whistle Blower case and one POSH cases for which investigation is in process.

For **BNP & Associates**

Company Secretaries

[Firm Regn. No. P2014MH037400]

[PR No.: - 637/2019]

**Avinash Bagul**

Partner

FCS No.: -F5578

COP No.: - 19862

Place: Mumbai

Date: 22<sup>nd</sup> May 2024

UDIN: - F005578F000410961

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.



## ANNEXURE A TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

To,  
**The Members of,  
Grasim Industries Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates**

Company Secretaries

[Firm Regn. No. P2014MH037400]

[PR No.: - 637/2019]

**Avinash Bagul**

Partner

FCS No.: - F5578

COP No.: - 19862

Place: Mumbai

Date: 22<sup>nd</sup> May 2024

UDIN: - F005578F000410961

# ANNEXURE 'E' TO THE BOARD'S REPORT

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

The Company is actively contributing to the social and economic development of the communities in which it operates. The Company is doing so in sync with the United Nations Sustainable Development Goals to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

The Company's Corporate Social Responsibility ('CSR') policy conforms to the National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India.

### 2. Composition of CSR Committee:

| Sl. No. | Name of the Director    | Designation/Nature of Directorship  | Number of meetings of CSR Committee held during the tenure | Number of meetings of CSR Committee attended during the tenure |
|---------|-------------------------|-------------------------------------|------------------------------------------------------------|----------------------------------------------------------------|
| 1       | Smt. Rajashree Birla    | Chairperson, Non-executive Director | 2                                                          | 2                                                              |
| 2       | Ms. Anita Ramachandran  | Member, Independent Director        | 2                                                          | 2                                                              |
| 3       | Mr. Harikrishna Agarwal | Member, Managing Director           | 2                                                          | 2                                                              |

Dr. Pragnya Ram, Group Executive President – CSR is a Permanent Invitee to the CSR Committee.

### 3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Composition of the CSR Committee: <https://www.grasim.com/investors/corporate-governance>

CSR Policy and Projects: <https://www.grasim.com/investors/policies-and-code-of-conduct>

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

The Company had appointed independent agency to undertake impact assessment for eligible CSR projects of the Company.

The detailed reports of impact assessment carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 by the independent agency can be accessed on the Company's website at <https://www.grasim.com/sustainability/corporate-social-responsibility>. Executive summary of the aforesaid impact assessment report is attached as Annexure to this report.

|    |     |                                                                                                      |                  |
|----|-----|------------------------------------------------------------------------------------------------------|------------------|
| 5. | (a) | Average net profit of the Company as per sub-section (5) of Section 135:                             | ₹ 1,701.02 crore |
|    | (b) | Two percent of average net profit of the Company as per sub-section (5) of Section 135:              | ₹ 34.02 crore    |
|    | (c) | Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: | Nil              |
|    | (d) | Amount required to be set-off for the financial year, if any:                                        | Nil              |
|    | (e) | Total CSR obligation for the financial year [(b)+(c)-(d)]:                                           | ₹ 34.02 crore    |





|    |     |                                                                                     |                |
|----|-----|-------------------------------------------------------------------------------------|----------------|
| 6. | (a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): | ₹ 45.49 crore* |
|    | (b) | Amount spent in Administrative Overheads:                                           | ₹ 0.90 crore   |
|    | (c) | Amount spent on Impact Assessment, if applicable:                                   | ₹ 0.15 crore   |
|    | (d) | Total amount spent for the Financial Year [(a)+(b)+(c)]:                            | ₹ 46.54 crore  |

\*Additional ₹ 12.90 crore (including above mentioned Administrative Overheads) spent towards voluntary CSR activities.

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in ₹)                                                                                                                           | Amount Unspent (in ₹)                                                                              |                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                            | Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135 <sup>#</sup> | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135 |
| The Company has spent ₹ 40.99* crore towards obligatory CSR activities and additionally ₹ 12.90 crore as voluntary CSR activities (including of administrative overheads). |                                                                                                    | NIL                                                                                                                 |

\*Excluding ₹ 4.50 crore spent towards the amount outstanding for financial year 2022-23 and ₹ 0.15 crore spent on study of Impact Assessment.

<sup>#</sup>The Company has spent over the obligatory requirement of two percent of average net profit of the Company as per Section 135(5).

(f) Excess amount for set-off, if any:

| Sl. No. | Particulars                                                                                                 | Amount (₹ in crore) |
|---------|-------------------------------------------------------------------------------------------------------------|---------------------|
| i.      | Two percent of average net profit of the Company as per sub-section (5) of Section 135                      | 34.02               |
| ii.     | Total amount spent for the Financial Year*                                                                  | 58.39               |
| iii.    | Excess amount spent for the Financial Year [(ii)-(i)] <sup>#</sup>                                          | 24.37               |
| iv.     | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil                 |
| v.      | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     | Nil                 |

\*Including ₹ 4.50 crore spent towards the amount outstanding for financial year 2022-23 and excluding ₹ 0.15 crore spent on study of Impact Assessment.

<sup>#</sup>The Company shall not utilise the excess CSR amount spent in FY 2023-24 towards set-off of CSR expenses in succeeding three financial years.

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| (₹ in crore) |                               |                                                                                |                                                                           |                                    |                                                                                                                             |                  |                                                            |
|--------------|-------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------------------------------|
| 1            | 2                             | 3                                                                              | 4                                                                         | 5                                  | 6                                                                                                                           | 7                | 8                                                          |
| Sl. No.      | Preceding Financial Year(s)   | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 | Balance Amount in Unspent CSR Account under subsection (6) of Section 135 | Amount spent in the Financial Year | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any |                  | Amount remaining to be spent in succeeding Financial Years |
|              |                               |                                                                                |                                                                           |                                    | Amount (In ₹)                                                                                                               | Date of Transfer | Deficiency, if any                                         |
| 1.           | FY – 1 [2022-23] <sup>#</sup> | 4.50                                                                           | -                                                                         | 4.50                               | -                                                                                                                           | -                | -                                                          |
| 2.           | FY – 2 [2021-22] <sup>#</sup> | 4.75                                                                           | -                                                                         | 4.75                               | -                                                                                                                           | -                | -                                                          |
| 3.           | FY – 3 [2020-21]              | -                                                                              | -                                                                         | -                                  | -                                                                                                                           | -                | -                                                          |
| <b>Total</b> |                               | <b>9.25</b>                                                                    |                                                                           | <b>9.25</b>                        |                                                                                                                             |                  |                                                            |

<sup>#</sup> The Company has spent over the obligatory requirement of two percent of average net profit of the Company as per Section 135(5) in FY 2021-22 and FY 2022-23

## ANNEXURE 'E' TO THE BOARD'S REPORT (CONTD.)

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/No): None**

If yes, enter the number of Capital Assets created/acquired: Not applicable

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not Applicable**

Place: Mumbai  
Date: 22<sup>nd</sup> May 2024

**Harikrishna Agarwal**  
Managing Director  
DIN: 09288720

**Rajashree Birla**  
Chairperson, CSR Committee  
DIN: 00022995



## ANNEXURE

# EXECUTIVE SUMMARY OF IMPACT ASSESSMENT REPORT

Grasim Industries Limited ("Grasim"/ "the Company") undertook three significant CSR projects in the areas of Education, Healthcare, and Rural Development, each of which underwent independent impact assessments. The geographical spread of these initiatives across Nagda in Madhya Pradesh, Veraval, Kharach and Vilayat in Gujarat, Harihar in Karnataka, Varanasi in Uttar Pradesh, Pune in Maharashtra, Pochampally in Telangana and Kashmir showcases the Company's dedication to making a meaningful impact on diverse communities and regions, ultimately striving towards a more equitable and sustainable future. With this spread, the Company's CSR projects has positively impacted ~ 1,00,000 beneficiaries through education project, around 14,00,000 beneficiaries in healthcare initiatives including Covid support and more than 1,25,000 beneficiaries through Rural Development endeavours.

Through these projects, Grasim demonstrated its commitment to addressing key social challenges while aligning with global sustainability agendas. The independent impact assessments not only measured the effectiveness of these activities but also underscored their contribution to advancing UN SDGs, particularly in ensuring following SDGs.



Collectively, these efforts have had a significant impact on the lives of those who need it most.

The executive summary below provides detailed insights into each intervention undertaken by the Company in these respective areas, shedding light on the impactful changes brought about.

## EDUCATION:

In Grasim's steadfast commitment to fostering positive social change, Company has consistently reached out to underserved communities, empowering individuals and transforming lives. Guided by Aditya Birla Group's enduring "we care" philosophy, Grasim's interventions have brought about significant changes in the underserved communities. Through targeted initiatives and sustained efforts, Grasim has strived to uplift underprivileged populations, providing them with the tools, resources, and opportunities needed to thrive. In doing so, Grasim has not only demonstrated unwavering dedication to corporate responsibility but also exemplified the significant changes and impact of compassion and action.

In today's dynamic educational landscape, addressing the challenges faced by underprivileged communities is paramount for fostering inclusive growth and societal progress. Efforts to uplift education in rural areas require concerted action and strategic initiatives. Grasim recognising this imperative, has long been at the forefront of supporting rural education, particularly in regions like Nagda in Madhya Pradesh, Veraval, Kharach and Vilayat in Gujarat, Harihar in Karnataka.

In these areas, where a significant portion of families grapple with poverty, Grasim has initiated targeted interventions to address educational disparities. These efforts encompass a wide range of initiatives aimed at enhancing learning environments, promoting health and hygiene, and building capacity among educators.

Grasim's commitment materialises through tangible actions such as the construction and renovation of school facilities, provision of essential amenities, and creation of sports infrastructure. Additionally, health camps organized in schools have led to improved health practices, reduced illnesses and created awareness among young generation and other community members.

The Company's proactive approach extends to capacity building, especially in the context of the COVID-19 pandemic, ensuring continuity of education through online platforms. Furthermore, initiatives such as the establishment of Mata Samitis in Anganwadi reflect Grasim's holistic approach towards child development.

75% of respondents reported receiving crucial infrastructure support for the Anganwadi.

The impact of Grasim's interventions is evident in the positive changes witnessed within beneficiary communities, including reduced dropout rates, increased attendance, and enhanced participation in sports at state and national levels. By fostering stakeholder engagement and aligning with government initiatives, Grasim has not only addressed immediate needs but also laid the groundwork for sustainable educational development.



## EXECUTIVE SUMMARY OF IMPACT ASSESSMENT REPORT (CONTD.)

Post-pandemic and especially post-intervention, the dropout rate among girls has seen a significant reduction. In fact, approximately 73% of the respondents confirmed that dropout rates have notably decreased.

Through strategic utilisation of resources and a steadfast commitment to maximising impact, Grasim has become a beacon of change in the realm of rural education, leaving a lasting legacy for future generations.

### HEALTHCARE:

In the face of ongoing healthcare challenges within rural communities, exacerbated by the COVID-19 pandemic, Grasim has undertaken a significant CSR intervention in the healthcare sector. With a focus on addressing the critical gaps in healthcare accessibility and provision, the Company's initiatives have made a profound impact on the well-being of underserved populations.

Prior to the intervention, healthcare in the villages faced numerous challenges, including limited access to medical equipment, essential supplies, and specialised services. The onset of the pandemic further strained these already fragile healthcare systems, highlighting the urgent need for comprehensive interventions to safeguard community health.

In response, Grasim stepped forward with a multifaceted CSR approach, providing essential medical equipment such as masks, oxygen cylinders, concentrators, and PPE kits to local hospitals and healthcare facilities. This timely support not only bolstered the capacity of healthcare providers to respond to the pandemic but also ensured that critical resources were available to those in need.

Moreover, the Company went beyond immediate relief efforts by organising medical health camps and establishing MMUs to deliver essential healthcare services directly to rural communities. The execution of 22 Multi-Specialty Camps, benefiting over 3,700 patients, has significantly improved healthcare accessibility and affordability for underserved populations, addressing a longstanding barrier to quality healthcare.

Furthermore, the Company's engagement in awareness and healthcare camps has empowered individuals with knowledge and resources to proactively manage their health and prevent diseases. The implementation of specialised medical interventions, including cataract surgeries and multi-specialty camps, underscores Grasim's commitment to addressing complex health issues comprehensively, thereby improving health outcomes and quality of life.

During the height of the pandemic, Grasim demonstrated its unwavering commitment to public health by distributing over 500 oxygen concentrators to various districts of Gujarat, ensuring that critical care resources reached those most in need.

Additionally, through its initiative "M Power," Grasim has established a comprehensive suite of subsidised mental health services, delivered by a world-class multidisciplinary team of psychiatrists and counsellors. This initiative reflects the Company's holistic approach to healthcare, recognising the importance of addressing both physical and mental health needs within communities.

### RURAL DEVELOPMENT:

Grasim, in alignment with its commitment to rural development, has implemented a diverse array of initiatives aimed at uplifting communities in Nagda in Madhya Pradesh, Veraval and Vilayat in Gujarat. These initiatives are not just standalone projects but are deeply integrated into the fabric of the Company's Corporate Social Responsibility (CSR) endeavours. Each program is designed with a holistic approach to address various aspects of rural life, ranging from livelihood enhancement to environmental conservation and cultural enrichment.

#### Pashudhan Vikas (Livestock Development):

The Pashudhan Vikas initiative stands as a cornerstone in Grasim's efforts to boost rural livelihoods. By prioritising the enhancement of livestock productivity and management practices, this program seeks to empower local communities economically while ensuring environmental sustainability. Through the establishment of veterinary clinics in underserved areas, Grasim provides essential healthcare services for livestock, thereby improving their health and overall productivity.

In the FY 2021-22, as part of the commitment to sustainability and livelihood improvement, the Company provided multiple services such as a Veterinary Camp, Fodder demonstration, Pregnancy Diagnosis, artificial insemination etc. in the villages. In Harihar, a total of 684 livestock were treated and tested, directly benefiting 156 farmers and villagers. On the other hand in Nagda, till March 2022 a total of 187 AIs are being conducted in 35 villages.

**Water Conservation Efforts:**

Water conservation holds paramount importance in Grasim's CSR framework. Through targeted programs aimed at preserving this invaluable resource, the Company not only mitigates its environmental footprint but also contributes to the resilience of ecosystems and communities dependent on clean water. Investments in water-saving technologies and support for local conservation projects further reinforce Grasim's commitment to sustainable development.

Direct access to potable water has been facilitated for communities surrounding Harihar, benefiting a total of 7,500 individuals. This vital resource has been delivered through bore wells and overhead tanks. In sum, the drinking water program has positively impacted 20,500 people in the region.

Grasim has been actively committed to water conservation efforts, consistently undertaking initiatives for water harvesting. Throughout the financial year, the Company has implemented a range of measures aimed at conservation, including farm well recharging, installation of underground water tanks, deepening of existing water ponds, roof water harvesting, and hand pump recharge through soak pit construction. Over the course of the year, in Harihar, Grasim has completed 3 soak pits, 5 farm well-recharging projects, 86 underground water tanks installations, 93 roof water harvesting structures, and 1 pond deepening project in and around the city of Veraval, contributing significantly to water conservation in these areas.

**Organic Farming Support:**

Embracing organic agriculture within its CSR initiatives underscores Grasim's dedication to ethical and environmental friendly practices. By endorsing organic farming, the Company actively participates in the preservation of natural resources and biodiversity, while also promoting healthier food production systems. This support not only empowers local communities but also fosters a more sustainable agricultural ecosystem.

During the financial year, in Harihar, Grasim embarked on an initiative to distribute various saplings including Coconut, Mango, Lemon, Mahogany, Indian Beech Tree, Guava, Silver Oak, Teak, Malabar, Neemwood, and Pomegranate to farmers for cultivation on their lands. This farm forestry project has yielded positive results, benefiting a total of 71 farmers. In total, 4,801 saplings have been distributed, promising future gains for these agricultural communities.

In Nagda, 30 units with worms were supported in villages in collaboration with Government and Panchayat. In Veraval, trainings and sessions have been organised for more than 350 farmers.

**Women's Empowerment Programs:**

Grasim recognises the pivotal role of women in driving societal progress and economic growth. Through targeted initiatives focused on skill enhancement and awareness-building, the Company endeavors to break down barriers hindering women's advancement in rural areas. By empowering women, Grasim not only champions fundamental human rights but also unlocks a reservoir of innovation and potential for social development.

Tailoring skill training centres in and around Nagda, Kharach, Veraval and Harihar have been operating successfully, empowering a total of 59 women in Harihar, 18 in Veraval and nearby villages who have acquired valuable tailoring skills through these initiatives.

**Aadyam - Promotion of Art and Culture:**

Aadyam's CSR initiative transcends conventional boundaries by nurturing artistic and cultural expression within rural communities. By channelling resources into the promotion of diverse artistic endeavours, Aadyam enriches cultural discourse while providing a platform for local artists to showcase their talents. This initiative not only enhances community cohesion but also fosters a vibrant creative ecosystem, contributing to the overall well-being of rural areas.

The strength of the weaver community has surged to 313, marking an impressive 30% increase. Moreover, Grasim achieved a notable improvement in quality standards, with only 8% of our total inventory categorised as seconds, surpassing benchmarks set by industry leaders like Raw Mango. These accomplishments reflect our commitment to excellence and adherence to stringent standards across our operations.

# ANNEXURE 'F' TO THE BOARD'S REPORT

**GRASIM INDUSTRIES LIMITED, AN ADITYA BIRLA GROUP COMPANY, HAS ADOPTED THE EXECUTIVE REMUNERATION PHILOSOPHY/POLICY AS APPLICABLE ACROSS GROUP COMPANIES. THIS PHILOSOPHY/POLICY IS DETAILED BELOW:**

## **ADITYA BIRLA GROUP: EXECUTIVE REMUNERATION PHILOSOPHY/POLICY**

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programmes that align executive rewards - including incentive programmes, retirement benefit programmes, promotion and advancement opportunities - with the long-term success of our stakeholders.

## **OUR BUSINESS AND ORGANISATIONAL MODEL**

Our Group is a conglomerate and organised in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

### **I. Objectives of the Executive Remuneration Programme:**

Our executive remuneration programme is designed to attract, retain, and reward talented executives, who will contribute to our long-term success, and thereby build value for our shareholders.

Our executive remuneration programme is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis; and
2. Emphasise 'Pay for Performance' by aligning incentives with business strategies to reward executives, who achieve or exceed Group business and individual goals.

### **II. Executives**

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company;
2. Key Managerial Personnel: Chief Executive Officer and equivalent e.g., Deputy Managing Director, Chief Financial Officer and Company Secretary; and
3. Senior Management.

### **III. Business and Talent Competitors**

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that the pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay, and build in as appropriate for decision-making.

### **IV. Executive Pay Positioning**

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long-term incentive pay outs at target performance) and target the total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognise the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that the target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

### **V. Executive Pay-Mix**

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary+Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits.

#### **Annual Incentive Plan:**

We tie annual incentive plan pay-outs of our executives to the relevant financial and operational metrics





achievement, ESG performance and their individual performance. We annually align the financial and operational metrics with priorities/focus areas for the business.

#### **Long-Term Incentive:**

Our long-term incentive plans incentivise stretch performance, link executive remuneration to sustained long-term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant performance stock units as a secondary long-term incentive vehicle, to motivate and retain our executives.

## **VI. Performance Goal Setting**

We aim to ensure that, for both annual incentive plans and long-term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan pay-out is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

## **VII. Executive Benefits and Perquisites**

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefits plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These

benefits are designed to encourage long-term careers with the Group.

#### **Other Remuneration Elements:**

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives, including continuity of service across the Group Companies.

We limit other remuneration elements, for example, Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale, and generally do not provide for any tax gross-ups for our executives.

#### **Risk and Compliance:**

We aim to ensure that the Group's remuneration programmes do not encourage excessive risk taking. We review our remuneration programmes for factors, such as remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

#### **Clawback Clause:**

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act, 2013, and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him/her as per restatement of financial statements, pertaining to the relevant performance year.

#### **Implementation:**

The Group and Business Centre of Expertise teams will assist the Nomination and Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through 'arm's-length', agreements entered into as needs arise in the normal course of business.

# ANNEXURE 'G' TO THE BOARD'S REPORT

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- a. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2023-24 are as under:

| Sr. No. | Name of the Director / Key Managerial Personnel ('KMP') | Designation                              | Ratio of remuneration of each Director to the median remuneration of employees for the FY 2023- 24 | % increase/ (decrease) in remuneration in the FY 2023-24 |
|---------|---------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1       | Mr. Kumar Mangalam Birla                                | Chairman, Non-executive Director         | -                                                                                                  | -                                                        |
| 2       | Smt. Rajashree Birla <sup>i</sup>                       | Non-executive Director                   | 30.62                                                                                              | (1%)                                                     |
| 3       | Ms. Ananyashree Birla <sup>ii</sup>                     | Non-executive Director                   | 2.69                                                                                               | Not Applicable                                           |
| 4       | Mr. Aryaman Vikram Birla <sup>ii</sup>                  | Non-executive Director                   | 3.22                                                                                               | Not Applicable                                           |
| 5       | Ms. Anita Ramachandran                                  | Independent Director                     | 5.37                                                                                               | (12%)                                                    |
| 6       | Mr. N. Mohanraj                                         | Independent Director                     | 6.66                                                                                               | (7%)                                                     |
| 7       | Mr. Yazdi Piroz Dandiwalla <sup>iii</sup>               | Independent Director                     | 4.08                                                                                               | Not Applicable                                           |
| 8       | Dr. Thomas M. Connelly, Jr.                             | Independent Director                     | 5.59                                                                                               | (7%)                                                     |
| 9       | Mr. V. Chandrasekaran                                   | Independent Director                     | 7.52                                                                                               | 17%                                                      |
| 10      | Mr. Adesh Kumar Gupta                                   | Independent Director                     | 5.59                                                                                               | (19%)                                                    |
| 11      | Mr. Cyril Shroff                                        | Independent Director                     | 1.72                                                                                               | (11%)                                                    |
| 12      | Mr. Raj Kumar <sup>iv</sup>                             | Non-executive Director                   | 3.22                                                                                               | 20%                                                      |
| 13      | Dr. Santrupt Misra <sup>v</sup>                         | Non-executive Director                   | 3.22                                                                                               | Not Applicable                                           |
| 14      | Mr. Sushil Agarwal <sup>vi</sup>                        | Non-executive Director                   | Not Applicable                                                                                     |                                                          |
| 15      | Mr. Harikrishna Agarwal <sup>vii</sup>                  | Managing Director                        | 218.44                                                                                             | (14%)                                                    |
| 16      | Mr. Pavan Kumar Jain <sup>viii</sup>                    | Chief Financial Officer                  | Not Applicable                                                                                     |                                                          |
| 17      | Mr. Sailesh Kumar Daga <sup>ix</sup>                    | Company Secretary and Compliance Officer | Not Applicable                                                                                     | 14%                                                      |

### Notes:

- Smt. Rajashree Birla, leads the entire CSR initiatives and monitors its implementation for the Company. She is deeply involved in identifying and planning the areas of social impact and then closely monitors the progress of such CSR activities. For her exemplary contribution, she has won many awards and accolades. The most outstanding is the Padma Bhushan Award bestowed on her by the Government of India in 2011 in the area of Social Work.
- Appointed as a Non-executive Director w.e.f. 6<sup>th</sup> February 2023. Remuneration was paid for part of the financial year i.e. 2022-23, hence, percentage increase/(decrease) in remuneration is not comparable.
- Appointed as an Independent Director w.e.f. 6<sup>th</sup> February 2023. Remuneration was paid for part of the financial year i.e. 2022-23, hence, percentage increase/(decrease) in remuneration is not comparable.
- Remuneration for FY 2023-24 shall be payable to LIC of India.
- Resigned as a Non-executive Director of the Company with effect from 28<sup>th</sup> December 2023, hence, percentage increase/(decrease) in remuneration is not comparable.
- Appointed as a Non-executive Director w.e.f. 8<sup>th</sup> February 2024, hence, ratio of remuneration to the median remuneration of employees and percentage increase/(decrease) in remuneration is not comparable.
- For determining the percentage increase / (decrease) in remuneration, deferred compensation and perquisites under Employee Stock option Scheme are excluded.
- He was appointed as Chief Financial Officer of the Company w.e.f. 15<sup>th</sup> August 2022. He was paid remuneration in the capacity of Chief Financial Officer for part of the financial year i.e. 2022-23, hence, percentage increase/(decrease) in remuneration is not comparable.
- For determining the percentage increase in remuneration, perquisites under Employee Stock option Scheme and one time payouts i.e. Award and leave encashment are excluded.



- b. Sitting fees paid to Directors is not included in the remuneration.
- c. The percentage increase in the median remuneration of the employees in the FY 2023-24 stands at 16.25%.
- d. There were 25,929 permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2024.
- e. Average percentage increase in the salaries of employees, other than the managerial personnel for the FY 2023-24, was 9.27%. The average percentage decrease in the salaries of the managerial personnel for the FY 2023-24 was 10.35%.
- f. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.



# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Aditya Birla Group ('Group' / 'ABG') is committed towards the adoption of the best Corporate Governance practices and its adherence in the true spirit, at all times. As a part of the Group, at Grasim Industries Limited ('Our Company' / 'the Company' / 'Grasim') we feel proud to belong to a Group whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. These are demonstrated in our Group Chairman's Vision, Group's purpose and values as mentioned below:

'At the core, good governance is about ensuring fair outcomes. The pre-requisite to achieving a fair outcome in the eyes of all stakeholders, is to first build trust. **Trust is the foundation of corporate governance.**'

**Mr. Kumar Mangalam Birla**

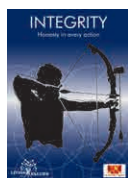
Chairman, Aditya Birla Group

'To enrich lives, by building dynamic and responsible businesses and institutions, that inspires trust.'

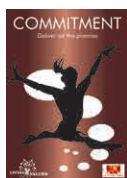
**ABG Group Purpose**

Our Company is defined and driven by its unique set of 'Power of Five' values. These values-based approach is part of our Company's culture and ethics, which helps to pursue its purpose and achieve excellence in corporate governance.

The Power of Five Values are encapsulated as:



*Acting and taking decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other forms as are generally understood.*



*On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those on the part of the organisation for which we are responsible.*



*An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm.*



*Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.*



*Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.*

Corporate Governance refers to a set of laws, regulations and good practices that enables an organisation to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency, accountability, sustainability and safety across all business practices. Good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Corporate Governance has always been intrinsic to the management of the business affairs of our Company. In line with the above philosophy, our Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices.

Our Company's governance rests on the highest standards of business ethics and corporate governance. The governance philosophy of the Group and our Company rests on following basic tenets viz.

**Accountability and Interests:** Our practices ensure accountability towards all stakeholders, and protection of minority interests and rights.

**Monitoring:** Effective monitoring and reviewing the risk management framework and associated practices is ensured.

**Control:** Effective control systems are maintained to ensure efficient conduct of business and discharge of responsibilities.

**Ethics:** Our practices ensure that we maintain high standards of ethics.



**Transparency and Disclosures:** Transparency, integrity and disclosures are keys to corporate governance practices. Our practices ensure that we make timely and accurate disclosures.

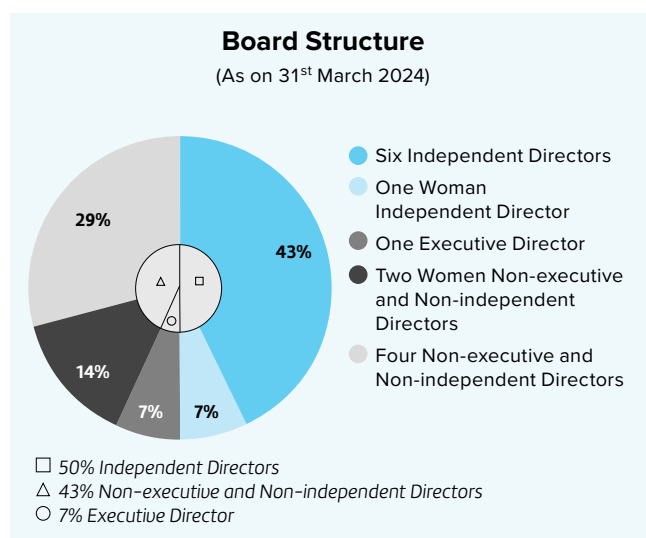
**Review:** Regular review of processes and management systems for improvement are ensured.

Our Company confirms compliance with the Corporate Governance requirements as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations'), the details of which are set out hereunder:

## BOARD OF DIRECTORS

### Composition of Board of Directors ('Board')

Our Company comprises of eminent and distinguished personalities with proficiency and vast experience in diversified sectors with an optimum mix of management and financial experts thereby ensuring the best interest of its stakeholders. Our Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations. The Directors possess requisite qualification, experience and expertise in their respective functional areas, which enable them to discharge their responsibilities and provide effective leadership to the management. In designing the Board composition, number of factors are considered, which include educational background, professional experience, gender, skills and knowledge among others.



Our Company's Board comprises of 14 (Fourteen) Directors, 7 (Seven) are Independent Directors, 6 (Six) Non - executive Directors and 1 (One) Executive Director. Our Company's Board comprises of 3 (Three) Women Directors out of which 1 (One) is an Independent Director. The position of Chairman and Managing Director are held by different individuals, where Chairman of the Board is a Non-executive Chairman.

None of the Directors of our Company is on the Board of more than 10 (Ten) public limited companies or acts as an Independent Director in more than 7 (Seven) listed entities. None of the Director on the Board, who is a Whole Time Director / Managing Director serves as an Independent Director in more than 3 (Three) listed entities. Further, none of the Director of our Company is a member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees, across all public companies in which he / she is a Director. The composition of the Board and its Committee(s) are in conformity with the requirements of the Act and the Listing Regulations.

All Independent Directors are free from any business or other relationship that could materially influence their judgement. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and they are qualified to act as Independent Directors. Independent Directors have also confirmed their registration with the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in compliance with requirements of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

Appointment / Re-appointment of Directors is subject to the Members' approval. Directors hold office in accordance with the provisions of the law and the policy laid down by the Board from time-to-time. The Independent Directors are usually appointed for a fixed term of five years, subject to a maximum of 2 terms of five years and are not liable to retire by rotation. The Executive Director is appointed as per the provisions of the Act and serve in accordance with the terms of his contract of service with the Company. Non-executive Directors (except Independent Directors) are liable to retire by rotation and are eligible for re-appointment.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

Brief profile of the Board of our Company including their area of expertise, other directorships, committee positions and shareholding in the Company as on 31<sup>st</sup> March 2024 are as under:

### MR. KUMAR MANGALAM BIRLA

|                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                 | 00012813                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Profile –</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Category of Director                                                                | Chairman, Non-executive and Non-independent Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Mr. Kumar Mangalam Birla is the Chairman of the Board of Directors of your Company and the Chairman of Aditya Birla Group ('Group'), which operates in 40 countries across six continents. He is a chartered accountant and holds an MBA degree from the London Business School.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Age                                                                                 | 57 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Date of Appointment                                                                 | 14 <sup>th</sup> October 1992                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Term ending date                                                                    | Liable to retire by rotation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mr. Birla chairs the Boards of all major Group companies in India and globally. In the 28 years that he has been at the helm of the Group, he has accelerated growth, built meritocracy, and enhanced stakeholder value. In the process he has raised the Group's turnover by over 30 times.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Tenure ~                                                                            | 32 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Shareholding                                                                        | 12,23,489*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Board Memberships - Indian Listed companies                                         | <div><div>1.</div><div>Aditya Birla Capital Limited: Non-executive Director</div></div> <div><div>2.</div><div>Aditya Birla Fashion and Retail Limited: Non-executive Director</div></div> <div><div>3.</div><div>Century Textiles and Industries Limited: Non-executive Director</div></div> <div><div>4.</div><div>Hindalco Industries Limited: Non-executive Director</div></div> <div><div>5.</div><div>UltraTech Cement Limited: Non-executive Director</div></div> <div><div>6.</div><div>Vodafone Idea Limited: Non-executive Director</div></div> | He has been the architect of over 40 acquisitions in India and globally, among the highest by any Indian multinational. Under his stewardship, the Group enjoys a position of leadership in all the major sectors in which it operates, from cement to chemicals, metals to textiles, fashion to financial services and real estate to renewables. Over the years, Mr. Birla has built a highly successful meritocratic organisation, anchored by an extraordinary force of over 1,80,000 employees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Directorship(s) in public companies                                                 | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Outside the Group, Mr. Birla has held several key positions on various regulatory and professional Boards. He was a Director on the Central Board of Directors of the Reserve Bank of India. He was Chairman of the Advisory Committee constituted by the Ministry of Company Affairs and also served on the Prime Minister of India's Advisory Council on Trade and Industry. As the Chairman of the Securities Exchange Board of India Committee on Corporate Governance, he framed the first- ever governance code for Corporate India.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Committee position                                                                  | <div>Chairman<div>-</div></div> <div>Member<div>-</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Over the years, Mr. Birla has been conferred several prestigious awards. In 2023, he was conferred the prestigious Padma Bhushan, among India's highest civilian honours. He was also conferred the prestigious Business Leader of the Decade award by the All-India Management Association (AIMA), only the 2<sup>nd</sup> industrialist to receive this honour in AIMA's history. In 2021, he received the TiE Global Entrepreneurship Award for Business Transformation, the first Indian business leader to receive this honour. He is also the first Indian Industrialist to be conferred an Honorary degree by the Institute of Company Secretaries of India.</p> <p>Mr. Birla is deeply engaged with Educational Institutions. He is the Chancellor of the Birla Institute of Technology &amp; Science with campuses in Pilani, Goa, Hyderabad, Dubai and Mumbai. He has also been the Chairman of the Indian Institute of Management, Ahmedabad and Indian Institute of Technology, Delhi.</p> <p>On the global arena, Mr. Birla is an Honorary Fellow of the London Business School. In 2019, Mr. Birla constituted a £15mn scholarship programme at the London Business School in memory of his grandfather, Mr. B. K. Birla, marking the largest ever endowed scholarship gift to a European Business School. A firm practitioner of the trusteeship concept, Mr. Birla has institutionalised the concept of caring and giving at the Group. With his mandate, the Group is involved in meaningful welfare driven activities that distinctively enrich the lives of millions.</p> |
| <b>Area of expertise</b>                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Corporate Governance, Legal & Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Financial Literacy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | General Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Human Resource Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Industry Knowledge                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Technology, Digitisation & Innovation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Marketing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Risk Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Strategic Expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Sustainability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

\* 10,86,993 fully paid-up and 43,209 partly paid-up equity shares held as an individual. 89,720 fully paid-up and 3,567 partly paid-up equity shares held as Karta of Aditya Vikram Kumar Mangalam Birla HUF.





## SMT. RAJASHREE BIRLA

|                                                                                     |                                                                                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                 | 00022995                                                                        |   | <b>Profile –</b><br><br>Smt. Rajashree Birla is an exemplar in the area of community initiatives and rural development. Smt. Birla chairs the Aditya Birla Centre for Community Initiatives and Rural Development, the Group's apex body responsible for development projects. She oversees the social and welfare driven work across all the Group's major companies. The footprint of the Centre's work straddles over 7,000 villages, reaching out to 9 million people. The Group runs 24 hospitals. The Group reaches out to well over 1,00,000 students through its network of 56 formal schools and non-formal educational institutes. Of these, girls constitute 50%. Both its hospitals as well as schools are 'Not For Profit' institutions. |
| Category of Director                                                                | Non-executive and Non-independent Director                                      |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Age                                                                                 | 79 years                                                                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Date of Appointment                                                                 | 14 <sup>th</sup> March 1996                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Term ending date                                                                    | Liable to retire by rotation                                                    |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Tenure ~                                                                            | 28 years                                                                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Shareholding                                                                        | 5,74,829*                                                                       |   | Smt. Birla is the Chairperson of the FICCI – Aditya Birla CSR Centre for Excellence, Habitat for Humanity (India) and is on the Board of the Asia Pacific Committee as well as Habitat's Global Committee. She is the Chairperson of FICCI's first ever Expert Committee on CSR. She is on the Board of BAIF Development Research Foundation, Pune and also served on the Board of Directors of the CSR Committee of SBI Foundation and is a Trustee of the Gujarat Vidyapith. As a patron of arts and culture, she is the President of the 'Sangit Kala Kendra', a Centre for performing arts, as well as the INT-ABCPA (Indian National Theatre-Aditya Birla Centre for Performing Arts).                                                           |
| Board Memberships - Indian Listed companies                                         | 1. Century Enka Limited: Non-executive Director                                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                     | 2. Century Textiles and Industries Limited: Non-executive Director              |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                     | 3. Hindalco Industries Limited: Non-executive Director                          |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                     | 4. Pilani Investment and Industries Corporation Limited: Non-executive Director |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                     | 5. UltraTech Cement Limited: Non-executive Director                             |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Directorship(s) in public companies                                                 | 5                                                                               |   | In recognition of the exemplary work done by Smt. Rajashree Birla, leading national and international organisations have showered accolades upon her. Among these the most outstanding one has been that of the Government of India which bestowed the 'Padma Bhushan' Award in 2011 on Smt. Rajashree Birla in the area of 'Social Work'. At the G20 EMPOWER Meet in Ahmedabad, the G20 EMPOWER Award for 'Lifetime Achievement' was conferred upon Smt. Birla. Yet another prestigious award accorded to Smt. Birla is BRICS 'Living Legend and Icon for Community Excellence and Lifetime Achievement Award', bestowed upon her by the erstwhile President, Mr. Ram Nath Kovind.                                                                   |
| Committee position                                                                  | Chairman                                                                        | - |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                     | Member                                                                          | - |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Area of expertise</b>                                                            |                                                                                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|  | Corporate Governance, Legal & Compliance                                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|  | General Management                                                              |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|  | Human Resource Development                                                      |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|  | Industry Knowledge                                                              |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|  | Sustainability                                                                  |   | Furthermore, for Smt. Birla's unrelenting endeavours towards polio eradication, she was honoured with the much coveted 'Polio Eradication Champion' Award by the Government of India. Likewise, the 'Global Golden Peacock Award for CSR' was conferred upon her by Dr. Ola Ullsten, the Former Prime Minister of Sweden in Portugal. Among other distinctive awards received by Smt. Birla, feature the Economic Times' prestigious Award: Corporate Citizen of the Year, twice in a decade, first in 2003 and again in 2012; the All-India Management Association's 'Corporate Citizen of the Year Award', the IOD's 'Distinguished Fellowship Award' and the 'FICCI FLO Golden Laurel Award'.                                                      |

\* Including 21,979 partly paid-up equity shares.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### MS. ANANYASHREE BIRLA

|                                             |                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                         | 06625036                                                        | <b>Profile –</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Category of Director                        | Non-executive and Non-independent Director                      | Ananya is a businesswoman and an artist. Named as one of Business Today's Most Powerful Women 2023, Ananya started Svatanttra Microfin, the youngest and fastest growing microfinance Company in India, at the age of 17. In one of the largest deals in the industry, Ananya Birla's Svatanttra has acquired Chaitanya India Fin Credit, making Svatanttra the second largest microfinance organisation in the industry. With a team strength of over 19,500 and an AUM of over 16,000 crore, Svatanttra is financing entrepreneurs who are powering India's growth story. Recently, Svatanttra secured the largest PE investment deal in the microfinance sector, amounting to a whopping ₹ 1,930 crore (\$230 million), with investments from Advent International and Multiples. Svatanttra has been a first mover and shaper of the industry by being the first end-to-end cashless organisation, and also the first to roll out an extensive customer facing app that is conducive to client social behaviours. The AA- graded organisation (highest rating in the sector) was awarded the best microfinance organisation of the year and has been placed in the top 25 best places to work in its segment by globally recognized Great Places To Work 2020. In addition, Svatanttra MHFC, her micro housing arm, is the only housing institution to focus on the EWS/LIG segment, and to have a completely branchless model. |
| Age                                         | 29 years                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Date of Appointment                         | 6 <sup>th</sup> February 2023                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Term ending date                            | Liabile to retire by rotation                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Tenure ~                                    | 1 year                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Shareholding                                | -                                                               | Ananya's fuelling passion for design, along with her vision to elevate Indian crafts and art communities, has given birth to her venture Ikai Asai and what it stands for today. Ikai Asai brings a global contemporary language to Indian crafts, making them a fit for the contemporary twenty first century household through bespoke creations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Board Memberships - Indian Listed companies | Aditya Birla Fashion and Retail Limited: Non-executive Director |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Directorship(s) in public companies         | 2                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Committee position                          | Chairman                                                        | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                             | Member                                                          | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

#### Area of expertise

|                                                                                     |                                          |
|-------------------------------------------------------------------------------------|------------------------------------------|
|    | Corporate Governance, Legal & Compliance |
|   | Financial Literacy                       |
|  | General Management                       |
|  | Human Resource Development               |
|  | Industry Knowledge                       |
|  | Technology, Digitisation & Innovation    |
|  | Marketing                                |
|  | Risk Management                          |
|  | Strategic Expertise                      |
|  | Sustainability                           |

Named as one of Fortune 40 Under 40, Ananya was also voted one of GQ's Most Influential Young Indians, Miss Vogue's 28 Geniuses under 28, has graced the cover of Forbes Women to Watch, named Financial Express Newsmaker of the year, and was named as one of Economic Times Most Promising Women Business Leaders of 2022.

Ms. Ananya Birla's efforts in her entrepreneurial ventures have been recognised and felicitated by various Government entities such as the Hon'ble Prime Minister of India, Shri Narendra Modi at Champions of Change, an event organized by the National Institution for Transforming India (NITI Aayog). Ms. Ananya Birla was also conferred by the Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis, for her role in empowering rural Indian women and pioneering 100% cashless disbursement since inception. She was presented with Kamala Rising Star Award by the Hon'ble Governor of Maharashtra, Shri Bhagat Singh Koshyari, in April 2022.

An alumnus of Oxford University, she is also the founder of Ananya Birla Foundation which promotes global understanding and supports programs that build a kinder, happier, equal, stigma-free world, where no conversation is taboo, and all people are connected to the support they need to lead a fulfilling life. One of the key imperatives of the foundation is to make mental health mainstream.

Earlier in May 2020, the Foundation made its' first grant to Save The Children India targeting 1,00,000 individuals, and several grants thereafter in different areas of need, such as, surgeries for acid attack survivors and menstrual hygiene. The foundation is currently doing pioneering work in research and intervention designs for mental health in rural India. An ardent advocate for mental health, Ananya is also a National Alliance on Mental Illness (NAMI) ambassador. She is also the co-founder of Mpower, a foundation that provides mental health awareness across the country.

Ananya was recently appointed on the board of Aditya Birla Management Corporation Pvt. Ltd., Aditya Birla Fashion & Retail Limited, and Grasim Industries Limited. Ananya is involved in various Aditya Birla Group businesses driving key strategy across industries, both in India and overseas.

With over 500 million streams, Ananya is also India's biggest selling English language global popstar, and has scaled the charts at home, in India, as well as overseas. With three back-to-back double platinum selling singles and two platinum selling singles, Ananya is unstoppable. The MTV EMA nominee began her musical journey at the age of 9 with the santoor, an Indian instrument.



## MR. ARYAMAN VIKRAM BIRLA

|                                                                                     |                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                 | 08456879                                                        | <b>Profile –</b><br><br>Mr. Aryaman Vikram Birla comes with diverse experiences including entrepreneurship, VC investing, and professional sport. He is closely involved with several businesses of the Aditya Birla Group (ABG) including Fashion & Retail, Real Estate, Paints, and the Group's fashion D2C platform TMRW. He has founded and is spearheading the hospitality business as well as the venture capital fund Aditya Birla Ventures, that invests in high-growth start-ups.<br><br>He serves on the boards of Aditya Birla Management Corporation Private Limited (the apex body that provides strategic direction to the Aditya Birla Group's businesses), Grasim Industries Limited, Aditya Birla Fashion and Retail Limited, Aditya Birla New Age Hospitality Private Limited, Aditya Birla New Age Restaurants and Cafe Private Limited, KA Hospitality Private Limited, Aditya Birla Digital Fashion Ventures Limited and Aditya Birla Global Trading (Singapore) Pte. Limited.<br><br>A commerce graduate from the University of Mumbai, he holds an MSC. in Global Finance from Bayes Business School, London. |
| Category of Director                                                                | Non-executive and Non-independent Director                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Age                                                                                 | 26 years                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Date of Appointment                                                                 | 6 <sup>th</sup> February 2023                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Term ending date                                                                    | Liable to retire by rotation                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Tenure ~                                                                            | 1 year                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Shareholding                                                                        | -                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Board Memberships - Indian Listed companies                                         | Aditya Birla Fashion and Retail Limited: Non-executive Director |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Directorship(s) in public companies                                                 | 2                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Committee position                                                                  | Chairman                                                        | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                     | Member                                                          | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Area of expertise</b>                                                            |                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|    | Corporate Governance, Legal & Compliance                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|    | Financial Literacy                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|    | General Management                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|    | Human Resource Development                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|    | Industry Knowledge                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|    | Technology, Digitisation & Innovation                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|    | Marketing                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|   | Risk Management                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|  | Strategic Expertise                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|  | Sustainability                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## MS. ANITA RAMACHANDRAN

|                                                                                     |                                                              |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                 | 00118188                                                     |   | <b>Profile –</b><br><br>Ms. Anita Ramachandran holds a Master’s Degree in Management Studies from Jamnalal Bajaj Institute of Management. She is a renowned Human Resource professional with deep knowledge and experience of about 40 years as a management consultant. She is also one of the first generation of women professionals to become an entrepreneur and run a highly successful HR consulting and services organisation.                                                                                                                                                                                                                                                                                                                                  |
| Category of Director                                                                | Independent Director                                         |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Age                                                                                 | 69 years                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Date of Appointment                                                                 | 14 <sup>th</sup> August 2018                                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Term ending date                                                                    | 13 <sup>th</sup> August 2028*                                |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Tenure ~                                                                            | 6 years                                                      |   | Ms. Ramachandran began her career with AF Ferguson & Co. [AFF] (the KPMG network Company in India then) in 1976 as the first woman consultant of the firm. In her 19 years stint with AFF she worked across various parts of the country and in a wide range of functional areas. She was a Director at the time of leaving the firm.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Shareholding                                                                        | -                                                            |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Board Memberships - Indian Listed companies                                         | 1. Blue Star Limited: Independent Director                   |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                     | 2. FSN E-Commerce Ventures Limited: Independent Director     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                     | 3. Happiest Minds Technologies Limited: Independent Director |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                     | 4. Metropolis Healthcare Limited: Independent Director       |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                     | 5. Ujjivan Small Finance Bank Limited: Independent Director  |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Directorship(s) in public companies                                                 | 8                                                            |   | Ms. Ramachandran founded Cerebrus Consultants in 1995 to focus on HR advisory services, including organisation transformation. Her reputation and innovative work helped her build Cerebrus into a firm with national presence and the firm has worked with over 1,000 companies in South Asia. Ms. Ramachandran is known as an authority in reward management in the country. In recent years she has been involved with several large organisations in South Asia on organisation transformation and talent management issues. Her wide general management consulting experience and insights on HR have enabled her to be a strategic advisor to many family groups. She also works with several PE firms and start-ups to mentor them through their growth journey. |
| Committee position                                                                  | Chairman                                                     | 2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                     | Member                                                       | 7 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Area of expertise</b>                                                            |                                                              |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|  | Corporate Governance, Legal & Compliance                     |   | Ms. Ramachandran has been an Independent Director on boards of several large companies for over 20 years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|  | General Management                                           |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|  | Human Resource Development                                   |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|  | Industry Knowledge                                           |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

\* Re-appointed for a second term of 5 years w.e.f. 14<sup>th</sup> August 2023.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### MR. N MOHAN RAJ

|                                             |                             |                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                         | 00181969                    | <b>Profile –</b>                                                                                                                                                                                                                                                                                                                          |
| Category of Director                        | Independent Director        | Mr. N Mohan Raj holds a Master's Degree in Arts (Economics). He is the former Executive Director of Life Insurance Corporation of India and has rich experience in the field of Administration, Marketing of Life Insurance, Mutual Fund, Finance and Investments. He serves as Director on the Board of Veritas Finance Private Limited. |
| Age                                         | 70 years                    |                                                                                                                                                                                                                                                                                                                                           |
| Date of Appointment                         | 12 <sup>th</sup> July 2019  |                                                                                                                                                                                                                                                                                                                                           |
| Term ending date                            | 11 <sup>th</sup> July 2024* |                                                                                                                                                                                                                                                                                                                                           |
| Tenure ~                                    | 5 years                     |                                                                                                                                                                                                                                                                                                                                           |
| Shareholding                                | -                           |                                                                                                                                                                                                                                                                                                                                           |
| Board Memberships - Indian Listed companies | -                           |                                                                                                                                                                                                                                                                                                                                           |
| Directorship(s) in public companies         | -                           |                                                                                                                                                                                                                                                                                                                                           |
| Committee position                          | Chairman                    | -                                                                                                                                                                                                                                                                                                                                         |
|                                             | Member                      | -                                                                                                                                                                                                                                                                                                                                         |

#### Area of expertise

|                                                                                   |                                          |                                                                                   |                     |
|-----------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------|---------------------|
|  | Corporate Governance, Legal & Compliance |  | Marketing           |
|  | Financial Literacy                       |  | Risk Management     |
|  | General Management                       |  | Strategic Expertise |
|  | Industry Knowledge                       |  | Sustainability      |

\*Re-appointed for a second term of 5 years w.e.f. 12<sup>th</sup> July 2024 as approved by the Members through Postal Ballot dated 15<sup>th</sup> March 2024.

### MR. YAZDI PIROJ DANDIWALA

|                                             |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                         | 01055000                                                                                                                                                                                                                                                        | <b>Profile –</b>                                                                                                                                                                                                                                                                                                                                   |
| Category of Director                        | Independent Director                                                                                                                                                                                                                                            | Mr. Yazdi Piroj Dandiwalwa is a senior partner of the law firm M/s. Mulla and Mulla and Craigie Blunt and Caroe. He has an extensive Corporate and Commercial law practice both in contentious and non-contentious matters.                                                                                                                        |
| Age                                         | 73 years                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                    |
| Date of Appointment                         | 6 <sup>th</sup> February 2023                                                                                                                                                                                                                                   | With his unparalleled experience of over 48 years in corporate law, Mr. Dandiwalwa has advised several multinational companies in their investments, financial and technical collaborations in India.                                                                                                                                              |
| Term ending date                            | 5 <sup>th</sup> February 2028                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                    |
| Tenure ~                                    | 1 year                                                                                                                                                                                                                                                          | His corporate practice extends to both large Indian corporates and MNCs, with extensive experience in intricate transactions including mergers and acquisitions, joint ventures, takeovers, disinvestments, investments by venture capitalists, delisting etc.                                                                                     |
| Shareholding                                | -                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                    |
| Board Memberships - Indian Listed companies | 1. Century Textiles and Industries Limited: Independent Director<br>2. Hindalco Industries Limited: Independent Director<br>3. Pilani Investment and Industries Corporation Limited: Independent Director<br>4. Rashi Peripherals Limited: Independent Director | His industry expertise spans over Chemicals, Construction, Energy, Funds, Financial Services, Hotel, Infrastructure, IT, Manufacturing, Oil & Gas, Paper & Pulp, Real Estate, Telecommunication, Textiles etc.                                                                                                                                     |
| Directorship(s) in public companies         | 5                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                    |
| Committee position                          | Chairman                                                                                                                                                                                                                                                        | Mr. Dandiwalwa serves as a Director on the Board of various companies like Duville Estates Private Limited, Access Trusteeship Company Private Limited, Century Textile and Industries Limited, Pilani Investment and Industries Corporation Limited, Hindalco Industries Limited, Hindalco-Almex Aerospace Limited and Rashi Peripherals Limited. |
|                                             | Member                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                    |

#### Area of expertise

|                                                                                     |                                          |                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Corporate Governance, Legal & Compliance | He was a member and for a few years the Chairman of the local advisory committee of Bank of Nova Scotia. He is also a member and the Vice President of the Managing Committee of the Bombay Incorporated Law Society. |
|  | Financial Literacy                       |                                                                                                                                                                                                                       |
|  | General Management                       |                                                                                                                                                                                                                       |
|  | Industry Knowledge                       |                                                                                                                                                                                                                       |
|  | Risk Management                          |                                                                                                                                                                                                                       |
|  | Strategic Expertise                      |                                                                                                                                                                                                                       |
|  | Sustainability                           |                                                                                                                                                                                                                       |

**DR. THOMAS M CONNELLY, JR**

|                                                                                   |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                               | 03083495                                 | <b>Profile –</b><br>Dr. Thomas M. Connelly, Jr. holds Bachelor's Degrees in Chemical Engineering and Economics from Princeton University. He also holds a doctorate in Chemical Engineering from the University of Cambridge. He has over 36 years of experience in the chemical industry. He served (for eight years) as the Executive Director and CEO of the American Chemical Society, ('ACS'). Prior to joining ACS, he served as Chief Science and Technology Officer, and then as Chief Innovation Officer for the DuPont Company. At DuPont, Dr. Connelly led R&D organisation and businesses while based in the US, Europe and Asia. Dr. Connelly was elected to the National Academy of Engineering, and has chaired studies for the Academies' Division of Earth and Life Studies. He has also served in advisory roles to the U.S. Government and the Republic of Singapore. |
| Category of Director                                                              | Independent Director                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Age                                                                               | 71 years                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Date of Appointment                                                               | 20 <sup>th</sup> August 2010             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Term ending date                                                                  | 22 <sup>nd</sup> August 2024             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Tenure ~                                                                          | 14 years                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Shareholding                                                                      | -                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Board Memberships - Indian Listed companies                                       | -                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Directorship(s) in public companies                                               | -                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Committee position                                                                | Chairman -<br>Member -                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Area of expertise</b>                                                          |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|  | Corporate Governance, Legal & Compliance |  Marketing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|  | Financial Literacy                       |  Risk Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|  | General Management                       |  Strategic Expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Industry Knowledge                       |  Sustainability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|  | Technology, Digitisation & Innovation    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

**MR. V CHANDRASEKARAN**

|                                                                                     |                                                                                                               |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                 | 03126243                                                                                                      |   | <b>Profile –</b><br>Mr. V Chandrasekaran is a qualified Chartered Accountant and retired Executive Director (Investment) of LIC of India. He has more than 3 decades of experience in Life Insurance Finance, Housing Finance and Mutual Fund Investment, with adequate exposure to a gamut of Investments. He is involved in Investment decision-making processes, Investment Monitoring & Accounting and Investment Research and Risk Management. He serves as an Independent Director on the Board of various companies like CARE Ratings Limited, Tata Investment Corporation Limited, Aseem Infrastructure Finance Limited, LIC (International) Bahrain, etc. |
| Category of Director                                                                | Independent Director                                                                                          |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Age                                                                                 | 66 years                                                                                                      |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Date of Appointment                                                                 | 24 <sup>th</sup> May 2021                                                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Term ending date                                                                    | 23 <sup>rd</sup> May 2026                                                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Tenure ~                                                                            | 3 years                                                                                                       |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Shareholding                                                                        | 85                                                                                                            |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Board Memberships - Indian Listed companies                                         | 1. Care Ratings Limited: Independent Director<br>2. Tata Investment Corporation Limited: Independent Director |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Directorship(s) in public companies                                                 | 5                                                                                                             |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Committee position                                                                  | Chairman                                                                                                      | 4 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                     | Member                                                                                                        | 1 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Area of expertise</b>                                                            |                                                                                                               |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Corporate Governance, Legal & Compliance                                                                      |   |  Industry Knowledge                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|  | Financial Literacy                                                                                            |   |  Risk Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|  | General Management                                                                                            |   |  Strategic Expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### MR. ADESH KUMAR GUPTA

|                                                                                     |                                                                                                                                                                                                               |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| DIN                                                                                 | 00020403                                                                                                                                                                                                      |   | <b>Profile –</b><br><br>Mr. Adesh Kumar Gupta is a qualified Chartered Accountant, Company Secretary and has completed Advanced Management Programme from Harvard University. He has more than 4 decades of vast experience in the field of finance and general management. He has sound knowledge & expertise in the field of finance, strategy and corporate law in various industries. He serves as an Independent Director on the Board of various companies like Vinati Organics Limited, CARE Ratings Limited, India Pesticides Limited, Krsnaa Diagnostics Limited and Anand Rathi Financial Services Limited. He was the Whole Time Director & CFO of the Company till 30 <sup>th</sup> June 2015. He was recognised as Best CFO by the Institute of Chartered Accountants of India, IMA, Business Today. He is Ex-Member of National Advisory Committee on Accounting Standards (‘NACAS’) as representative of FICCI. NACAS was a statutory organisation constituted by Government of India for setting up Accounting Standards. |                     |
| Category of Director                                                                | Independent Director                                                                                                                                                                                          |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Age                                                                                 | 67 years                                                                                                                                                                                                      |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Date of Appointment                                                                 | 24 <sup>th</sup> May 2021                                                                                                                                                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Term ending date                                                                    | 23 <sup>rd</sup> May 2026                                                                                                                                                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Tenure ~                                                                            | 3 years                                                                                                                                                                                                       |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Shareholding                                                                        | 72,204*                                                                                                                                                                                                       |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Board Memberships - Indian Listed companies                                         | 1. CARE Ratings Limited: Independent Director<br>2. India Pesticides Limited: Independent Director<br>3. Krsnaa Diagnostics Limited: Independent Director<br>4. Vinati Organics Limited: Independent Director |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Directorship(s) in public companies                                                 | 5                                                                                                                                                                                                             |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| Committee position                                                                  | Chairman                                                                                                                                                                                                      | 2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
|                                                                                     | Member                                                                                                                                                                                                        | 5 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
| <b>Area of expertise</b>                                                            |                                                                                                                                                                                                               |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
|    | Corporate Governance, Legal & Compliance                                                                                                                                                                      |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Industry Knowledge  |
|   | Financial Literacy                                                                                                                                                                                            |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Risk Management     |
|  | General Management                                                                                                                                                                                            |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Strategic Expertise |
|  | Human Resource Development                                                                                                                                                                                    |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Sustainability      |

\* 68,685 fully paid-up and 2,663 partly paid-up equity shares held as an individual. 823 fully paid-up and 33 partly paid-up equity shares held as Karta of Adesh Kumar Gupta HUF.

### MR. CYRIL SHROFF

|                                                                                     |                                          |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------|------------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                 | 00018979                                 |   | <b>Profile –</b><br><br>Mr. Cyril Shroff has over 42 years of experience in a wide range of areas, including corporate and securities law, disputes, banking, bankruptcy, infrastructure, private client, financial regulatory and others. He holds a Bachelor's Degree in Law from Government Law College, Mumbai. He is consistently ranked as 'star practitioner' in India by Chambers Global and is often regarded as the 'M&A King of India'. He received the 'Managing Partner of the Year' award for the third consecutive year at the Asian Law Business (ALB) India Awards 2024. He is the Chairman of the FICCI Corporate Laws Committee, a member of the CII National Council and Financial Markets Committee, the National Committee on Financial Markets & others. He is a member on the Board of Singapore International Arbitration Centre (SIAC), a member of the first apex Advisory Committee of the IMC International ADR Centre and a task force member of the Society of Insolvency Practitioners of India. He was a member of the SEBI constituted Uday Kotak Committee on Corporate Governance and the SEBI Committee on Insider Trading. He is also a member of the Thought Committee on Bank Insolvency of the Insolvency Law Academy. Chambers Asia Pacific 2023 recognised him as 'Star Individual' for Corporate / M&A and an 'Eminent Practitioner' for Private Equity, Restructuring & Insolvency and Banking & Finance in India. |
| Category of Director                                                                | Independent Director                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Age                                                                                 | 64 years                                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Date of Appointment                                                                 | 25 <sup>th</sup> July 2000               |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Term ending date                                                                    | 22 <sup>nd</sup> August 2024             |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Tenure ~                                                                            | 24 years                                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Shareholding                                                                        | -                                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Board Memberships - Indian Listed companies                                         | -                                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Directorship(s) in public companies                                                 | -                                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Committee position                                                                  | Chairman                                 | - |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                     | Member                                   | - |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Area of expertise</b>                                                            |                                          |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Corporate Governance, Legal & Compliance |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Financial Literacy                       |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | General Management                       |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Industry Knowledge                       |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Risk Management                          |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Strategic Expertise                      |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  | Sustainability                           |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



**MR. RAJ KUMAR**

|                                                                                     |                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------|-----------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                 | 06627311                                            |   | <b>Profile –</b><br><br>Mr. Raj Kumar has retired as a Managing Director of Life Insurance Corporation of India (LIC) with effect from 1 <sup>st</sup> February 2023. He has been associated with LIC for 38 plus years. At LIC, Mr. Kumar has handled several significant assignments, in various capacities ranging from being CEO of LIC Mutual Fund Asset Management Limited; Zonal Manager of Central Zone, Bhopal; Executive Director of Estate & Office Services, Human Resource Development and International Operations and had additional charge of Management Development Centre, Borivali and Vigilance Department of LIC. He has, also, headed two prestigious Divisions, Gorakhpur and Jaipur, of the LIC.<br><br>He has, also, served as Chief Public Information Officer and Appellate Authority, under Right to Information, of LIC. He was, also, the Chief (Personnel) and Chief (Customer Relationship Management) at LIC. He has been conferred with 'Most Influential Human Resource Officer in Asia' Award by CHRO, Asia, 'Hinditar Bhashi Samman' by Madhya Pradesh Rashtra Bhasha Prachar Samiti, Bhopal. He was recently conferred with 'Rashtriya Gaurav Samman' by Jay Foundation, New Delhi and Aaj Ka Prahari Group of newspapers.<br><br>Mr. Kumar is a Science Graduate and has attended various training programmes at IIM-Ahmedabad, ISB-Hyderabad, Indian Institute of Advanced Studies-Bangalore, National Insurance Academy-Pune, Delhi Productivity Council, Third World Productivity Council and Management Development Centre-Mumbai etc. He had been a visiting faculty at Zonal Training Centres of LIC, Management Development Centre (LIC), Mumbai and National Insurance Academy, Pune.<br><br>Mr. Kumar has also served on the Boards of LICHFL Asset Management Co. Limited, LIC Housing Finance Limited, LICHFL Care Homes Limited, LIC Mutual Fund Asset Management Company Limited, LIC of Bangladesh Limited Dhaka, Rajasthan Financial Corporation Jaipur, High Energy Batteries (India) Limited Chennai, Reliance Naval and Engineering Limited Mumbai and LIC (Lanka) Limited Colombo. He is also a Director on the Board of IDBI Bank Limited. Currently, he is a member of Academic Advisory Committee of School of Management of Financial Institutions, Management Development Institute Gurgaon. He was a Trustee of LIC Golden Jubilee Foundation and LIC of India Provident Fund No. 1. He was also, a Member of Governing Board of National Insurance Academy, Pune and the Governing Body of Insurance Institute of India, Mumbai. |
| Category of Director                                                                | Non-executive Director and Non-independent Director |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Age                                                                                 | 62 years                                            |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Date of Appointment                                                                 | 12 <sup>th</sup> November 2021                      |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Term ending date                                                                    | Liable to retire by rotation                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Tenure ~                                                                            | 2.5 years                                           |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Shareholding                                                                        | -                                                   |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Board Memberships - Indian Listed companies                                         | IDBI Bank Limited: Nominee Director                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Directorship(s) in public companies                                                 | 1                                                   |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Committee position                                                                  | Chairman                                            | - |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                     | Member                                              | - |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Area of expertise</b>                                                            |                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|    | Corporate Governance, Legal & Compliance            |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|    | Financial Literacy                                  |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|    | General Management                                  |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|   | Human Resource Development                          |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|  | Industry Knowledge                                  |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|  | Risk Management                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|  | Strategic Expertise                                 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|  | Sustainability                                      |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### MR. SUSHIL AGARWAL

|                                                                                     |                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                 | 00060017                                                 | <b>Profile –</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Category of Director                                                                | Non-executive Director and Non-independent Director      | Mr. Sushil Agarwal is currently the Group Chief Financial Officer and Director, Aditya Birla Management Corporation Private Limited, the Group's apex management body. He serves as a Director on the Board of several Group Companies including Hindalco Industries Limited, Grasim Industries Limited, Vodafone Idea Limited, Aditya Birla Capital Limited and Novel Jewels Limited. Mr. Agarwal is a member of the Business Review Council of the Group. In 2021, he was also appointed as a nominee Director at Zand Bank PJSC – a Dubai based first of its kind Digital Bank. |
| Age                                                                                 | 60 years                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Date of Appointment                                                                 | 8 <sup>th</sup> February 2024                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Term ending date                                                                    | Liable to retire by rotation                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Tenure ~                                                                            | 2 months                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Shareholding                                                                        | 1,78,567*                                                | Mr. Agarwal has been with the Group for over 35 years and has the unique distinction of working closely with the former Chairman Late Mr. Aditya Vikram Birla and current Chairman Mr. Kumar Mangalam Birla. He has led various strategic initiatives of the Group, including M&A and restructurings. A strong advocate of corporate governance and trusteeship, he is widely acknowledged for his financial acumen and analytical skills.                                                                                                                                         |
| Board Memberships - Indian Listed companies                                         | 1. Aditya Birla Capital Limited : Non-executive Director |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                     | 2. Vodafone Idea Limited : Non-executive Director        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Directorship(s) in public companies                                                 | 5                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Committee position                                                                  | Chairman                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                     | Member                                                   | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Area of expertise</b>                                                            |                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|    | Corporate Governance, Legal & Compliance                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|    | Financial Literacy                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|   | General Management                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Human Resource Development                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Industry Knowledge                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Technology, Digitisation & Innovation                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Risk Management                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Strategic Expertise                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|  | Sustainability                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

\* Including 5,663 partly paid-up equity shares.

**MR. HARIKRISHNA AGARWAL**

|                                             |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                         | 09288720                                 | <b>Profile –</b>                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Category of Director                        | Executive Director, Managing Director    | Mr. Harikrishna Agarwal is an accomplished industry veteran with over 4 decades of deep experience spanning diverse sectors.                                                                                                                                                                                                                                                                                                                                   |
| Age                                         | 64 years                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Date of Appointment                         | 1 <sup>st</sup> December 2021            | He currently serves as Managing Director of Grasim Industries, the flagship Company of the Aditya Birla Group (ABG). He is also Business                                                                                                                                                                                                                                                                                                                       |
| Term ending date                            | 30 <sup>th</sup> November 2025*          | Director of the Group's global Cellulosic Fibre business 'Birla Cellulose'                                                                                                                                                                                                                                                                                                                                                                                     |
| Tenure ~                                    | 2.5 years                                | and additionally, the Director of Aditya Birla Management Corporation                                                                                                                                                                                                                                                                                                                                                                                          |
| Shareholding                                | 61,727 <sup>#</sup>                      | Private Limited, the apex corporate body that provides strategic direction and vision to the Group companies.                                                                                                                                                                                                                                                                                                                                                  |
| Board Memberships - Indian Listed companies | -                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Directorship(s) in public companies         | -                                        | Mr. Agarwal has held leadership positions in the Aditya Birla Group's Cement, Chemicals, Advanced Materials, and Cellulosic Fibre businesses. He is credited with playing a pivotal role in leading industry dialogue in these sectors.                                                                                                                                                                                                                        |
| Committee position                          | Chairman -<br>Member -                   | Mr. Agarwal, a chartered accountant with an all-India rank, has completed a number of national and international management and leadership development programmes, including an Executive MBA from Sasun, Chulalongkorn University in Bangkok, and an Advance Management Programme at Harvard. He received the Chairman's 'Outstanding Leader Award' in 2012 and the 'Certificate of Excellence' in 2021 for his outstanding contribution to Company's growth. |
| <b>Area of expertise</b>                    |                                          | He is an avid runner and a firm believer in the Power of Teams.                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | Corporate Governance, Legal & Compliance |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | Financial Literacy                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | General Management                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | Industry Knowledge                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | Technology, Digitisation & Innovation    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | Marketing                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | Risk Management                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | Strategic Expertise                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                             | Sustainability                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

\*Reappointed as Managing Director for a further period of two years w.e.f. 1<sup>st</sup> December 2023.

<sup>#</sup>Including 2,001 partly paid-up equity shares.

**Notes:**

- Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.
- In terms of Regulation 26(1) of the Listing Regulations:
  - Foreign companies, private limited companies and companies under section 8 of the Act are excluded for the purpose of considering the limit of directorship(s) and Committee membership(s).
  - The committees considered for the purpose are audit committee and stakeholders' relationship committee.
  - None of the Directors held Directorship in more than ten public limited companies and were members of more than ten committees or chairperson of more than five committees across all public limited companies in which they were Directors.
- The number of directorship and committee positions is excluding our Company.
- No Director is related to any other Director on the Board, except for:
  - Mr. Kumar Mangalam Birla and Smt. Rajashree Birla, who are related to each other as son and mother respectively.
  - Ms. Ananyashree Birla is grand-daughter of Smt. Rajashree Birla, daughter of Mr. Kumar Mangalam Birla and elder sister of Mr. Aryaman Vikram Birla.
  - Mr. Aryaman Vikram Birla is grand-son of Smt. Rajashree Birla, son of Mr. Kumar Mangalam Birla and brother of Ms. Ananyashree Birla.
- None of the Directors hold any convertible instruments of our Company.
- Committee's membership excludes chairmanship.
- No Non-executive Director has attained the age of 75 years, except Smt. Rajashree Birla, for which the approval of the Members has been obtained by way of special resolution at the Annual General Meeting held on 29<sup>th</sup> August 2022.
- List of core skills, expertise and competencies of the Board of Directors of the Company are forming part of this Integrated Annual Report.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### Role of the Board

Our Company's Board plays a primary role in ensuring good governance; smooth functioning of the Company and in the creation of stakeholders' value.

The Board's role, functions, responsibility and accountability are clearly defined. As the Board's primary role is fiduciary in nature, it is responsible for ensuring that the Company runs on sound ethical business practices and that the resources of the Company are utilised in a manner so as to create sustainable growth and value for the Company's members and the other stakeholders and also fulfil the aspirations of the society and the communities in which it operates.

The Board is duly supported by the Management in ensuring effective functioning of the Company. The Board monitors the Company's overall performance, directs and guides the activities of the Management towards the set goals and seeks accountability. The Board also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with the laws and regulations. As a part of its function, the Board periodically reviews all the relevant information, which is required to be placed before it, pursuant to the Act and Listing Regulations and in particular, reviews and approves financial statements, corporate strategies, business plans, annual budgets, projects (including CSR projects) and capital expenditure.

### Board Meetings and Procedures

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board businesses. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Act, which are noted and confirmed in the subsequent Board Meeting.

#### The business deliberated and considered at the meetings of the Board and Committees generally include:

- quarterly and annual financial results;
- oversight of the performance of the business;
- declaration of dividend;
- development and approval of overall business strategy;

- annual operating and capital expenditure budget;
- review of the functioning of the Committees; and
- other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations.

The notice of the Board / Committee Meetings is given well in advance to all the Directors. Usually, Meetings of the Board / Committees are held in Mumbai. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Chairman and Managing Director of the Company and it is circulated a week prior to the date of the Meeting. The Board Agenda includes an Action Taken Report comprising of actions emanating from the previous Board Meetings and status updates thereof. The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision and also covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. Audio Visual means are also used to facilitate those Directors who are travelling or located at other locations to participate in the Meetings. Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that are considered to be in the nature of Unpublished Price Sensitive Information ('UPSI').

The Company Secretary attends all the Meetings of the Board and its Committees. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

The draft minutes of each Board / Committee meetings are circulated to all the Directors / Members for their comments within 15 days of the meeting. The Company Secretary, after incorporating comments, if any, received from the Directors / Members, records the minutes of each Board / Committee meetings within 30 days from conclusion of the meeting. The important decisions taken at the Board / Committee meetings are communicated to the concerned departments promptly.

During the year, the Board met 6 (Six) times on 26<sup>th</sup> May 2023, 10<sup>th</sup> August 2023, 16<sup>th</sup> October 2023, 13<sup>th</sup> November 2023, 4<sup>th</sup> January 2024 and 8<sup>th</sup> February 2024. The maximum interval between any two meetings held during the year did not exceed 120 days.



Details of attendance of Directors at the Board Meetings and at the last Annual General Meeting ('AGM') held during the year are as under:

| Name of the Directors           | Number of Board Meetings held during the tenure | Number of Board Meetings attended | Attended last AGM held on 25 <sup>th</sup> August 2023 |
|---------------------------------|-------------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Mr. Kumar Mangalam Birla        | 6                                               | 5                                 | Yes                                                    |
| Smt. Rajashree Birla            | 6                                               | 6                                 | Yes                                                    |
| Ms. Ananyashree Birla           | 6                                               | 5                                 | Yes                                                    |
| Mr. Aryaman Vikram Birla        | 6                                               | 6                                 | Yes                                                    |
| Ms. Anita Ramachandran          | 6                                               | 6                                 | Yes                                                    |
| Mr. N Mohan Raj                 | 6                                               | 6                                 | Yes                                                    |
| Mr. Yazdi Piroj Dandiwala       | 6                                               | 6                                 | Yes                                                    |
| Dr. Thomas M Connelly, Jr.      | 6                                               | 6                                 | Yes                                                    |
| Mr. V Chandrasekaran            | 6                                               | 6                                 | Yes                                                    |
| Mr. Adesh Kumar Gupta           | 6                                               | 6                                 | Yes                                                    |
| Mr. Cyril Shroff                | 6                                               | 2                                 | No                                                     |
| Mr. Raj Kumar                   | 6                                               | 6                                 | Yes                                                    |
| Mr. Sushil Agarwal <sup>1</sup> | -                                               | -                                 | NA                                                     |
| Mr. Harikrishna Agarwal         | 6                                               | 6                                 | Yes                                                    |
| Dr. Santrupt Misra <sup>2</sup> | 4                                               | 4                                 | Yes                                                    |

<sup>1</sup> Appointed as Non-executive Director w.e.f. 8<sup>th</sup> February 2024.

<sup>2</sup> Resigned as Non-executive Director w.e.f. 28<sup>th</sup> December 2023.

### Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 26<sup>th</sup> March 2024, without the presence of Non-independent Directors and the management, *inter alia*, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors;
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole. The Independent Directors also expressed satisfaction on the Board's freedom to express views on matters transacted at meetings and the manner in which the management discusses various subject matters specified in the agenda of meetings. Suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

### Resignation of Non-executive Director

During the year, Dr. Santrupt Misra has stepped down as a Non-executive Director of the Company with effect from 28<sup>th</sup> December 2023, due to other plans and engagements. Dr. Misra also confirmed that there is no reason other than provided above.

### Succession Planning

Our Company has an effective mechanism for succession planning which focuses on orderly succession of the Board and Senior Management team. The Nomination and Remuneration Committee implements this mechanism in concurrence with the Board. In addition, promoting Senior Management within the organisation fuels the ambitions of the talent force to earn future leadership roles.

### Support of the Board

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist the Board in the conduct of affairs of the Company, to ensure compliance with

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

applicable statutory requirements and to facilitate convening of meetings. The Company Secretary interfaces between the management and regulatory Authorities for governance matters and is also the Compliance Officer of the Company.

### Code of Conduct

The Board of Directors has laid down a 'Code of Conduct for the Board Members and Senior Management' of our Company, which is available on the Company's website at <https://www.grasim.com/upload/pdf/code-of-conduct.pdf>. All Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board and Senior Management. A declaration to that effect signed by the Managing Director forms part of this Report.

### Training, Induction and Familiarisation Programme

Letter of appointment, stipulating the terms of appointment, role, rights and responsibilities, are issued to the Independent Directors at the time of their appointment. In terms of the Listing Regulations, the terms and conditions of appointment of Independent Director are placed on the Company's website at [https://www.grasim.com/upload/pdf/terms\\_conditions\\_independent\\_director.pdf](https://www.grasim.com/upload/pdf/terms_conditions_independent_director.pdf). When a Director joins the Board of the Company, our Company conducts introductory programme, *inter alia*, covering the nature of the industry in which the Company operates, business model of the Company, organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to the Company. The Directors are familiarised with the Company's business, its operations, strategy, functions, policies and procedures at the Board and Committee meetings on regular basis. Changes in regulatory framework and its impact on the operations of the Company are also presented at the Board / Committee meetings. The Directors are also apprised about risk assessment and minimisation procedures.

All the Directors (including Independent Directors) have the freedom to interact with the Company's Senior Management Personnel to discuss the matters pertaining to the Company's affairs.

The details of familiarisation programme, imparted to the Independent Directors of the Company are available on the

Company's website at <https://www.grasim.com/Upload/PDF/familiarisation-programme-independent-directors.pdf>

### Prevention of Insider Trading

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the 'Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities' of the Company ('the Insider Trading Code'). The object of the Insider Trading Code is to set framework, rules and procedures, which all concerned should follow, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company. The Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('the Code') in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018 and formulated a Policy for determination of 'legitimate purposes' as a part of the Code. The Code also includes policy and procedures for inquiry in case of leakage of UPSI and aims at preventing misuse of UPSI. The Code is available on the Company's website at <https://www.grasim.com/Upload/PDF/pit-code-of-practice-and-procedures-for-fair-disclosures-upsi.pdf>.

The policy and the procedures are periodically reviewed and revised from time to time and communicated to the Designated Persons. Trading window closure is intimated to all the Persons and the Stock Exchanges in advance, whenever required. A digital platform is being maintained by the Company, which contains the names and other prescribed particulars of the persons covered under the Insider Trading Code. This online tracking mechanism is used for monitoring trade in the Company's securities by the 'Designated Persons' and their relatives helps in weekly detection and taking appropriate action, in case of any violation / non-compliance of the Company's Insider Trading Code. The Company Secretary is responsible for adherence to the above Codes.

### COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations and the Act. The Board Committees play a vital role in improving the Board effectiveness in the areas where more focuses and extensive discussions are required.





The composition of the Committees of the Board as on 31<sup>st</sup> March 2024 are as under:

| Audit Committee                                                                                                                                                                 | Nomination and Remuneration Committee                                                                                                                                             | Stakeholders' Relationship Committee                                                                                                                      | Corporate Social Responsibility Committee                                                                                                             | Risk Management and Sustainability Committee                                                                                                                                                                                                                          | Finance Committee                                                                                                                                 | PIT Regulation Committee                                                                                                                             | Rights Issue Committee – 2023*                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Mr. N Mohan Raj (Chairman)</li> <li>Dr. Thomas M Connelly, Jr.</li> <li>Mr. V Chandrasekaran</li> <li>Mr. Harikrishna Agarwal</li> </ul> | <ul style="list-style-type: none"> <li>Ms. Anita Ramachandran (Chairperson)</li> <li>Mr. Kumar Mangalam Birla</li> <li>Mr. Cyril Shroff</li> <li>Mr. Adesh Kumar Gupta</li> </ul> | <ul style="list-style-type: none"> <li>Ms. Anita Ramachandran (Chairperson)</li> <li>Mr. Yazdi Piroj Dandiwal</li> <li>Mr. Harikrishna Agarwal</li> </ul> | <ul style="list-style-type: none"> <li>Smt. Rajashree Birla (Chairperson)</li> <li>Ms. Anita Ramachandran</li> <li>Mr. Harikrishna Agarwal</li> </ul> | <ul style="list-style-type: none"> <li>Mr. N Mohan Raj (Chairman)</li> <li>Dr. Thomas M Connelly, Jr.</li> <li>Mr. V Chandrasekaran</li> <li>Mr. Harikrishna Agarwal</li> <li>Mr. Jayant V Dhobley</li> <li>Mr. Rakshit Hargave</li> <li>Mr. Kapil Agrawal</li> </ul> | <ul style="list-style-type: none"> <li>Mr. Harikrishna Agarwal (Chairman)</li> <li>Mr. Adesh Kumar Gupta</li> <li>Mr. V Chandrasekaran</li> </ul> | <ul style="list-style-type: none"> <li>Mr. V Chandrasekaran (Chairman)</li> <li>Mr. Yazdi Piroj Dandiwal</li> <li>Mr. Harikrishna Agarwal</li> </ul> | <ul style="list-style-type: none"> <li>Mr. V Chandrasekaran</li> <li>Mr. Adesh Kumar Gupta</li> <li>Mr. Harikrishna Agarwal</li> </ul> |

\*Constituted with effect from 16<sup>th</sup> October 2023.

## 1. AUDIT COMMITTEE

### Composition, Meetings and Attendance

The Audit Committee of the Board comprises of 3 Independent Directors and 1 Executive Director. The members of the Audit Committee are financially literate and have accounting or related financial management expertise. The composition of the Audit Committee complies with the requirements of the Listing Regulations and the Act.

During the year, 6 (Six) Audit Committee meetings were held on 26<sup>th</sup> May 2023, 10<sup>th</sup> August 2023, 5<sup>th</sup> October 2023, 13<sup>th</sup> November 2023, 8<sup>th</sup> February 2024 and 27<sup>th</sup> March 2024.

The details of composition and attendance of the members at the Audit Committee meetings held during the financial year ended 31<sup>st</sup> March 2024 are as given below:

| Name of the Members        | Categories           | No. of Meetings        |          |
|----------------------------|----------------------|------------------------|----------|
|                            |                      | Held during the tenure | Attended |
| Mr. N Mohan Raj (Chairman) | Independent Director | 6                      | 6        |
| Dr. Thomas M Connelly, Jr. | Independent Director | 6                      | 6        |
| Mr. V Chandrasekaran       | Independent Director | 6                      | 6        |
| Mr. Harikrishna Agarwal    | Executive Director   | 6                      | 6        |

The Chief Financial Officer of the Company is a permanent invitee to the Audit Committee meetings. The Joint Statutory Auditors, the Internal Auditors and

senior executives as it considers appropriate are also invited to the Audit Committee meetings. Cost Auditors are invited to the Audit Committee meetings, whenever matters relating to the Cost Audit are considered.

Mr. N Mohan Raj, Chairman of the Audit Committee was present at the last AGM of the Company held on 25<sup>th</sup> August 2023.

The Audit Committee acts as a link between the management, the Statutory and Internal Auditors and the Board. The Audit Committee monitors and effectively supervises the Company's financial reporting process with a view to provide accurate, timely and proper disclosure, maintain the integrity and quality of financial reporting. The Audit Committee, *inter alia*, also reviews, from time to time, the audit and internal control procedures, the accounting policies of the Company, annual compliances under SEBI (Prohibition of Insider Trading) Regulations, 2015, reviewing complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and reviewing complaints received under Whistle-Blower Policy of the Company. The Committee also oversees the performance of the Internal and Statutory Auditors and recommends their appointment and remuneration to the Board. The minutes of the Audit Committee Meetings were noted by the Board. The Chairman of the Audit Committee Meeting briefs the Board on the discussions held during the Audit Committee Meetings. All the recommendations of the Audit Committee have been accepted by the Board.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### Brief Description of the Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - a) matters required to be included in the Directors' Responsibility Statements to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgement by the management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to the financial statements;
  - f) disclosure of any related party transactions; and
  - g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Reviewing the utilisation of loans and / or advances from / investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Monitoring the end use of funds raised through public offers and related matters;
14. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with Internal Auditors of any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the Internal Auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,



shareholders (in case of non-payment of declared dividends) and creditors;

20. To review the functioning of the Whistle-Blower Mechanism;
21. In consultation with the Internal Auditors, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;
22. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Financial statements, in particular, the investments made by the unlisted subsidiary companies;
3. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
4. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
5. Internal audit reports relating to internal control weaknesses;
6. Appointment, removal and terms of remuneration of the Internal Auditors;
7. Statement of deviations:
  - a) quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulation;
  - b) annual statement of funds utilised for the purposes other than those stated in the offer

document / prospectus / notice in terms of Listing Regulation.

8. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important, including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
9. Any material default in financial obligations by the Company; and
10. Any significant or important matters affecting the business of the Company.

#### **Vigil Mechanism / Whistle-Blower Policy**

Our Company has adopted Whistle-Blower Policy that provides a formal vigil mechanism for Directors and Employees to report genuine concerns about the unethical behaviour, actual or suspected frauds of violation of the Company's Code of Conduct or Ethics Policy. The said mechanism also provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No personnel has been denied access to the Audit Committee. The policy provides for adequate safeguards against victimisation and all personnel have access to the Audit Committee. The Whistle-Blower Policy is available on the Company's website at <https://www.grasim.com/Upload/PDF/whistle-blower-policy.pdf>. The Policy is in line with the Company's Code of Conduct, Vision and Values.

## **2. NOMINATION AND REMUNERATION COMMITTEE**

### **Composition, Meetings and Attendance**

The Nomination and Remuneration Committee ('NRC') comprises of 3 Independent Directors and 1 Non-executive Director. The composition of the NRC complies with the requirements of the Listing Regulations and the Act. During the year, 4 (Four) NRC meetings were held on 26<sup>th</sup> May 2023, 10<sup>th</sup> August 2023, 13<sup>th</sup> November 2023 and 8<sup>th</sup> February 2024.

All the recommendations of the NRC have been accepted by the Board.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

The details of composition and attendance of the members at the NRC meetings held during the financial year ended 31<sup>st</sup> March 2024 are as given below:

| Name of the Members                   | Categories             | No. of Meetings        |          |
|---------------------------------------|------------------------|------------------------|----------|
|                                       |                        | Held during the tenure | Attended |
| Ms. Anita Ramachandran, (Chairperson) | Independent Director   | 4                      | 4        |
| Mr. Kumar Mangalam Birla              | Non-executive Director | 4                      | 3        |
| Mr. Cyril Shroff                      | Independent Director   | 4                      | 2        |
| Mr. Adesh Kumar Gupta                 | Independent Director   | 4                      | 4        |

### Brief Description of the Terms of Reference

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulate the criteria for effective evaluation of performance of the Board, its Committees and Individual Directors and review its implementation and compliance;
3. Devise a policy on diversity of the Board;
4. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. To consider whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
6. Set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Management of the quality required to run the Company successfully;
7. Set the relationship of remuneration to performance;
8. Check whether the remuneration provided to Directors, Key Managerial Personnel and Senior Management includes a balance between fixed and incentives pay reflecting short-term and long-term

performance objectives appropriate to the working of the Company and its goals;

9. Review and implement succession plans for Managing Director, Executive Directors and Senior Management;
10. Review and make recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to the Board or shareholder approval (including broad-based plans); and
11. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

### Performance Evaluation

The Board carries out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees as mandated under the Act, the Listing Regulations and the Executive Remuneration Policy of the Company, as amended from time to time. The performance evaluation of Non-independent Directors and the Board as a whole was carried out by the Independent Directors. The performance of the Chairman of the Board was also reviewed, taking into account the views of the Executive, Non-executive and Independent Directors.

The evaluation is based on criteria which includes, among others, attendance and preparedness for the meetings, participation in deliberations, understanding the Company's business and that of the industry and guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Act.

Structured questionnaires were circulated to the Directors for providing feedback on functioning of the Board, Committees and the Chairman of the Board. Based on the inputs received, action plans are drawn up in consultation with the Directors to encourage greater participation and deliberations at the meetings and bringing to the table their experience and guidance in further improving the performance of our Company.

The performance of the Independent Directors is evaluated, with emphasis on:

- Time invested in understanding our Company and its unique requirements;
- External knowledge and perspective;



- Views expressed on the issues discussed at the Board; and
- Keeping updated on areas and issues that are likely to be discussed at the Board.

### Remuneration Policy

The Board has, on the recommendation of the NRC framed a policy on Remuneration of Directors and Senior Management Personnels, which is available on the Company's website at <https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf>. Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspiration with the organisation's goal.

### Remuneration of Directors and Others

Our Company's executive remuneration philosophy supports the design of programmes that align executive rewards including incentive programmes, retirement benefit programmes promotion and advancement opportunities, with the long-term success of our Company's stakeholders.

The executive remuneration policy is designed to attract, retain, and reward talented executives who contribute to our Company's long-term success and thereby build value for stakeholders. It is intended to provide for monetary and non-monetary remuneration elements on a holistic basis; emphasise 'pay for performance' by aligning incentives with business strategies to reward executives who achieve or exceed business and individual goals.

Executive pay practices and levels are dynamically tracked and aligned with peer companies in similar industries, geographies, size and function. Our Company aims to provide competitive remuneration opportunities to its executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long-term incentive payouts at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. It recognises the size and scope of the role and the market standing, skills and experience of incumbents while positioning its executives. Our Company uses secondary market data only as a reference point for

determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

The remuneration involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of our Company and its goals. A material proportion of compensation for senior management is performance based - 25% to 40% of compensation. It increases as the employee grows in the organisation and takes up roles of higher responsibility. The more senior the role, the weightage of business performance on the variable pay also increases in comparison to unit performance and individual performance. This ensures a competitive pay-mix which aims to strike the appropriate balance between key components: (i) Fixed Cash Compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits.

Annual incentive plan pay-outs of executives are linked to relevant financial and operational metrics achievement, ESG performance and their individual performance. Financial and operational metrics are annually aligned with priorities / focus areas for the business. Long-term incentive plans incentivise stretch performance, link executive remuneration to sustained long-term growth and act as a retention and reward tool. Stock options are used as the primary long-term incentive vehicles as our Company believes that they best align executive incentives with stakeholder interests. Our Company also grants performance stock units as a secondary long-term incentive vehicle, to motivate and retain its executives. The ratio of stock options and performance stock units is generally 75:25.

Our Company has integrated climate change and sustainability targets in the key responsibility areas ('KRAs') of the Executive Director and Senior Management Personnel. Thus, emission reduction targets and other improvement targets related to climate change are also linked with the incentives provided.

### Non-executive Directors' Remuneration

Based on the recommendation of the NRC Committee, all decisions relating to remuneration of Directors are taken by our Company's Board in accordance with the shareholder's approval, wherever necessary.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

Sitting fees are paid as under:

| Board / Committee                                 | Sitting Fee Per Meeting (₹) |
|---------------------------------------------------|-----------------------------|
| Board                                             | 50,000/-                    |
| Audit Committee and Rights Issue Committee - 2023 | 25,000/-                    |
| All other Committees                              | 20,000/-                    |

In addition to the sitting fees, our Company also pays commission to the Non-executive Directors of an amount not exceeding 1% per annum of the net profit of our Company. The amount of commission payable is determined after assigning weightage to various factors, which, *inter alia*, include providing strategic perspective, Chairmanship and contributions made by the Directors, type of meeting and responsibilities under various statutes, performance evaluation, etc. Based on the performance evaluation of each Director and the remuneration policy, the Board has recommended an amount of ₹ 370 lakh as commission to be paid to the Non-executive Directors for the financial year 2023-24.

Details of remuneration paid / to be paid to the Non-executive Directors for FY 2023-24 are as under:

| (₹ in lakh)                       |               |                                             |
|-----------------------------------|---------------|---------------------------------------------|
| Name of the Directors             | Commission    | Sitting Fees (for Board and the Committees) |
| Mr. Kumar Mangalam Birla          | -             | 3.10                                        |
| Smt. Rajashree Birla <sup>1</sup> | 142.50        | 3.40                                        |
| Ms. Ananyashree Birla             | 12.50         | 2.50                                        |
| Mr. Aryaman Vikram Birla          | 15.00         | 3.00                                        |
| Ms. Anita Ramachandran            | 25.00         | 4.60                                        |
| Mr. N Mohan Raj                   | 31.00         | 5.10                                        |
| Mr. Yazdi Piroj Dandiwal          | 19.00         | 3.60                                        |
| Dr. Thomas M Connelly, Jr.        | 26.00         | 5.10                                        |
| Mr. V Chandrasekaran              | 35.00         | 6.90                                        |
| Mr. Adesh Kumar Gupta             | 26.00         | 4.85                                        |
| Mr. Cyril Shroff                  | 8.00          | 1.40                                        |
| Mr. Raj Kumar <sup>2</sup>        | 15.00         | 3.00                                        |
| Dr. Santrupt Misra <sup>3</sup>   | 15.00         | 3.10                                        |
| <b>Total</b>                      | <b>370.00</b> | <b>49.65</b>                                |

<sup>1</sup> Smt. Rajashree Birla, leads the entire CSR initiatives and monitors its implementation for the Company. She is deeply involved in identifying and planning the areas of social impact and then closely monitors the progress of such CSR activities. For her exemplary contributions, she has won many awards and accolades the most outstanding one has been that of the Government of India which bestowed the 'Padma Bhushan' Award in 2011 on Smt. Rajashree Birla in the area of 'Social Work'.

Profile of Smt. Rajashree Birla, mentioned above, highlights her social work.

<sup>2</sup> Sitting fees of ₹ 3 lakh paid to Mr. Raj Kumar and Commission for FY 2023-24 will be paid to LIC.

<sup>3</sup> Resigned as Non-executive Director w.e.f. 28<sup>th</sup> December 2023.

### Notes:

There were no pecuniary relationships or transactions between our Company and its Non-executive / Independent Directors during the year.

### Remuneration to Executive Director

The NRC Committee while recommending to the Board the remuneration of Executive Director, considers the performance of the business, individual performance, practices followed in other similar sized companies, among others, while also ensuring that the remuneration is in compliance with the terms and conditions of appointment as approved by the Members. All decisions relating to the remuneration of Executive Director is taken by the Board based on the remuneration policy and in terms of the resolution passed by the Members of our Company.

### The details of remuneration paid to the Executive Director are as follows:

| Name                                       | Salary, Benefits, Bonus, Pension, etc., paid during the Year (₹ in lakh) | Performance-linked Incentive paid during the Year <sup>1</sup> (₹ in lakh) | Perquisite value of stock options / RSUs exercised during the year (₹ in lakh) |
|--------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Mr. Harikrishna Agarwal, Managing Director | 584.55                                                                   | 156.00                                                                     | 138.11                                                                         |

- The Board has approved payment of performance - linked variable pay for the FY 2022-23 as aforesaid to the Managing Director on achievement of the target.
- Service Contract, Notice Period and Severance Fee:** The Managing Director's appointment may be terminated by three months' notice in writing on either side and no severance fees is payable to the Managing Director of the Company.
- Stock Option Details:** During the period under review, in terms of the Company's Employee Stock Option and Performance Stock Unit ('PSU') Scheme





2022 (ESOS 2022), Mr. Harikrishna Agarwal has been granted 57,609 Options and 7,186 PSUs. 26,179 Options and 4,172 Restricted Stock Units ('RSUs') that were due for vesting in Mr. Agarwal have lapsed in terms of the Company's Employee Stock Option Scheme 2018 (ESOS 2018). In terms of the Company's ESOS 2018, Mr. Harikrishna Agarwal has exercised 6,500 Options and 4,172 RSUs.

### Employee Stock Options Scheme ('ESOS')

#### a) ESOS-2013

During the year, the Stakeholders' Relationship Committee of the Board allotted 47,100 equity shares of ₹ 2/- each of the Company to Stock Option Grantees, pursuant to the exercise of the Stock Options and RSUs under ESOS-2013.

#### b) ESOS-2018

During the year, 2,63,353 equity shares were transferred from the Grasim Employees' Welfare Trust ('Trust') account to the employees account due to exercise of Stock Options and RSUs by the grantees under ESOS-2018.

#### c) ESOS-2022

During the year, the NRC of the Board approved grant of 4,99,087 Stock Options and 70,325 PSUs to the eligible employees, including Managing Director of the Company, under ESOS-2022.

The ESOS-2018 and ESOS-2022 are being administered through the Trust.

The details of Stock Options and RSUs granted pursuant to ESOS-2013 and ESOS-2018 and Stock Options and PSUs granted pursuant to ESOS-2022, and the other disclosures in compliance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on our Company's website at <https://www.grasim.com/Upload/PDF/esos-disclosure-2024.pdf>

A certificate from the Secretarial Auditors, with respect to implementation of our Company's ESOS, will be available at the ensuing AGM for inspection by the Members.

### Directors and Officers Insurance:

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Insurance Policy ('D&O') for all its Directors (including Independent Directors) and Members of the Senior Management for such quantum and for such risks as determined by the Board.

## 3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

### Composition, Meetings and Attendance

The Stakeholders' Relationship Committee ('SRC') comprises of 2 Independent Directors and 1 Executive Director. The composition of the SRC complies with the requirements of the Listing Regulations and the Act.

During the year, 2 (Two) SRC meetings were held on 26<sup>th</sup> October 2023 and 27<sup>th</sup> March 2024.

The details of composition and attendance of the members at the SRC meetings held during the financial year ended 31<sup>st</sup> March 2024 are as given below:

| Name of the Members                  | Categories           | No. of Meetings        |          |
|--------------------------------------|----------------------|------------------------|----------|
|                                      |                      | Held during the tenure | Attended |
| Ms. Anita Ramachandran (Chairperson) | Independent Director | 2                      | 2        |
| Mr. Yazdi Piroj Dandiwal             | Independent Director | 2                      | 2        |
| Mr. Harikrishna Agarwal              | Executive Director   | 2                      | 2        |

Ms. Anita Ramachandran, Chairperson of the SRC was present at the last AGM of the Company held on 25<sup>th</sup> August 2023.

### Brief Description of the Terms of Reference

- To monitor complaints received by the Company from its Shareholders, Debenture holders, other security holders, Securities and Exchange Board of India ('SEBI'), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. and action taken by the Company for redressing the same;
- To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board from time to time;

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3. To approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
4. To authorise Officers of the Company to approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
5. To approve and ratify the action taken by the authorised officers of the Company in compliance of the requests received from the shareholders / investors for issue of duplicate / replacement / consolidation / sub-division, dematerialisation, rematerialisation and other purposes for the shares, debentures and other securities of the Company;
6. To monitor and expedite the status and process of dematerialisation and rematerialisation of shares, debentures and other securities of the Company;
7. To give directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of the Company from time to time for issuance of share certificates, debenture certificates, allotment letters, dividend warrants, pay orders, cheques and other related stationery;
8. To review the measures taken to reduce the quantum of unclaimed dividend / interest and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the Company;
9. To resolve grievances of security holders including complaints related to transfers / transmission of shares, non-receipt of Annual Report, non-receipt of dividends, issue of new / duplicate certificates, general meetings, etc.;
10. To review measures taken for effective exercise of voting rights by shareholders;
11. To review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Transfer Agent; and

12. To perform such other acts, deeds, and things as may be delegated to the Committee by the Board from time to time.

### Shareholders' Complaints

The number of shareholders' complaints received and resolved as on 31<sup>st</sup> March 2024 is given in the 'Shareholders' Information' section, which forms an integral part of this Report.

### Compliance Officer

Mr. Sailesh Kumar Daga, Company Secretary acts as the Compliance Officer of the Company. The Compliance Officer briefs the SRC on the grievances / queries of the investors and the steps taken by the Company for redressing their grievances. The Compliance Officer can be contacted at: Grasim Industries Limited, Aditya Birla Centre, 'A' Wing, 2<sup>nd</sup> Floor, S K Ahire Marg, Worli, Mumbai – 400 030 Tel: +91-22-66525000, +91-22-24995000, E-mail: [grasim.secretarial@adityabirla.com](mailto:grasim.secretarial@adityabirla.com).

## 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition, Meetings and Attendance

The Corporate Social Responsibility Committee ('CSR Committee') comprises of 1 Non-executive Director, 1 Independent Director and 1 Executive Director. The Composition of the CSR Committee complies with the requirements of the Act. The CSR Committee recommends to the Board the CSR activities to be undertaken during the year and the amount to be spent on these activities and monitor its progress.

During the year, 2 (Two) CSR Committee meetings were held on 25<sup>th</sup> May 2023 and 28<sup>th</sup> March 2024.

The CSR Report forms an integral part of this Integrated Annual Report.

All the recommendations of the CSR Committee have been accepted by the Board.

The details of composition and attendance of the members at the CSR Committee meetings held during the financial year ended 31<sup>st</sup> March 2024 are as given below:



| Name of the Members                | Categories             | No. of Meetings        |          |
|------------------------------------|------------------------|------------------------|----------|
|                                    |                        | Held during the tenure | Attended |
| Smt. Rajashree Birla (Chairperson) | Non-executive Director | 2                      | 2        |
| Ms. Anita Ramachandran             | Independent Director   | 2                      | 2        |
| Mr. Harikrishna Agarwal            | Executive Director     | 2                      | 2        |

Dr. Pragnya Ram, Group Executive President, CSR is a permanent invitee to the CSR Committee meetings.

## 5. RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

### Composition, Meetings and Attendance

The Risk Management and Sustainability Committee ('RMSC') comprises of 3 Independent Directors, 1 Executive Director and 3 Senior Executives of the Company. The Composition of RMSC complies with the requirements of the Listing Regulations.

During the year, 3 (Three) meetings of the RMSC were held on 29<sup>th</sup> June 2023, 15<sup>th</sup> December 2023 and 21<sup>st</sup> February 2024.

The Board's Report and Management Discussion and Analysis Report set out the risks identified, and mitigation plans thereof.

The details of composition and attendance of the members at the RMSC meetings held during the financial year ended 31<sup>st</sup> March 2024 are as given below:

| Name of the Members         | Categories              | No. of Meetings        |          |
|-----------------------------|-------------------------|------------------------|----------|
|                             |                         | Held during the tenure | Attended |
| Mr. N Mohan Raj, (Chairman) | Independent Director    | 3                      | 3        |
| Dr. Thomas M Connelly, Jr.  | Independent Director    | 3                      | 3        |
| Mr. V Chandrasekaran        | Independent Director    | 3                      | 3        |
| Mr. Harikrishna Agarwal     | Executive Director      | 3                      | 3        |
| Mr. Jayant V Dhobley        | Business Head - CFI     | 3                      | 3        |
| Mr. Rakshit Hargave         | CEO - Paints            | 3                      | 2        |
| Mr. Kapil Agarwal           | Business Head - Textile | 3                      | 1        |

The Chief Financial Officer and Chief Sustainability Officer are the Permanent Invitees to the RMSC Meetings.

All the recommendations, if any, of the RMSC have been accepted by the Board.

### Brief Description of the Terms of Reference

1. To formulate Risk Management Policy and implement Risk Management Framework for identifying, assessing, monitoring, reviewing and devising mitigation plans in respect of the internal and external risks associated with the Company including financial, operational, sectoral, sustainability, cyber security risks, or any other risk;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To review Risk Management Policy from time to time;
4. Overseeing the Company's sustainability performance and ensuring adequacy of the Company's sustainability framework;
5. Advising the Board on sustainability policies and management systems;
6. Ensuring effective implementation of governance, advocacy and public relation mechanisms and practices related to Sustainability;
7. Evaluating emerging sustainability risks in terms of intensity and impact, in turn, guiding the management on reasonable avoidance of adversities likely to pose a threat to sustained growth; and
8. Advising the Board to enable it to discharge its responsibilities, having regard to the law and the expected international standards of sustainability and stakeholder governance.

## 6. FINANCE COMMITTEE

### Composition, Meetings and Attendance

The Finance Committee of the Board comprises of 2 Independent Directors and 1 Executive Director.

During the year, 4 (Four) Finance Committee meetings were held on 23<sup>rd</sup> June 2023, 26<sup>th</sup> September 2023, 12<sup>th</sup> January 2024 and 13<sup>th</sup> March 2024.

The details of composition and attendance of the members at the Finance Committee meetings held



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

during the financial year ended 31<sup>st</sup> March 2024 are as given below:

| Name of the Members                 | Categories             | No. of Meetings        |          |
|-------------------------------------|------------------------|------------------------|----------|
|                                     |                        | Held during the tenure | Attended |
| Mr. Harikrishna Agarwal, (Chairman) | Executive Director     | 4                      | 4        |
| Mr. Adesh Kumar Gupta               | Independent Director   | 4                      | 4        |
| Mr. V Chandrasekaran <sup>1</sup>   | Non-executive Director | 2                      | 2        |
| Dr. Santrupt Misra <sup>2</sup>     | Non-executive Director | 2                      | 2        |

<sup>1</sup> Appointed as the Member of the Committee w.e.f. 4<sup>th</sup> January 2024.

<sup>2</sup> Ceased as Member of the Committee w.e.f. 28<sup>th</sup> December 2023.

During the year, the Finance Committee was reconstituted on 4<sup>th</sup> January 2024.

The Finance Committee is authorised to exercise all powers and discharge all functions relating to working capital management, foreign currency contracts, operation of bank accounts and authorising officers of the Company to deal in matters relating to GST, income tax, customs and any other matters as delegated by the Board from time to time.

### 7. PIT REGULATION COMMITTEE

#### Composition, Meetings and Attendance

The PIT Regulation Committee comprises of 2 Independent Directors and 1 Executive Director.

During the year, 2 (Two) PIT Regulation Committee Meetings were held on 30<sup>th</sup> October 2023 and 26<sup>th</sup> March 2024.

The details of composition and attendance of the members at the PIT Regulation Committee Meetings held during the financial year ended 31<sup>st</sup> March 2024 are as given below:

| Name of the Members                     | Categories             | No. of Meetings        |          |
|-----------------------------------------|------------------------|------------------------|----------|
|                                         |                        | Held during the tenure | Attended |
| Mr. V Chandrasekaran, (Chairman)        | Independent Director   | 2                      | 2        |
| Mr. Yazdi Piroj Dandiwalla <sup>1</sup> | Independent Director   | 1                      | 1        |
| Mr. Harikrishna Agarwal                 | Executive Director     | 2                      | 2        |
| Dr. Santrupt Misra <sup>2</sup>         | Non-executive Director | 1                      | 1        |

<sup>1</sup> Appointed as the Member of the Committee w.e.f. 4<sup>th</sup> January 2024.

<sup>2</sup> Ceased as Member of the Committee w.e.f. 28<sup>th</sup> December 2023.

During the year, the PIT Regulation Committee was reconstituted on 4<sup>th</sup> January 2024.

### 8. RIGHTS ISSUE COMMITTEE - 2023

The Rights Issue Committee – 2023 ('RIC') was constituted by the Board of the Company with effect from 16<sup>th</sup> October 2023.

The RIC Committee comprises of 2 Independent Directors and 1 Executive Director.

During the year, 4 (Four) RIC Meetings were held on 13<sup>th</sup> November 2023, 12<sup>th</sup> December 2023, 4<sup>th</sup> January 2024 and 2<sup>nd</sup> February 2024.

The details of composition and attendance of the members at the RIC meetings held during the financial year ended 31<sup>st</sup> March 2024 are as given below:

| Name of the Members                | Categories             | No. of Meetings        |          |
|------------------------------------|------------------------|------------------------|----------|
|                                    |                        | Held during the tenure | Attended |
| Mr. V Chandrasekaran               | Independent Director   | 4                      | 4        |
| Mr. Adesh Kumar Gupta <sup>1</sup> | Independent Director   | 1                      | 1        |
| Mr. Harikrishna Agarwal            | Executive Director     | 4                      | 4        |
| Dr. Santrupt Misra <sup>2</sup>    | Non-executive Director | 2                      | 2        |

<sup>1</sup> Appointed as the Member of the Committee w.e.f. 4<sup>th</sup> January 2024.

<sup>2</sup> Ceased as Member of the Committee w.e.f. 28<sup>th</sup> December 2023

The Company Secretary acts as the Secretary to all the above mentioned Committees.



## DETAILS OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT, INCLUDING CHANGES DURING THE YEAR:

| Sr No                           | Name                                                                   | Designation                                                                 |
|---------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>Key Managerial Personnel</b> |                                                                        |                                                                             |
| 1                               | Mr. Pavan Kumar Jain                                                   | Chief Financial Officer                                                     |
| 2                               | Mr. Sailesh Kumar Daga                                                 | Company Secretary & Compliance Officer                                      |
| <b>Senior Management*</b>       |                                                                        |                                                                             |
| 3                               | Mr. Kapil Agrawal<br>(Appointed w.e.f. 1 <sup>st</sup> April 2023)     | Business Head - Textiles                                                    |
| 4                               | Mr. Rajesh Balakrishnan                                                | Chief Executive Officer - Speciality Chemicals                              |
| 5                               | Mr. Omprakash Chitlange                                                | Chief Executive Officer - Cellulosic Fashion Yarn                           |
| 6                               | Mr. Saugata Chakravarty                                                | Chief Legal Officer                                                         |
| 7                               | Mr. Jayant V Dhobley                                                   | Business Head - Chemicals, Cellulosic Fashion Yarn and Insulators           |
| 8                               | Mr. Jayant Dua                                                         | Business Head - Solar & Textiles                                            |
| 9                               | Mr. Satyaki Ghosh                                                      | Chief Executive Officer - Textiles                                          |
| 10                              | Mr. Rakshit Hargave                                                    | Chief Executive Officer - Paints                                            |
| 11                              | Mr. Himanshu Kapania                                                   | Business Head - Paints                                                      |
| 12                              | Mr. Manoj Kedia                                                        | Chief Financial Officer - Chemicals, Cellulosic Fashion Yarn and Insulators |
| 13                              | Mr. Suresh Kodali<br>(Appointed w.e.f. 1 <sup>st</sup> January 2024)   | Chief Operating Officer - Cellulosic Fibre                                  |
| 14                              | Mr. Sandeep Komaravelly                                                | Chief Executive Officer - Birla Pivot (B2B E-Commerce)                      |
| 15                              | Mr. Ashok Machher                                                      | Chief Financial Officer - Textiles                                          |
| 16                              | Mr. Kalyan Ram Madabhushi<br>(Till 31 <sup>st</sup> December 2023)     | Chief Operations Officer - Cellulosic Fibre                                 |
| 17                              | Ms. Anupama Mohan                                                      | Chief Human Resources Officer - Cellulosic Fibre                            |
| 18                              | Mr. Anindya Mukherjee<br>(Appointed w.e.f. 1 <sup>st</sup> April 2023) | Chief Information Officer - Cellulosic Fibre                                |
| 19                              | Dr. Aspi Patel                                                         | Chief Technology Officer – Cellulosic Fibre                                 |
| 20                              | Mr. Anil Rustogi                                                       | Chief Financial Officer - Cellulosic Fibre                                  |
| 21                              | Mr. Manmohan Singh                                                     | Chief Marketing Officer - Cellulosic Fibre                                  |
| 22                              | Mr. Surya Valluri                                                      | Chief Sustainability Officer                                                |
| 23                              | Mr. Sanjay Kumar Verma                                                 | Unit Head - Kharach and Vilayat                                             |

\*In alphabetical order.

## SUBSIDIARY COMPANIES

UltraTech Cement Limited ('UTCL') and Aditya Birla Capital Limited ('ABCL') are the material listed subsidiaries of the Company. The Company does not have any material unlisted Indian subsidiary Company as defined under the Listing Regulations. The Company has formulated a Policy for Determining Material Subsidiaries, which is available on the Company's website at [https://www.grasim.com/upload/pdf/Grasim\\_Policy\\_Material\\_Subsiary\\_Cos.pdf](https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsiary_Cos.pdf).

The Audit Committee reviews the financial statements of the subsidiary companies and, in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board of the Company for its review.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### GENERAL BODY MEETINGS

Details of the General Meetings of the Company held during the last 3 years are as follows:

| Financial Year /<br>Type of Meeting                   | Date and Time                                                                                                                                                                     | Location                                                  | Particulars of Special Resolution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2020-21<br>Extra-Ordinary<br>General Meeting          | 22 <sup>nd</sup> February 2021,<br>3:00 p.m.                                                                                                                                      | Through Video<br>Conference / Other<br>Audio-Visual Means | <ul style="list-style-type: none"> <li>Alteration of the Object Clause of the Memorandum of Association of the Company.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2020-21<br>74 <sup>th</sup> Annual<br>General Meeting | 27 <sup>th</sup> August 2021<br>3:00 p.m.                                                                                                                                         | Through Video<br>Conference / Other<br>Audio-Visual Means | <ul style="list-style-type: none"> <li>Payment of Commission to Non-executive Directors of the Company.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2021-22<br>NCLT Convened<br>Meeting                   | 16 <sup>th</sup> April 2021,<br>3:00 p.m. (Equity Shareholders)<br>4:00 p.m. (Secured Creditors)<br>5:00 p.m. [Unsecured Creditors<br>(including unsecured debenture<br>holders)] | Through Video<br>Conference / Other<br>Audio-Visual Means | <ul style="list-style-type: none"> <li>Approval of the Scheme of Arrangement between Grasim Industries Limited and Indorama India Private Limited and their respective shareholders and creditors.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2021-22<br>75 <sup>th</sup> Annual<br>General Meeting | 29 <sup>th</sup> August 2022,<br>11.30 a.m.                                                                                                                                       | Through Video<br>Conference / Other<br>Audio-Visual Means | <ul style="list-style-type: none"> <li>Continuation of Smt. Rajashree Birla as a Non-executive Director of the Company.</li> <li>Continuation of Mr. Shailendra K. Jain as a Non-executive Director of the Company.</li> <li>Appointment of Ms. Anita Ramachandran as an Independent Director for a second term.</li> <li>Adoption of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022.</li> <li>Extending the benefits of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 to the employees of the Group companies, including subsidiary and associate companies of the Company.</li> <li>Approval of (a) the use of the trust route for the implementation of the Grasim Industries Limited Employee Stock Option and Performance Stock Unit Scheme 2022 (the Scheme 2022); (b) secondary acquisition of the equity shares of the Company by the trust; and (c) grant of financial assistance / provision of money by the Company to the trust to fund the acquisition of its equity shares, in terms of the Scheme 2022.</li> </ul> |
| 2022-23<br>76 <sup>th</sup> Annual<br>General Meeting | 25 <sup>th</sup> August 2023<br>11:30 a.m.                                                                                                                                        | Through Video<br>Conference / Other<br>Audio-Visual Means | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |





## Postal Ballot

### i. Details of special resolution passed by Postal Ballot:

The Company has conducted a postal ballot dated 15<sup>th</sup> March 2024 for appointment of Mr. N. Mohan Raj as an Independent Director of the Company for a second term, results of which was announced on 17<sup>th</sup> April 2024.

### ii. Details of Voting Pattern:

| Mode of Voting | Total Shares | No. of votes polled | In favour    |            | Against      |            |
|----------------|--------------|---------------------|--------------|------------|--------------|------------|
|                |              |                     | No. of Votes | % of Votes | No. of Votes | % of Votes |
| E-Voting       | 66,18,57,651 | 48,23,54,585        | 42,74,66,337 | 88.62      | 5,48,88,248  | 11.38      |

### iii. Person who conducted the aforesaid postal ballot exercise:

Ms. Shivangini Gohel, Practicing Company Secretary (ACS 25740 & C.P. No. 9205) conducted the aforesaid postal ballot exercise in a fair and transparent manner.

### iv. Whether any special resolution is proposed to be conducted through postal ballot:

No Special Resolution is currently proposed to be conducted through postal ballot.

### v. Procedure followed for Postal Ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and Regulation 44 of the Listing Regulations, Secretarial Standard-2 on General Meetings ('SS-2') read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated 8<sup>th</sup> April 2020, 17/2020 dated 13<sup>th</sup> April 2020 and subsequent circulars issued in this regard, the latest being 9/2023 dated 25<sup>th</sup> September 2023, respectively issued by the Ministry of Corporate Affairs.

hosted on the Company's website at [www.grasim.com](http://www.grasim.com) and the Group's website at [www.adityabirla.com](http://www.adityabirla.com).

- Quarterly Results: Results are generally published in:

| Newspaper         | Cities of Publication |
|-------------------|-----------------------|
| Business Standard | All Editions          |
| Nai Dunia         | Indore Edition        |

Results are displayed on the Company's website at <https://www.grasim.com/investors/results-reports-and-presentations> and at [www.adityabirla.com](http://www.adityabirla.com)

- At the end of each quarter, the Company organises earnings call with the analysts and investors and the transcripts of the same are thereafter uploaded on the website at <https://www.grasim.com/investors/results-reports-and-presentations>.
- Disclosures pursuant to various provisions of the Listing Regulations, as applicable, are promptly communicated to the Stock Exchanges where the securities of the Company are listed, and are also displayed on the Company's website at <https://www.grasim.com/investors/results-reports-and-presentations>
- The Company has engaged KFin Technologies Limited to enable Members to attend the AGM through video conference ('VC')/other audio-visual means ('OAVM') or view the live webcast of the AGM at <https://emeetings.kfintech.com>.

## MEANS OF COMMUNICATION

- Copies of the press release, quarterly presentations on the Company's performance, official news release and presentation made to Institutional Investors/Analysts are

### DISCLOSURES

**(i) Details of materially significant Related Party Transactions that may have a potential conflict with the interest of the Company at large**

During the year, no material transactions with any related party as defined under the Act and the Listing Regulations have been entered into, which have a potential conflict with the interest of the Company at large. All contracts/arrangements/transactions entered into by the Company with its related parties were on an arm's-length basis and in the ordinary course of business. All related party transactions have prior approval of the Audit Committee and are reviewed by the Audit Committee on a quarterly basis. Attention of the Members is drawn to Note No. 4.5 of the Standalone Financial Statements, forming part of this Integrated Annual Report, which sets out the related party disclosures.

The Policy on Related Party Transactions, as approved by the Audit Committee and the Board is available on the Company's website at [https://www.grasim.com/upload/pdf/Grasim\\_policy\\_on\\_RPT.pdf](https://www.grasim.com/upload/pdf/Grasim_policy_on_RPT.pdf)

**(ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years**

The Company has complied with all the provisions of the Listing Regulations as well as other regulations and guidelines of the SEBI. There have been no instances of non-compliance by the Company on any matters related to capital markets during the last 3 years and, hence, no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.

**(iii) Appointment / Re-appointment of Directors**

Details of the Directors seeking appointment/re-appointment are provided in the Notice of the ensuing AGM.

**(iv) Confirmation of criteria of Independence**

Our Company's Board confirms that the Independent Directors fulfil the conditions specified in the Act

and Listing Regulations and are independent of the management.

**(v) Details of utilisation of funds raised through preferential allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Listing Regulations**

During the year, the Company has not raised funds through preferential allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Listing Regulations.

The funds raised by the Company through Partly paid-up Rights Issue, have been utilised towards object of the Issue as stated in the Letter of Offer dated 4<sup>th</sup> January 2024.

**(vi) Management Discussion and Analysis/Disclosure of Accounting Treatment**

- a) Management Discussion and Analysis is given in a separate section forming an integral part of this Integrated Annual Report and is in accordance with the requirements laid out in the Listing Regulations.
- b) The Company follows all relevant Accounting Standards while preparing the Financial Statements.

**(vii) Certification by Practicing Company Secretary**

As per the Listing Regulations, the Company has obtained a certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified, from being appointed or continuing as Directors, by SEBI/Ministry of Corporate Affairs ('MCA') or any such authority and the same is appended as an Annexure to this Report.

**(viii) Total Fees paid to Statutory Auditors**

For the year ended 31<sup>st</sup> March 2024, our Company and its subsidiaries have paid a consolidated sum of ₹ 20.82 crore to the statutory auditors and all entities in the network firm / network entity of which the statutory auditor is a part.



The details of fees paid to Statutory Auditors are as under:

₹ in crore

| Sr. No.             | Entity Name                   | KKC & Associates LLP and its affiliates | B S R & Co. LLP and its affiliates | Total        |
|---------------------|-------------------------------|-----------------------------------------|------------------------------------|--------------|
| 1                   | Grasim Industries Limited*    |                                         |                                    |              |
|                     | Audit                         | 2.03                                    | 2.04                               | 4.07         |
|                     | Others                        | 1.02                                    | 1.57                               | 2.59         |
| <b>Total</b>        |                               | <b>3.05</b>                             | <b>3.61</b>                        | <b>6.66</b>  |
| <b>Subsidiaries</b> |                               |                                         |                                    |              |
| 2                   | UltraTech Cement Limited      | 2.93                                    | 3.84                               | 6.77         |
| 3                   | Aditya Birla Capital Limited* | 0.76                                    | 3.57                               | 4.33         |
| 4                   | Other Subsidiaries            | 3.06                                    | -                                  | 3.06         |
| <b>Grand Total</b>  |                               | <b>9.80</b>                             | <b>11.02</b>                       | <b>20.82</b> |

\* including fees of ₹ 4.11 crore paid to auditors for capital raising activities.

**(ix) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Our Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, our Company has formed an Internal Committee to address complaints pertaining to sexual harassment in the workplace. The policy mandates prevention of sexual harassment and to ensure a free and fair enquiry process with clear timelines for resolution. To build awareness, our Company has been conducting online training programmes on a periodic basis.

Details of complaints under POSH Act are as under:

- Number of complaints at the beginning of the financial year: 2
- Number of complaints filed during the financial year: 5
- Number of complaints disposed of during the financial year: 6
- Number of complaints pending as at end of the financial year: 1

**(x) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.

**(xi) Details of material subsidiaries of the listed entity**

| Sr. No. | Name of the material subsidiaries | Date of Incorporation | Place of Incorporation | Name of Statutory Auditor(s)                                                                | Date of appointment of Statutory Auditor(s)                  |
|---------|-----------------------------------|-----------------------|------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| 1       | Aditya Birla Capital Limited      | 15/10/2007            | Veraval, Gujarat       | M/s. BSR & Co. LLP, Chartered Accountants                                                   | 20 <sup>th</sup> August 2021                                 |
| 2       | UltraTech Cement Limited          | 24/08/2000            | Mumbai, Maharashtra    | M/s. BSR & Co. LLP, Chartered Accountants, M/s. KKC & Associates LLP, Chartered Accountants | 12 <sup>th</sup> August 2020<br>18 <sup>th</sup> August 2021 |



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### (xii) Disclosure of certain types of agreements binding listed entities

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

### (xiii) CEO / CFO Certification

In terms of provisions of Regulation 17(8) of the Listing Regulations, certificate from Managing Director and Chief Financial Officer of the Company is appended as an Annexure to this Report.

### (xiv) Website

Our Company's website at [www.grasim.com](http://www.grasim.com) has a dedicated section for investor relations containing the Financial Results, Shareholding Pattern, Annual Reports, Quarterly Reports, updates/intimations filed with Stock Exchange(s), various policies adopted by the Board. Other general information like history of the Company, business carried out by the Company, details of the Board, Key Managerial Personnel and Business Heads of the Company, is also available on the Company's website.

### (xv) Status of Compliance of Non-mandatory Requirement

- a) Our Company maintains a separate office for the Non-executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities.
- b) Financial results of the Company are being sent to the shareholders on quarterly basis through e-mail.
- c) There are no audit qualifications on the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2024.

- d) The position of the Chairman of the Board and the Managing Director is separate, and the Chairman is a Non-executive Director and not related to Managing Director of the Company.
- e) The Internal Auditors have direct access to the Audit Committee and their representative participates in the Audit Committee meetings and present their observations to the Audit Committee when the internal audit matter is discussed.

## REPORT ON CORPORATE GOVERNANCE

This Report on Corporate Governance forms an integral part of this Integrated Annual Report. The Company is fully compliant with all the provisions of the Listing Regulations, as applicable to the Company.

### COMPLIANCES

1. The Company confirms the compliances with Corporate Governance requirements as specified in the Listing Regulations.
2. A Certificate from the Statutory Auditor, confirming compliance with all the conditions of Corporate Governance as stipulated in the Listing Regulations, is given as 'Annexure B' to the Board's Report and forms part of this Integrated Annual Report.
3. There is a separate section for general Shareholder Information, which forms an integral part of this Integrated Annual Report.
4. Name and Designation of Compliance Officer: Mr. Sailesh Kumar Daga, Company Secretary.
5. During the year, all recommendations of the Committees of the Board, have been accepted by the Board.



## CODE OF CONDUCT

### DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management for the year ended 31<sup>st</sup> March 2024.

Place: Mumbai  
Date: 22<sup>nd</sup> May 2024

**Harikrishna Agarwal**  
Managing Director  
DIN: 09288720

### CEO/CFO CERTIFICATION

**The Board of Directors**  
**Grasim Industries Limited**

**We certify that:**

- A. We have reviewed the Financial Statement read with the Cash Flow Statement of Grasim Industries Limited ('the Company') for the year ended 31<sup>st</sup> March 2024 and to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  - (1) significant changes in the internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the Notes to the Financial Statements;
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or other employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: 22<sup>nd</sup> May 2024

**Harikrishna Agarwal**  
Managing Director  
DIN: 09288720

**Pavan Kumar Jain**  
Chief Financial Officer

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of,  
**Grasim Industries Limited**  
P.O. Birlagram, Nagda - 456331  
Ujjain, Madhya Pradesh

We, BNP & Associates have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Grasim Industries Limited having CIN -L17124MP1947PLC000410 and having its registered office at P.O. Birlagram, Nagda, Ujjain Madhya Pradesh - 456331 (hereinafter referred to as 'the Company'), produced before us through the virtual data room by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including verification of Directors Identification Number (DIN) status] in terms of the portal of Ministry of Corporate Affairs Government of India (MCA) [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and pursuant to explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ended on 31<sup>st</sup> March, 2024 have been debarred or disqualified from appointment or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

| Sr. No. | DIN      | Name of the Directors            | Designation                                        | Date of Appointment * |
|---------|----------|----------------------------------|----------------------------------------------------|-----------------------|
| 1.      | 00012813 | Mr. Kumar Mangalam Birla         | Chairman; Non-Executive - Non-independent Director | 14/10/1992            |
| 2.      | 00022995 | Ms. Rajashree Birla              | Non-Executive - Non-independent Director           | 14/03/1996            |
| 3.      | 06625036 | Ms. Ananyashree Birla            | Non-Executive - Non-independent Director           | 06/02/2023            |
| 4.      | 08456879 | Mr. Aryaman Vikram Birla         | Non-Executive - Non-independent Director           | 06/02/2023            |
| 5.      | 00118188 | Ms. Anita Ramachandran           | Non-Executive - Independent Director               | 14/08/2018            |
| 6.      | 00181969 | Mr. Mohanraj Narendranathan Nair | Non-Executive - Independent Director               | 12/07/2019            |
| 7.      | 01055000 | Mr. Yazdi Piroj Dandiwal         | Non-Executive - Independent Director               | 06/02/2023            |
| 8.      | 03083495 | Mr. Thomas Martin Connelly Jr.   | Non-Executive - Independent Director               | 20/08/2010            |
| 9.      | 03126243 | Mr. Venkatadri Chandrasekaran    | Non-Executive - Independent Director               | 24/05/2021            |
| 10.     | 00020403 | Mr. Adesh Kumar Gupta            | Non-Executive - Independent Director               | 24/05/2021            |
| 11.     | 00018979 | Mr. Cyril Suresh Shroff          | Non-Executive - Independent Director               | 25/07/2000            |
| 12.     | 06627311 | Mr. Raj Kumar                    | Non-Executive - Non-independent Director           | 12/11/2021            |
| 13.     | 00060017 | Mr. Sushil Agarwal               | Non-Executive - Non-independent Director           | 08/02/2024            |
| 14.     | 09288720 | Mr. Harikrishna Agarwal          | Executive Director, Managing Director              | 01/12/2021            |

\*Date of appointment of Directors are as appearing on MCA Portal.

Ensuring the eligibility of every director for appointment/continuity on the Board is the responsibility of the Management of the Company. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management of the Company has conducted the affairs of the Company.

For **BNP & Associates**  
Company Secretaries  
[Firm Regn. No. P2014MH037400]  
PR No.: - 637/2019

**Avinash Bagul**  
Partner

FCS No.: 5578

COP No.: 19862

UDIN: F005578F000421312

Place: Mumbai  
Date: 22<sup>nd</sup> May 2024





# SHAREHOLDER INFORMATION

## 1. ANNUAL GENERAL MEETING

|                                                                          |                                                                                                                               |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Day, Date and Time                                                       | Tuesday, 20 <sup>th</sup> August 2024 at 11.00 a.m. (IST) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') |
| Deemed Venue                                                             | Registered office:<br>Birlagram, Nagda Dist. Ujjain<br>Madhya Pradesh, India - 456 331                                        |
| Participation through VC/OAVM for Annual General Meeting ('AGM')/Webcast | <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a>                                                   |

## 2. FINANCIAL CALENDAR FOR REPORTING

|                                                     |                                                 |
|-----------------------------------------------------|-------------------------------------------------|
| Financial Year of the Company                       | 1 <sup>st</sup> April to 31 <sup>st</sup> March |
| First quarter end                                   | On or before 14 <sup>th</sup> August 2024       |
| Second quarter and half year end                    | On or before 14 <sup>th</sup> November 2024     |
| Third quarter end                                   | On or before 14 <sup>th</sup> February 2025     |
| Fourth quarter and year end                         | On or before 30 <sup>th</sup> May 2025          |
| AGM for the year ending 31 <sup>st</sup> March 2025 | On or before 31 <sup>st</sup> August 2025       |

## 3. DATES OF BOOK CLOSURE

Wednesday, 7<sup>th</sup> August 2024 to Tuesday, 20<sup>th</sup> August 2024 (both days inclusive)

## 4. DIVIDEND PAYMENT DATE

On or after Friday, 23<sup>rd</sup> August 2024

## 5. REGISTERED OFFICE

Birlagram, Nagda, Dist. Ujjain,  
Madhya Pradesh, India - 456 331  
Tel: (07366) 246766  
E-mail: [grasim.secretarial@adityabirla.com](mailto:grasim.secretarial@adityabirla.com)

## 6. WEBSITE

[www.grasim.com](http://www.grasim.com)

## 7. CORPORATE IDENTIFICATION NUMBER (CIN) L17124MP1947PLC000410

## 8. LISTING DETAILS

### (a) Equity Shares, Non-convertible Debentures, Commercial Papers and Global Depository Receipts ('GDRs'):

| Equity Shares and Non-convertible Debentures*                                                                                                                 | Commercial Papers                                                                                   | GDRs                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>BSE Limited ('BSE')</b><br>Phiroze Jeejeebhoy Towers, Dalal Street, Fort,<br>Mumbai - 400 001                                                              | <b>BSE Limited ('BSE')</b><br>Phiroze Jeejeebhoy Towers, Dalal<br>Street, Fort,<br>Mumbai - 400 001 | <b>Luxembourg Stock Exchange ('LSE')</b><br>35A, Boulevard Joseph II<br>L-1840, Luxembourg |
| <b>National Stock Exchange of India Limited ('NSE')</b><br>Exchange Plaza, Plot No. C/1,<br>G Block, Bandra-Kurla Complex, Bandra (East),<br>Mumbai - 400 051 |                                                                                                     |                                                                                            |

\* The details of listing of Non-convertible Debentures are forming part of this Report.

**Note:** Annual Listing Fees for the financial year 2024-25 has been paid to both the Stock Exchanges i.e. BSE and NSE. For the GDR's, it has been paid for the calendar year 2024. No amount is outstanding.

## SHAREHOLDER INFORMATION (CONTD.)

### (b) Non-Convertible Debentures

The Company had issued unsecured redeemable non-convertible debentures ('NCDs'). The details of outstanding debentures as on 31<sup>st</sup> March 2024 are as under:

| Series                          | Date of Issue                 | ISIN         | Principal Amount<br>(₹ in crore) | Maturity Date                 | Listed on   | Debenture Trustee                 |
|---------------------------------|-------------------------------|--------------|----------------------------------|-------------------------------|-------------|-----------------------------------|
| Series 1920/I 7.85% GIL 2024    | 2 <sup>nd</sup> April 2019    | INE047A08141 | 500                              | 15 <sup>th</sup> April 2024   |             |                                   |
| Series 1920/II 7.60% GIL 2024   | 4 <sup>th</sup> June 2019     | INE047A08158 | 750                              | 4 <sup>th</sup> June 2024     |             |                                   |
| Series 21-22 I, 6.99% GIL 2031  | 5 <sup>th</sup> April 2021    | INE047A08182 | 1,000                            | 4 <sup>th</sup> April 2031    | BSE and NSE | IDBI Trusteeship Services Limited |
| Series 22-23 I, 7.50% GIL 2027  | 10 <sup>th</sup> June 2022    | INE047A08190 | 1,000                            | 10 <sup>th</sup> June 2027    |             |                                   |
| Series 22-23 II, 7.63% GIL 2027 | 1 <sup>st</sup> December 2022 | INE047A08208 | 1,000                            | 1 <sup>st</sup> December 2027 |             |                                   |
| Series 23-24 I, 7.35% GIL 2026  | 1 <sup>st</sup> August 2023   | INE047A08216 | 1,000                            | 31 <sup>st</sup> July 2026    | BSE         |                                   |
| Series 23-24 II 7.25% GIL 2034  | 22 <sup>nd</sup> March 2024   | INE047A08224 | 1,250                            | 22 <sup>nd</sup> March 2034   | Unlisted    | Axis Trustee Services Limited     |

**Note:** 30<sup>th</sup> Series I 9% GIL 2023 (₹ 200 crore) and Series - 20-21 I 5.90% GIL 2023 (₹ 500 crore) were redeemed on 10<sup>th</sup> May 2023 and 16<sup>th</sup> June 2023 respectively.

### (c) Commercial Papers

In terms of the Securities and Exchange Board of India ('SEBI') Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated 10<sup>th</sup> August 2021, as amended from time to time, the details of outstanding Commercial Papers as on 31<sup>st</sup> March 2024 are as under:

| Series         | Date of Issue                  | ISIN         | Principal Amount<br>(₹ in crore) | Maturity Date             | Listed on |
|----------------|--------------------------------|--------------|----------------------------------|---------------------------|-----------|
| GIL-29-5-24-CP | 28 <sup>th</sup> February 2024 | INE047A14917 | 100                              | 29 <sup>th</sup> May 2024 | BSE       |
| GIL-6-6-24-CP  | 7 <sup>th</sup> March 2024     | INE047A14925 | 650                              | 6 <sup>th</sup> June 2024 | BSE       |

**Note:** The following Commercial Papers were redeemed during the FY 2023-24

| Series          | Principal Amount<br>(₹ in crore) | Maturity Date                   |
|-----------------|----------------------------------|---------------------------------|
| GIL-27-6-23-CP  | 500                              | 27 <sup>th</sup> June 2023      |
| GIL-13-9-23-CP  | 500                              | 13 <sup>th</sup> September 2023 |
| GIL-25-9-23-CP  | 400                              | 25 <sup>th</sup> September 2023 |
| GIL-25-9-23-CP  | 250                              | 25 <sup>th</sup> September 2023 |
| GIL-12-12-23-CP | 650                              | 12 <sup>th</sup> December 2023  |
| GIL-23-01-24-CP | 500                              | 23 <sup>rd</sup> January 2024   |
| GIL-29-1-24-CP  | 600                              | 29 <sup>th</sup> January 2024   |
| GIL-7-3-24-CP   | 650                              | 7 <sup>th</sup> March 2024      |
| GIL-23-2-24-CP  | 500                              | 23 <sup>rd</sup> February 2024  |
| GIL-18-3-24-CP  | 350                              | 18 <sup>th</sup> March 2024     |
| GIL-28-2-24-CP  | 600                              | 28 <sup>th</sup> February 2024  |
| GIL-22-3-24-CP  | 500                              | 22 <sup>nd</sup> March 2024     |



**(d) Name and address of Trustees for the Debenture holders**

IDBI Trusteeship Services Limited  
Asian Building, Ground floor 17, R. Kamani Marg,  
Ballard Estate, Mumbai - 400 001 Tel: 022 40807000  
E-mail: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

Axis Trustee Services Limited  
The Ruby, 2<sup>nd</sup> Floor 29, Senapati Bapat Marg,  
Dadar West, Mumbai - 400 028 Tel: 022 62300451  
E-mail: [debenturetrustee@axistrustee.in](mailto:debenturetrustee@axistrustee.in)

**(e) Overseas Depository for GDRs**

Citibank N.A.  
Depository Receipt Services  
390 Greenwich Street, 4<sup>th</sup> Floor, New York, NY-10013  
United States of America

**(f) Domestic Custodian of GDRs**

Citibank N.A.  
Custodial Services  
FIFC, 9<sup>th</sup> Floor, C 54 & 55, G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 098

## 9. STOCK CODE

|                       | Stock Code (Fully paid-up/Partly paid-up) | Reuters | Bloomberg        |
|-----------------------|-------------------------------------------|---------|------------------|
| BSE                   | 500300/890190                             | GRAS.BO | GRASIM IB Equity |
| NSE                   | GRASIM/GRASIMPP                           | GRAS.NS | GRASIM IS Equity |
| LSE                   | -                                         | GRAS.LU | GRAS LX          |
| ISIN of Equity Shares | INE047A01021/IN9047A01011                 | -       | -                |
| ISIN of GDRs          | US3887061030<br>US3887064000              | -       | -                |

## 10. MARKET PRICE DATA

**(a) Fully paid-up equity shares:**

| Month  | BSE      |          |          |           | NSE      |          |          |             | LSE       |       |       |
|--------|----------|----------|----------|-----------|----------|----------|----------|-------------|-----------|-------|-------|
|        | High     | Low      | Close    | Volume    | High     | Low      | Close    | Volume      | High      | Low   | Close |
|        | (In ₹)   |          |          | (In Nos.) | (In ₹)   |          |          | (In Nos.)   | (In US\$) |       |       |
| Apr-23 | 1,741.00 | 1,614.50 | 1,720.50 | 2,44,392  | 1,741.30 | 1,614.25 | 1,720.30 | 94,47,700   | 21.00     | 19.70 | 21.00 |
| May-23 | 1,788.00 | 1,667.90 | 1,715.35 | 2,88,252  | 1,788.25 | 1,667.00 | 1,718.35 | 1,21,31,919 | 21.80     | 20.20 | 20.80 |
| Jun-23 | 1,799.90 | 1,698.00 | 1,734.05 | 2,72,828  | 1,799.90 | 1,696.00 | 1,734.65 | 1,23,65,825 | 21.80     | 20.60 | 21.20 |
| Jul-23 | 1,853.65 | 1,732.80 | 1,849.55 | 3,04,308  | 1,854.70 | 1,733.25 | 1,849.45 | 1,26,91,776 | 22.40     | 21.00 | 22.40 |
| Aug-23 | 1,867.00 | 1,758.75 | 1,792.85 | 4,57,912  | 1,868.40 | 1,758.05 | 1,790.95 | 1,31,80,890 | 22.40     | 21.40 | 21.80 |
| Sep-23 | 1,988.75 | 1,781.25 | 1,941.20 | 3,70,307  | 1,988.10 | 1,787.90 | 1,942.40 | 1,80,53,737 | 23.80     | 21.80 | 23.40 |
| Oct-23 | 2,021.95 | 1,828.15 | 1,886.55 | 2,88,722  | 2,022.00 | 1,828.05 | 1,886.70 | 1,38,50,773 | 24.00     | 22.20 | 22.80 |
| Nov-23 | 2,030.45 | 1,861.00 | 2,004.90 | 2,24,352  | 2,031.00 | 1,861.40 | 2,005.45 | 1,00,90,403 | 24.00     | 22.60 | 24.00 |
| Dec-23 | 2,147.45 | 2,008.35 | 2,134.40 | 3,19,578  | 2,148.25 | 2,008.00 | 2,134.80 | 1,33,05,257 | 25.80     | 24.20 | 25.60 |
| Jan-24 | 2,182.00 | 2,015.15 | 2,174.90 | 9,16,329  | 2,182.05 | 2,016.55 | 2,175.00 | 1,55,11,260 | 26.20     | 24.60 | 26.20 |
| Feb-24 | 2,244.95 | 2,028.80 | 2,191.10 | 7,87,572  | 2,244.00 | 2,027.50 | 2,191.40 | 2,37,55,704 | 26.60     | 24.80 | 26.60 |
| Mar-24 | 2,308.90 | 2,106.45 | 2,288.50 | 11,90,226 | 2,309.20 | 2,128.60 | 2,287.30 | 1,57,96,008 | 27.40     | 25.80 | 27.40 |

Source - NSE and BSE website; LSE-Bloomberg



## SHAREHOLDER INFORMATION (CONTD.)

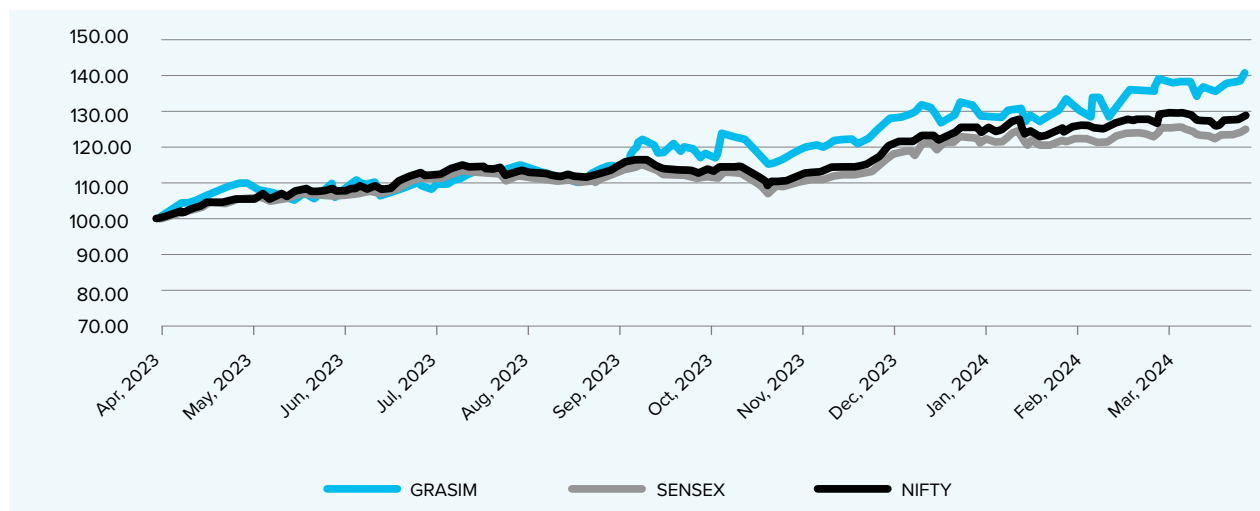
### (b) Partly paid-up equity shares\*:

| Month  | BSE      |        |          |           | NSE      |        |          |           |
|--------|----------|--------|----------|-----------|----------|--------|----------|-----------|
|        | High     | Low    | Close    | Volume    | High     | Low    | Close    | Volume    |
|        | (In ₹)   |        |          | (In Nos.) | (In ₹)   |        |          | (In Nos.) |
| Feb-24 | 997.00   | 735.00 | 956.40   | 1,29,686  | 1,008.00 | 743.00 | 950.75   | 7,04,402  |
| Mar-24 | 1,048.80 | 906.30 | 1,025.50 | 10,213    | 1,048.70 | 921.25 | 1,024.90 | 14,70,984 |

\*Listed on 9<sup>th</sup> February 2024

Source: NSE and BSE website

### 11. STOCK PERFORMANCE: PERFORMANCE OF PRICE OF FULLY PAID-UP EQUITY SHARE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX AND NIFTY



### 12. STOCK PERFORMANCE AND RETURNS (FULLY PAID-UP)

#### Absolute Returns (In %)

|            | 1 Year | 3 Years | 5 Years |
|------------|--------|---------|---------|
| GRASIM     | 40     | 58      | 167     |
| BSE Sensex | 25     | 49      | 90      |
| NSE Nifty  | 29     | 52      | 92      |

#### Annualised Returns (In %)

|            | 1 Year | 3 Years | 5 Years |
|------------|--------|---------|---------|
| GRASIM     | 40     | 16      | 22      |
| BSE Sensex | 25     | 14      | 14      |
| NSE Nifty  | 29     | 15      | 14      |



### 13. MARKET CAPITALISATION

(₹ in crore)

| Financial Year Ended        | BSE      | NSE      |
|-----------------------------|----------|----------|
| 31 <sup>st</sup> March 2024 | 1,52,956 | 1,52,876 |
| 31 <sup>st</sup> March 2023 | 1,07,489 | 1,07,502 |
| 31 <sup>st</sup> March 2022 | 1,09,590 | 1,09,540 |
| 31 <sup>st</sup> March 2021 | 95,555   | 95,453   |
| 31 <sup>st</sup> March 2020 | 31,272   | 31,318   |

### 14. DISTRIBUTION OF SHAREHOLDING AND DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31<sup>ST</sup> MARCH 2024

a) Fully paid-up equity shares:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares Held  | % of shareholding |
|---------------------------|---------------------|-------------------|---------------------|-------------------|
| 1-100                     | 1,78,599            | 71.69             | 44,74,336           | 0.68              |
| 101-200                   | 26,080              | 10.46             | 40,11,546           | 0.61              |
| 201-500                   | 23,822              | 9.56              | 77,97,325           | 1.18              |
| 501-1,000                 | 10,080              | 4.05              | 72,39,383           | 1.10              |
| 1,001-5,000               | 8,544               | 3.43              | 1,72,46,797         | 2.62              |
| 5,001-10,000              | 939                 | 0.38              | 64,50,295           | 0.98              |
| 10,001 & above            | 1,069               | 0.43              | 61,12,59,544        | 92.83             |
| <b>Total</b>              | <b>2,49,133</b>     | <b>100.00</b>     | <b>65,84,79,226</b> | <b>100.00</b>     |

b) Partly paid-up equity shares:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares Held | % of shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| 1-100                     | 27,266              | 91.94             | 4,53,759           | 2.06              |
| 101-200                   | 1,182               | 3.98              | 1,69,950           | 0.77              |
| 201-500                   | 681                 | 2.30              | 2,10,190           | 0.95              |
| 501-1,000                 | 199                 | 0.67              | 1,42,050           | 0.64              |
| 1,001-5,000               | 201                 | 0.68              | 4,54,933           | 2.06              |
| 5,001-10,000              | 38                  | 0.13              | 2,73,963           | 1.24              |
| 10,001 & above            | 88                  | 0.30              | 2,03,66,065        | 92.28             |
| <b>Total</b>              | <b>29,655</b>       | <b>100.00</b>     | <b>2,20,70,910</b> | <b>100.00</b>     |

## SHAREHOLDER INFORMATION (CONTD.)

### CATEGORIES OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2024

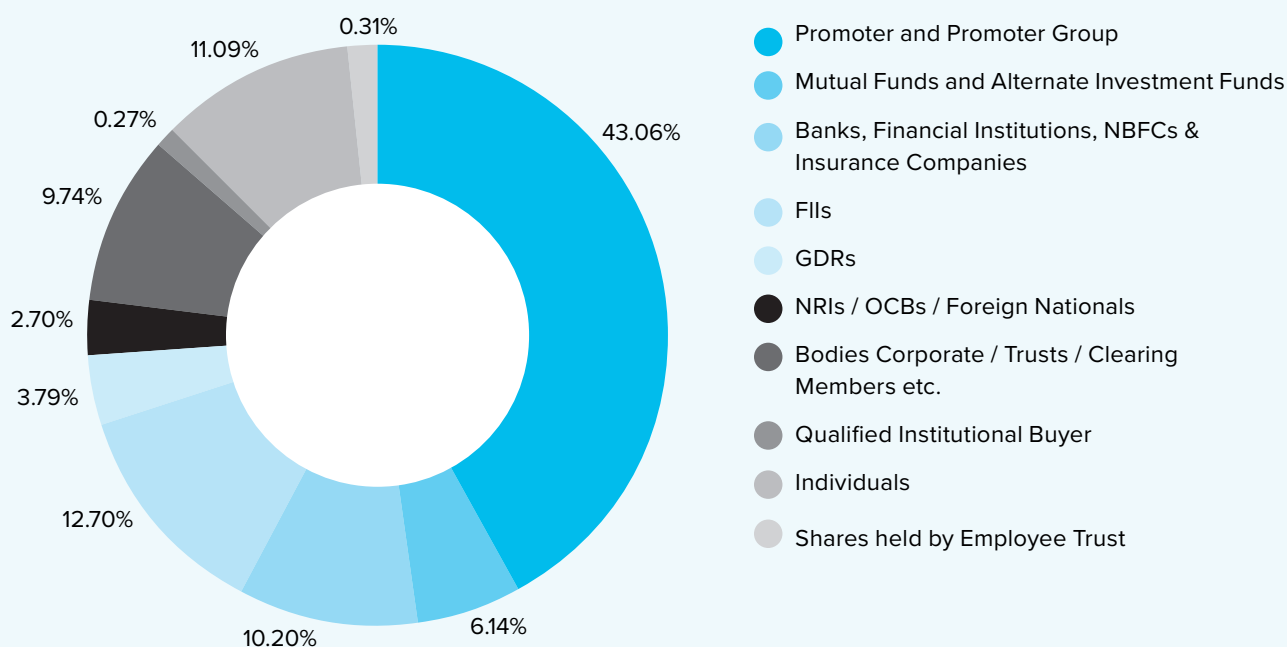
| Categories                                                 | No. of Shareholders | % of Shareholders | No. of Fully paid-up Shares Held | No. of Partly paid-up shares held | Total No. of shares | % of shareholding |
|------------------------------------------------------------|---------------------|-------------------|----------------------------------|-----------------------------------|---------------------|-------------------|
| Promoter and Promoter Group*                               | 24                  | 0.01              | 28,14,64,723                     | 1,15,64,900                       | 29,30,29,623        | 43.06             |
| Mutual Funds and Alternate Investment Funds                | 71                  | 0.03              | 3,85,82,663                      | 32,26,656                         | 4,18,09,319         | 6.14              |
| Banks, Financial Institutions, NBFCs & Insurance Companies | 136                 | 0.05              | 6,72,33,930                      | 21,74,406                         | 6,94,08,336         | 10.20             |
| FII's                                                      | 574                 | 0.23              | 8,55,78,223                      | 8,47,145                          | 8,64,25,368         | 12.70             |
| GDRs <sup>#</sup>                                          | 1                   | -                 | 2,57,68,322                      | -                                 | 2,57,68,322         | 3.79              |
| NRIs / OCBs / Foreign Nationals                            | 9,088               | 3.60              | 1,82,41,133                      | 1,21,593                          | 1,83,62,726         | 2.70              |
| Central Government / State Government(s)                   | 6                   | -                 | 9,710                            | -                                 | 9,710               | -                 |
| Bodies Corporate / Trusts / Clearing Members, etc.         | 5,659               | 2.24              | 6,45,27,140                      | 17,38,216                         | 6,62,65,356         | 9.74              |
| Qualified Institutional Buyer                              | 3                   | -                 | 17,74,573                        | 57,250                            | 18,31,823           | 0.27              |
| Individuals                                                | 2,36,754            | 93.84             | 7,31,77,828                      | 23,40,744                         | 7,55,18,572         | 11.09             |
| Shares held by Employee Trust                              | 1                   | -                 | 21,20,981                        | -                                 | 21,20,981           | 0.31              |
| <b>Total</b>                                               | <b>2,52,317</b>     | <b>100.00</b>     | <b>65,84,79,226</b>              | <b>2,20,70,910</b>                | <b>68,05,50,136</b> | <b>100.00</b>     |

\*Includes 3,13,20,509 (4.60%) GDRs held by Promoters/Promoter Group. ECE Industries Ltd. forms part of Promoter Group, since it is not holding any share of the Company as on 31<sup>st</sup> March 2024 the same is not included in No. of shareholders.

<sup>#</sup> Excludes GDRs held by Promoters/Promoter Group

**Note:** Entire shareholding of the promoter and promoter group is in dematerialised form.

### Shareholding Pattern







## 15. OUTSTANDING GDRs/WARRANTS AND CONVERTIBLE BONDS

5,70,88,831 GDRs (Previous Year: 5,68,53,028 GDRs) are outstanding as on 31<sup>st</sup> March 2024. Each GDR represents one underlying equity share of the Company. There are no warrants/convertible bonds outstanding as on 31<sup>st</sup> March 2024.

## 16. CORPORATE BENEFITS TO INVESTORS

Dividend declared during the last 5 years:

| Financial Year | Date of Declaration             | Dividend Per Share* (in ₹) |
|----------------|---------------------------------|----------------------------|
| 2018-19        | 23 <sup>rd</sup> August 2019    | 7                          |
| 2019-20        | 14 <sup>th</sup> September 2020 | 4                          |
| 2020-21        | 27 <sup>th</sup> August 2021    | 9                          |
| 2021-22        | 29 <sup>th</sup> August 2022    | 10                         |
| 2022-23        | 25 <sup>th</sup> August 2023    | 10                         |

\* Equity Share of face value of ₹ 2/- each.

## 17. SHARE TRANSFER SYSTEM

SEBI had mandated that, with effect from 1<sup>st</sup> April 2019, no share can be transferred in physical form. Trading in shares of the Company is permitted only in dematerialised form.

In terms of the provisions of Regulation 40(9) of the Listing Regulations, the Company has obtained, on yearly basis, a certificate, from a Company Secretary in Practice, certifying that all Certificates/Letter of Confirmation have been issued within thirty days of the date of lodgement of the complete documents for name deletion, name change, transmission, issue of duplicate certificate and had also filed the said certificate with the Stock Exchanges.

## 18. INVESTOR GRIEVANCE REDRESSAL

During the year under review, the Company received and redressed 70 complaints of the shareholders as under:

| Nature of Complaints                                        | 2023-24   |           |
|-------------------------------------------------------------|-----------|-----------|
|                                                             | Received  | Redressed |
| Non-receipt of share certificate/<br>Letter of confirmation | 06        | 06        |
| Non-receipt of dividend                                     | 02        | 02        |
| Transmission of shares                                      | 22        | 22        |
| Issue of duplicate share<br>certificate                     | 06        | 06        |
| IEPF related                                                | 05        | 05        |
| Dematerialisation of shares                                 | 08        | 08        |
| Non receipt of Rights shares                                | 06        | 06        |
| Others (Non updation of KYCs,<br>Name correction, etc.)     | 15        | 15        |
| <b>Total</b>                                                | <b>70</b> | <b>70</b> |

## 19. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company hedges its foreign currency exposure in respect of its imports, borrowings and export receivables as per its policies. The Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps, principal only swaps, collars, options or a mix of all for hedging its foreign currency exposure.

The Company does not have material exposure to any commodity for which hedging instruments are available in the financial markets and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15<sup>th</sup> November 2018.

## 20. CREDIT RATINGS

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies as given below:

| Nature of Instrument     | Name of Credit Rating Agency                | Credit Rating Assigned                      |
|--------------------------|---------------------------------------------|---------------------------------------------|
| Commercial Papers        | CRISIL and ICRA                             | A1+                                         |
| NCDs                     | CRISIL and ICRA                             | AAA (Stable)                                |
| Consortium Limits        | CRISIL and CareEdge                         | AAA (Stable)<br>Long Term<br>A1+ Short Term |
| Out of Consortium Limits | CRISIL and CareEdge                         | AAA (Stable)<br>Long Term<br>A1+ Short Term |
| Company Rating           | Indian Ratings and Research Private Limited | AAA (Stable)                                |

## SHAREHOLDER INFORMATION (CONTD.)

### 21. REGISTRAR AND TRANSFER AGENT (RTA) & INVESTOR CORRESPONDENCE

Investor can contact the RTA of the Company relating to dividend, transmission, change of address, etc.

The contact details of RTA are as under:

| Name                        | KFin Technologies Limited                                                                                                                          |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Address for correspondence  | Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 |
| Email ID                    | <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>                                                                             |
| Toll Free/Phone Number      | 1800 309 4001                                                                                                                                      |
| WhatsApp Number             | (+91) 910 009 4099                                                                                                                                 |
| KPRISM (Mobile Application) | <a href="https://kprism.kfintech.com/">https://kprism.kfintech.com/</a>                                                                            |
| KFINTECH Corporate Website  | <a href="https://www.kfintech.com">https://www.kfintech.com</a>                                                                                    |
| RTA Website                 | <a href="https://ris.kfintech.com">https://ris.kfintech.com</a>                                                                                    |
| Investor Support Centre     | <a href="https://ris.kfintech.com/clientservices/isc">https://ris.kfintech.com/clientservices/isc</a>                                              |

### 22. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

#### Correspondence with the Company / RTA

Shareholders/Beneficial Owners are requested to quote their Folio No./DP and Client ID, in all correspondence with the Company/RTA.

All correspondence should be addressed to KFin Technologies Limited ('KFinTech') as per the details as mentioned above.

Shareholders may send correspondence through e-mail on [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [grasim.secretarial@adityabirla.com](mailto:grasim.secretarial@adityabirla.com)

#### Company's Website

Shareholders are requested to visit the Company's website: [www.grasim.com](http://www.grasim.com)

- for information on investor services being offered by the Company; and
- for downloading of various forms/formats.

#### Common and simplified norms for investor service request

In terms of the SEBI Circular No. SEBI/HO/MIRSD-POD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023, the Company

has sent individual letters dated 24<sup>th</sup> May 2023 and 25<sup>th</sup> November 2023 to all the Shareholders holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination. Further, the Company has also sent letter dated 25<sup>th</sup> November 2023 to the shareholders to enhance investor awareness on Online Dispute Resolution ('ODR') Mechanism in physical form whose email-id is not registered with the Company and through email whose email-id is registered with the Company.

#### Furnishing of PAN, email address, mobile number, bank account details, specimen signature and nomination by holders of physical securities

Folios wherein any one of the above-mentioned documents/details are not available on or after 1<sup>st</sup> April 2024 the shareholders will not be eligible to lodge grievance or avail any service request from the Company's RTA. Further payment of dividend for such folios shall be made through electronic mode only. The relevant forms viz., ISR 1, 2, 3, 4, 5 and SH-13 can be downloaded from the Company's website at <https://www.grasim.com/investors/investors-forms> or that of RTA website at [www.kfintech.com](http://www.kfintech.com).

#### Dematerialisation

Dematerialisation requests, duly completed in all respects are normally processed within 15 days from the date of receipt by the RTA.

Shareholders are requested to note that if the physical documents, viz. Dematerialisation Request Form (DRF), Share Certificates, etc., are not received from their concerned Depository Participants (DPs) by the RTA within a period of 15 days from the date of generation of the Dematerialisation Request Number (DRN) for dematerialisation, the DRN will be treated as rejected/cancelled.

Shareholders holding equity share(s) of the Company in physical form are requested to kindly get their equity share(s) converted into dematerialised form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.



As on 31<sup>st</sup> March 2024 the mode of holding of shares is as under:

| Sr. No.      | Mode of Holding | No. of Fully paid-up Shares Held | No. of partly paid-up Shares held | Total No. of Shares | % of Shareholding |
|--------------|-----------------|----------------------------------|-----------------------------------|---------------------|-------------------|
| 1            | NSDL            | 58,35,42,994                     | 1,85,63,436                       | 60,21,06,430        | 88.47             |
| 2            | CDSL            | 5,73,03,542                      | 35,07,474                         | 6,08,11,016         | 8.94              |
| 3            | Physical        | 1,76,32,690                      | -                                 | 1,76,32,690         | 2.59              |
| <b>Total</b> |                 | <b>65,84,79,226</b>              | <b>2,20,70,910</b>                | <b>68,05,50,136</b> | <b>100.00</b>     |

### Non-Resident Shareholders

Non-Resident Shareholders are requested to immediately notify the following to the RTA of the Company in respect of shares held in physical form and to their DPs in respect of shares held in dematerialised form:

- Indian address for sending all communications, if not provided earlier;
- Change in their residential status on return to India for permanent settlement;
- Particulars of the NRE Bank Account maintained with a bank in India, if not furnished earlier (Please send a photocopy of cancelled cheque);
- E-mail ID and Phone No(s).

### Unclaimed Shares / Dividend

Pursuant to Section 124 and 125 of the Companies Act, 2013 ('the Act') read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, shares in respect of dividends have not been claimed for a period of 7 consecutive years are also liable to be transferred to IEPF. In the interest of the shareholders, the Company sends periodic reminders to the shareholders to claim their dividends to avoid transfer of dividend/shares to IEPF. Notices in this regard are also published in the newspapers and the details of unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF, are uploaded on the Company's website.

The Company has during the financial year 2023-24, transferred the unclaimed dividend to IEPF, outstanding for 7 years of the Company and erstwhile Aditya Birla Nuvo Limited (amalgamated with the Company). Further, equity shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to IEPF.

Statement of amount credited to IEPF during the year:

| Sr. No. | Name of the Company       | Amount credited (in ₹) | Financial year to which the amount relates |
|---------|---------------------------|------------------------|--------------------------------------------|
| 1       | Aditya Birla Nuvo Limited | 60,09,290.00           | 2015-16                                    |
| 2       | Grasim Industries Limited | 1,67,16,556.79         | 2015-16                                    |

|                                            | Total number of shares (Face value of ₹ 2 each) | Total nominal amount |
|--------------------------------------------|-------------------------------------------------|----------------------|
| Shares Transferred to IEPF during the year | 2,41,883                                        | 4,83,766             |

Details of unpaid/unclaimed dividend and equity shares for the financial year 2015-16 are uploaded on the website of the Company as well as that of the Ministry of Corporate Affairs, Government of India ('MCA'). No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the IEPF, pursuant to the IEPF Rules.

The due date of transfer of unpaid / unclaimed dividend to IEPF for the year 2016-17 onwards are as under:

| Financial Year | Due Date of Transfer            |
|----------------|---------------------------------|
| 2016-17        | 29 <sup>th</sup> October 2024   |
| 2017-18        | 20 <sup>th</sup> October 2025   |
| 2018-19        | 28 <sup>th</sup> September 2026 |
| 2019-20        | 19 <sup>th</sup> October 2027   |
| 2020-21        | 2 <sup>nd</sup> October 2028    |
| 2021-22        | 29 <sup>th</sup> September 2029 |
| 2022-23        | 28 <sup>th</sup> September 2030 |

Shareholders who have not encashed their dividend warrants/demand drafts so far in respect of the aforesaid periods, are requested to send a request letter to the RTA of the Company well in advance for crediting the amounts through NEFT/NECS/RTGS directly to your bank account along with copy of PAN Card.

### IEPF Refund

Shareholders whose unclaimed/unpaid dividend or shares has been transferred by the Company to IEPF may claim their refunds to the IEPF authority. For claiming such amount, claimant needs to file form IEPF-5 along with requisite documents.



## SHAREHOLDER INFORMATION (CONTD.)

### Procedure to claim the unclaimed dividend amount and equity shares from the IEPF:

Step 1

Send the relevant documents for issue of Entitlement Letter to the Company's RTA viz KFinTech at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032.

Step 2

Upon receipt of Entitlement Letter, register yourself on MCA website and login to website of MCA at <https://www.mca.gov.in/mcafoportal/login.do>

Step 3

After login, click on 'Investor Services' tab under 'MCA Services' section for filing the web-based form IEPF-5. Attach scanned copy of requisite documents in the Form.

Step 4

Upload the filled in e-form, save a copy of uploaded e- form, acknowledgement receipt and indemnity bond generated while uploading e-form.

Step 5

Submit self-attested copy of e- form, copy of acknowledgement, Indemnity Bond along with other documents mentioned in the form to the Nodal Officer of the Company at its corporate office: Grasim Industries Limited, Aditya Birla Centre, 'A' Wing, 2<sup>nd</sup> Floor, S.K. Ahire Marg, Worli, Mumbai – 400 030 in an envelope marked 'Claim for refund from IEPF Authority'.

Step 6

After scrutinising the documents received, Nodal Officer of the Company to verify the claim and furnish the e-verification report to the IEPF Authority within 30 days of filing the claim.

Step 7

Based on e-verification report, claim will be processed by the IEPF Authority.

Contact Details

#### **IEPF Authority:**

Address: Ground Floor, Jeevan Vihar Building, 3, Sansad Marg, New Delhi – 110 001.  
e-mail Id: [iepf@mca.gov.in](mailto:iepf@mca.gov.in)  
Tel.: 1800 114 667

#### **Company:**

Nodal Officer: Mr. Sailesh Kumar Daga  
Deputy Nodal Officer: Mr. Kamal Rathi  
Corporate Office Address: Aditya Birla Centre, 'A' Wing, 2<sup>nd</sup> Floor,  
S.K. Ahire Marg, Worli, Mumbai-400030  
e-mail Id: [grasim.iepf@adityabirla.com](mailto:grasim.iepf@adityabirla.com), Tel.: +91 22 2499 5000 / 5828



## Unclaimed shares in Physical Form

Pursuant to Regulation 39(4) of the Listing Regulations read with Schedule VI 'Manner of dealing with Unclaimed Shares' share certificates, which have been returned as 'undelivered' by the postal authorities, if any, has to be dematerialised and held by the Company in its 'Unclaimed Suspense Account'.

In terms of Schedule VI to Listing Regulations, the Company has initiated appropriate steps on unclaimed shares by transferring and dematerialising them into one folio in the name of 'Grasim Industries Limited Unclaimed Suspense Account'. In case your shares are lying unclaimed with the Company, you are requested to claim the same by submitting Form ISR-4 along with copy of Client Master List ('CML'), PAN and Aadhaar Card.

All corporate benefits on such shares viz. bonus, etc. shall be credited to the unclaimed suspense account as applicable for a period of seven (7) years and thereafter it will be transferred to IEPF in accordance with the provisions of IEPF Rules read with Section 124(6) of the Act.

The details of transactions carried out in 'Grasim Industries Limited Unclaimed Suspense Account' during the year are as under:

| Particulars                                                                                                                                                                                      | No. of shareholders | No. of shares |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------|
| Outstanding at the beginning of the year i.e. 1 <sup>st</sup> April 2023                                                                                                                         | 1,781               | 1,87,292      |
| Shareholders/Legal Heirs who approached the Company and to whom shares were transferred from the Unclaimed Suspense Account during the year upon receipt and verification of necessary documents | 26                  | 4,046         |
| Number of shares transferred to IEPF Authority during the year                                                                                                                                   | 146                 | 41,880        |
| Outstanding at the end of the year i.e. 31 <sup>st</sup> March 2024                                                                                                                              | 1,609               | 1,41,366*     |

\*Voting Rights in respect of the aforesaid 1,41,366 shares held in the Unclaimed Suspense Account are frozen till the time such shares are claimed by the concerned shareholders and the shares are credited in their demat account.

## Shares in Suspense Escrow Demat Account

SEBI vide its Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024 directed listed entities to issue securities in dematerialised form through letter of confirmation while processing investor services request and in cases where letter of confirmation is not submitted to DP within 120 days from the date of issuance, RTA/Company shall credit the same into Suspense Escrow Demat Account of the Company.

In terms of SEBI Circular, your Company has credited the shares into 'Grasim Industries Limited Suspense Escrow Demat Account', in those cases where the Letter of Confirmation has not been submitted to DP within 120 days. In case your shares are lying in Suspense Escrow Demat Account of the Company, you are requested to claim the same by submitting Form ISR-4 along with copy of CML, PAN and Aadhaar Card.

The details of transactions carried out in 'Grasim Industries Limited Suspense Escrow Demat Account' during the year are as under:

| Particulars                                                                                                        | No. of shareholders | No. of shares |
|--------------------------------------------------------------------------------------------------------------------|---------------------|---------------|
| Outstanding at the beginning of the year i.e. 1 <sup>st</sup> April 2023                                           | 14                  | 3,959         |
| Number of shares transferred to Suspense Escrow Demat Account                                                      | 50                  | 12,969        |
| Shareholders who approached the Company and to whom shares were transferred from the Suspense Escrow Demat Account | (32)                | (10,353)      |
| Outstanding at the end of the year i.e. 31 <sup>st</sup> March 2024                                                | 32                  | 6,575*        |

\*Voting rights in respect of the aforesaid shares are frozen till the time such shares are claimed by the concerned shareholders and the shares are credited into their demat account.

## Rights equity shares in Suspense Escrow Demat Account:

In terms of the provisions of SEBI Rules and Regulations, the Company has credited the Rights equity shares into 'Grasim Industries Limited Suspense Escrow Demat Account' (Rights equity shares), in those cases where the Rights equity shares were not credited to the demat

## SHAREHOLDER INFORMATION (CONTD.)

account of the respective shareholders on account of various reasons stated by the Depositories. In case your shares are lying in Rights equity share suspense account, you are requested to claim the same by submitting Form ISR 4 along with request letter, copy of Client Master List ('CML') and PAN card.

### Service of documents in Electronic Form

In compliance with various MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for the year is being sent only through electronic mode to those Shareholders whose e-mail IDs are registered with the RTA/Depositories.

Shareholders may note that the Notice and Annual Report for the year ended 31<sup>st</sup> March 2024 will also be available on the Company's website at [www.grasim.com](http://www.grasim.com), websites of the Stock Exchanges i.e. BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of RTA at <https://evoting.kfintech.com>

Link for availing the electronic communication (Green Initiative) – <https://www.grasim.com/investors/green-initiative>

## 23. CORPORATE OFFICE AND PLANT LOCATIONS:

### Corporate Office:

| Name             | Address                                                                                       |
|------------------|-----------------------------------------------------------------------------------------------|
| Corporate Office | A-2, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai - 400 030<br>(022) 24995000/66525000 |

### Plant Locations:

#### Cellulosic Staple Fibre ('CSF'):

| Name                                             | Address                                                                                                   |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Staple Fibre & Excel Fibre Division              | Birlagram, Nagda, Dist: Ujjain, Madhya Pradesh - 456331                                                   |
| Harihar Polyfiber Division                       | Harihar, Dist. Haveri Kumarapatnam - 581 123, Karnataka                                                   |
| Grasilene Division                               | Harihar, Dist. Haveri Kumarapatnam - 581 123, Karnataka                                                   |
| Birla Cellulosic Division & Excel Fibre Division | Birladham, Kharach, Kosamba - 394 120, Dist. Bharuch, Gujarat                                             |
| Grasim Cellulosic Division                       | Plot No. 1, GIDC Vilayat Industrial Estate P. O. Vilayat, Taluka: Vagra, Dist. Bharuch - 392 012, Gujarat |

### Chemicals:

| Name                                      | Address                                                                                                                    |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Grasim Chemical Division, Nagda           | Birlagram, Nagda, Dist: Ujjain, Madhya Pradesh - 456 331                                                                   |
| Grasim Chemical Division, Vilayat         | Plot No. 1, GIDC Vilayat Industrial Estate P.O. Vilayat Taluka: Vagra, Dist. Bharuch - 392 012, Gujarat                    |
| Grasim Chemical Division, Rehla           | Garhwa Road, P. O.- Rehla, Dist.: Palamu, Jharkhand - 822 124                                                              |
| Grasim Chemical Division, Karwar          | P. O. Binaga - 581 307, Karwar Dist.: Uttar Kannada, Karnataka, India                                                      |
| Grasim Chemical Division, Renukoot        | P. O. Renukoot - 231 217, Dist. - Sonbhadra, Uttar Pradesh                                                                 |
| Grasim Chemical Division, Ganjam          | P. O. Jayshree - 761 025, Dist. Ganjam (Odisha)                                                                            |
| Grasim Chemical Division, Balabhadrapuram | P. O. Balabhadrapuram - Survey No. 1, 2, 3, 4, Kanedu Metta Road, Balabhadrapuram, East Godavari - 533 343, Andhra Pradesh |
| Grasim Chemical Division, Indian Rayon    | Veraval - 362 266, Dist. Gir, Somnath, Gujarat                                                                             |
| Chemical Division at Century Rayon        | Murbad Road, Shahad Station, Kalyan - 421 301, Dist. - Thane, Maharashtra                                                  |

### Salt Works:

| Name                 | Address                                                         |
|----------------------|-----------------------------------------------------------------|
| Salt Pans at Singach | P.O. Singach, Via - Vadinar, Dist. - Jamnagar, Gujarat, 361 010 |

### Speciality Chemicals (Epoxy Polymers & Curing Agents):

| Name                           | Address                                                                                                   |
|--------------------------------|-----------------------------------------------------------------------------------------------------------|
| Grasim Epoxy Division, Vilayat | Plot No. 1, GIDC Vilayat Industrial Estate, P. O. Vilayat, Taluka: Vagra, Dist. Bharuch - 392 012 Gujarat |

### Textiles:

| Name                  | Address                                                                                           |
|-----------------------|---------------------------------------------------------------------------------------------------|
| Vikram Woollens       | Plot GH I to IV, Ghirongi, Industrial Area Malanpur - 477 117 Dist. Bhind, Madhya Pradesh         |
| Jaya Shree Textiles   | P. O. Prabhas Nagar - 712 249, Dist. Hooghly, West Bengal                                         |
| Grasim Premium Fabric | Plot No. T-8, Five Star MIDC, Kagal - Hatkanangle, Kasba Sangaon, Kolhapur - 416 236, Maharashtra |

### Cellulosic Fashion Yarn ('CFY'):

| Name           | Address                                                             |
|----------------|---------------------------------------------------------------------|
| Indian Rayon   | Indian Rayon Compound, Veraval 362 266, Dist. Gir, Somnath, Gujarat |
| Century Rayon* | Murbad Road, Shahad - 421 103, Dist. - Thane, Maharashtra           |

\* Under right to manage and operate agreement.



**Insulators:**

| Name                               | Address                                                          |
|------------------------------------|------------------------------------------------------------------|
| Aditya Birla<br>Insulators, Rishra | P. O. Prabhas Nagar, Rishra Dist. Hoogly – 712 249, West Bengal  |
| Aditya Birla<br>Insulators, Halol  | P. O. Meghasar Taluka, Halol Dist. Panchmahal, Gujarat – 389 330 |

**Paints:**

| Name                 | Address                                                                                                                              |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Birla Opus, Cheyyar  | Plot No. A-3-1 A-4-2, Phase 2, SIPCOT Industrial Complex, Mahajanambakkam Village, Cheyyar Taluk, Tiruvannamalai, Tamil Nadu, 631701 |
| Birla Opus, Ludhiana | Plot Nos B1 and D 02 P, Hi Tech Cycle Valley, Dhanansu, Ludhiana, Punjab – 141112                                                    |
| Birla Opus, Panipat  | Plot No 48-62, HSIIDC, Industrial Estate, Refinery Road, Panipat, Haryana – 132140                                                   |

**24 (a). REDRESSAL AGENCIES FOR SHAREHOLDERS****Ministry of Corporate Affairs (MCA)**

'A' Wing, Shastri Bhawan,  
Rajendra Prasad Road,  
New Delhi – 110 001  
Tel.: (011) 23381295  
Web: [www.mca.gov.in](http://www.mca.gov.in)

**Securities and Exchange Board of India (SEBI)**

Plot No.C4-A, 'G' Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Tel.: (022) 26449000/40459000  
Web: [www.sebi.gov.in](http://www.sebi.gov.in)

**BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Fort,  
Mumbai – 400 001  
Tel.: (022) 22721233/34  
Web: [www.bseindia.com](http://www.bseindia.com)

**National Stock Exchange of India Limited (NSE)**

'Exchange Plaza', C-1, 5<sup>th</sup> Floor,  
Block G, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Tel.: (022) 26598100/8114  
Web: [www.nseindia.com](http://www.nseindia.com)

**National Securities Depository Limited (NSDL)**

Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound,  
Lower Parel, Mumbai – 400 013  
Tel.: (022) 2499 7000 / 4886 7000  
Web: [www.nsdl.co.in](http://www.nsdl.co.in)

**Central Depository Services (India) Limited (CDSL)**

Marathon Futurex, A-Wing, 25<sup>th</sup> Floor,  
N. M. Joshi Marg,  
Lower Parel, Mumbai – 400 013  
Tel.: (022) 2305 8640 / 1800 22 5533  
Web: [www.cdslindia.com](http://www.cdslindia.com)

**24 (b). DISPUTE RESOLUTION MECHANISM (SMART ODR)**

In order to strengthen the dispute resolution mechanism for all disputes between a listed company and/or registrars & transfer agents and its shareholder(s)/investor(s), SEBI had issued a Standard Operating Procedure ('SOP') vide Circular dated 30<sup>th</sup> May, 2022. As per this Circular, shareholder(s)/investor(s) can opt for Stock Exchange Arbitration Mechanism for resolution of their disputes against the Company or its RTA. Further, SEBI vide Circular dated 31<sup>st</sup> July, 2023 (updated as on 20<sup>th</sup> December, 2023), introduced the Online Dispute Resolution (ODR) Portal. Through this ODR portal, the aggrieved party can initiate the mechanism, after exercising the primary options to resolve its issue, directly with the Company and through the SEBI Complaint Redress System (SCORES) platform. The Company has complied with the above circulars and the same are available at the website of the Company: <https://www.grasim.com>.

## SHAREHOLDER INFORMATION (CONTD.)

### 25. WEBLINKS FOR THE POLICIES / CODES

| Particulars                                                         | Weblink                                                                                                                                                                                                               |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Anti-Corruption and Anti Bribery                                 | <a href="https://www.grasim.com/Upload/PDF/anti-corruption-and-anti-bribery.pdf">https://www.grasim.com/Upload/PDF/anti-corruption-and-anti-bribery.pdf</a>                                                           |
| 2. Biodiversity Policy                                              | <a href="https://www.grasim.com/Upload/PDF/biodiversity-policy.pdf">https://www.grasim.com/Upload/PDF/biodiversity-policy.pdf</a>                                                                                     |
| 3. Board Diversity Policy                                           | <a href="https://www.grasim.com/upload/pdf/board-diversity-policy-grasim.pdf">https://www.grasim.com/upload/pdf/board-diversity-policy-grasim.pdf</a>                                                                 |
| 4. Code of Conduct                                                  | <a href="https://www.grasim.com/Upload/PDF/corporate-principles-code-of-conduct.pdf">https://www.grasim.com/Upload/PDF/corporate-principles-code-of-conduct.pdf</a>                                                   |
| 5. Corporate Tax policy                                             | <a href="https://www.grasim.com/upload/pdf/corporate-tax-policy.pdf">https://www.grasim.com/upload/pdf/corporate-tax-policy.pdf</a>                                                                                   |
| 6. CSR Policy                                                       | <a href="https://www.grasim.com/Upload/PDF/grasim-csr-policy.pdf">https://www.grasim.com/Upload/PDF/grasim-csr-policy.pdf</a>                                                                                         |
| 7. Diversity and Inclusion Policy                                   | <a href="https://www.grasim.com/Upload/PDF/diversity-and-inclusion-policy.pdf">https://www.grasim.com/Upload/PDF/diversity-and-inclusion-policy.pdf</a>                                                               |
| 8. Dividend Distribution Policy                                     | <a href="https://www.grasim.com/upload/pdf/Grasim_Dividend_Policy_16.pdf">https://www.grasim.com/upload/pdf/Grasim_Dividend_Policy_16.pdf</a>                                                                         |
| 9. Energy & Carbon Policy                                           | <a href="https://www.grasim.com/Upload/PDF/grasim-energy-carbon-policy.pdf">https://www.grasim.com/Upload/PDF/grasim-energy-carbon-policy.pdf</a>                                                                     |
| 10. Environmental Policy                                            | <a href="https://www.grasim.com/Upload/PDF/grasim-environmental-policy-2021.pdf">https://www.grasim.com/Upload/PDF/grasim-environmental-policy-2021.pdf</a>                                                           |
| 11. Executive Remuneration Philosophy/Policy                        | <a href="https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf">https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf</a>                                   |
| 12. Grievance Handling Policy                                       | <a href="https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf">https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf</a>                                                 |
| 13. Human Rights Policy                                             | <a href="https://www.grasim.com/upload/pdf/human-rights-policy.pdf">https://www.grasim.com/upload/pdf/human-rights-policy.pdf</a>                                                                                     |
| 14. Information Security Policy                                     | <a href="https://www.grasim.com/Upload/PDF/information-security-policy.pdf">https://www.grasim.com/Upload/PDF/information-security-policy.pdf</a>                                                                     |
| 15. Occupational Health Policy                                      | <a href="https://www.grasim.com/Upload/PDF/occupational-health-policy.pdf">https://www.grasim.com/Upload/PDF/occupational-health-policy.pdf</a>                                                                       |
| 16. PIT Code of Practice and Procedures for fair disclosures UPSI   | <a href="https://www.grasim.com/Upload/PDF/pit-code-of-practice-and-procedures-for-fair-disclosures-upsi.pdf">https://www.grasim.com/Upload/PDF/pit-code-of-practice-and-procedures-for-fair-disclosures-upsi.pdf</a> |
| 17. Policy for Archival of documents                                | <a href="https://www.grasim.com/upload/pdf/archival_policy.pdf">https://www.grasim.com/upload/pdf/archival_policy.pdf</a>                                                                                             |
| 18. Policy for control of Stationery by RTA                         | <a href="https://www.grasim.com/Upload/PDF/policy-for-control-stationery-by-rta-grasim.pdf">https://www.grasim.com/Upload/PDF/policy-for-control-stationery-by-rta-grasim.pdf</a>                                     |
| 19. Policy for determination of materiality of information or event | <a href="https://www.grasim.com/upload/pdf/Policy_materiality_information.pdf">https://www.grasim.com/upload/pdf/Policy_materiality_information.pdf</a>                                                               |
| 20. Policy for determining "material" subsidiary                    | <a href="https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsiary_Cos.pdf">https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsiary_Cos.pdf</a>                                                     |
| 21. Policy for preservation of documents                            | <a href="https://www.grasim.com/upload/pdf/policy_preservation_documents.pdf">https://www.grasim.com/upload/pdf/policy_preservation_documents.pdf</a>                                                                 |
| 22. Policy on related party transactions                            | <a href="https://www.grasim.com/upload/pdf/Grasim_policy_on_RPT.pdf">https://www.grasim.com/upload/pdf/Grasim_policy_on_RPT.pdf</a>                                                                                   |
| 23. POSH Policy                                                     | <a href="https://www.grasim.com/Upload/PDF/POSH-policy.pdf">https://www.grasim.com/Upload/PDF/POSH-policy.pdf</a>                                                                                                     |
| 24. Privacy Policy                                                  | <a href="https://www.grasim.com/Upload/PDF/privacy-policy.pdf">https://www.grasim.com/Upload/PDF/privacy-policy.pdf</a>                                                                                               |
| 25. Quality Policy                                                  | <a href="https://www.grasim.com/Upload/PDF/quality-policy.pdf">https://www.grasim.com/Upload/PDF/quality-policy.pdf</a>                                                                                               |
| 26. Responsible supply chain policy                                 | <a href="https://www.grasim.com/Upload/PDF/responsible-supply-chain-policy.pdf">https://www.grasim.com/Upload/PDF/responsible-supply-chain-policy.pdf</a>                                                             |
| 27. Risk Management Policy                                          | <a href="https://www.grasim.com/Upload/PDF/risk-management-policy.pdf">https://www.grasim.com/Upload/PDF/risk-management-policy.pdf</a>                                                                               |
| 28. Safety Policy                                                   | <a href="https://www.grasim.com/Upload/PDF/safety-policy.pdf">https://www.grasim.com/Upload/PDF/safety-policy.pdf</a>                                                                                                 |
| 29. Stakeholder Engagement Policy                                   | <a href="https://www.grasim.com/Upload/PDF/grasim-stakeholder-engagement-policy.pdf">https://www.grasim.com/Upload/PDF/grasim-stakeholder-engagement-policy.pdf</a>                                                   |
| 30. Suppliers Code of Conduct                                       | <a href="https://www.grasim.com/upload/pdf/suppliers-code-conduct.pdf">https://www.grasim.com/upload/pdf/suppliers-code-conduct.pdf</a>                                                                               |
| 31. Water Stewardship Policy                                        | <a href="https://www.grasim.com/upload/pdf/water-stewardship-policy.pdf">https://www.grasim.com/upload/pdf/water-stewardship-policy.pdf</a>                                                                           |
| 32. Whistle Blower Policy                                           | <a href="https://www.grasim.com/Upload/PDF/whistle-blower-policy.pdf">https://www.grasim.com/Upload/PDF/whistle-blower-policy.pdf</a>                                                                                 |
| 33. Wood Fibre Sourcing Policy                                      | <a href="https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf">https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf</a>                                                                                 |



# TOWARDS ENRICHING LIVES: A BRIEF NARRATIVE ON OUR CSR ENGAGEMENT

*'There is a lot to distinguish us from the rest of the world. Over the last decade and a half, India, the world's largest democracy, has been on an epic journey of growth and evolution. The heartening reforms agenda flagged off over the last couple of decades, has turned the tide with the upliftment of over 400 million people from the mire of poverty.*

*Public infrastructure is gaining momentum. The digital revolution is undeniably enhancing productivity and stoking employment. India stands at the cusp of becoming the next great economic power. As it is, we are the world's fastest growing economy, at an estimated rate of 7.5%, which is truly amazing. GDP grew at a whopping 8.6% in the year to the 4<sup>th</sup> quarter of 2023. In a NASSCOM study as well as in the TOI edit (Swaminomics) on the rise of Global Capabilities Centres (GCC) setup in India by multinationals for their multiple R&D and other services, they have mentioned that in 2023, 1580 centres were engaged in pursuit of their business. Today, the GCCs employ more 3.2 million Indians.*

*We are the only country world over to record an estimated 2.3 million STEM graduates. Truly a terrific resource.*

*Furthermore, India is amongst the youngest countries in terms of our youth force. The median age of 28.2 implies that half the population is below this age. India's population bulge is sharpest in the 15 to 24 age group.*

*The magnitude of India's demographic dividend is sizeable enough to sustain economic growth of 8% over the next two to three decades. This tantalising growth potential arises from the interplay of several forces that are playing out along with the demographic dividend. But there are anxieties as well. The foremost concern that haunts us is the specter of rising unemployment.*

*The India Skills Report states that only 52.3 percent of recent graduates are employable. This underscores the need to retune our education systems, so that they result in meeting market or industry needs. The New Education Policy has taken a step but still has a long way to go. Even though a macro level issue, we believe corporates can play a vital role.*

*Concerted efforts are required not only leaning on the government, but captain of industry, academicians, champions of innovation, among others, to enhance the relevance and effectiveness of education per se and skill training institutes.*

*To address anxieties, in our CSR endeavours, besides our focus on health, educations, and infrastructure, our gaze is fixed on getting a secure life for the underprivileged through the right kind of training, right kind of learning and development, more so of skill development, so that going forward they have a market value.*

*At the ground level, we have long embarked on training over 3 lakh farmers in scientific agro field management, practices and crop cultivation. We have helped formation of 6000 women SHGs. Our playbook also encompasses skills training centres attuning them to the market requirement.*

*What is important is that of ensuring circularity, entailing that all that they produced is willingly accepted by the customers and they have an assured level of income. The loop is complete.*

*Your Company, Grasim, has made significant strides in the 622 villages and 17 urban slums with a reach out of 1.3 million people crisscrossing 10 states and a union territory. Read about how your Company is enriching lives, aligning with the UNSDGs.'*

**Rajashree Birla**  
Chairperson

Aditya Birla Centre for Community Initiatives and  
Rural Development  
Chairperson, CSR Committee of the Board,  
Grasim Industries Limited



## CSR ENGAGEMENT (CONTD.)

### A SUMMARY OF OUR CSR WORK:

#### **SDG-1: To rid poverty across all nations by 2030:**

Our CSR engagement aims primarily to enrich lives of the underprivileged by making them self-reliant and live a life of dignity and respect. It spans our 17 manufacturing locations across India, viz. Madhya Pradesh, Karnataka, Gujarat, Jharkhand, West Bengal, Uttar Pradesh, Maharashtra, Andhra Pradesh and Odisha.

#### **SDG-2: To end all forms of hunger and malnutrition by 2030:**

To boost agricultural and horticultural activities and better agricultural output, we engaged with ~18,981 farmers across Nagda, Veraval, Harihar, Vilayat, Rehla, Balabhadrapuram, Halol, Rishra. Farmer training programmes bring them up to speed on the most modern agricultural practices. We recourse to live situations such as demonstration plots, soil testing, providing quality seeds, agriculture plot, soil testing, providing quality seeds, tutoring them in inter-cropping, field visits to the agricultural universities to cite a few.

#### **Water Positivity:**

Up until now we have constructed 11 ponds, 297 rainwater harvesting structures, soak pits, large ponds, roof water harvesting, farm well, underground water tanks. This has enabled us conserve ~3.39 billion litres of water for agriculture, animal husbandry and domestic needs. Reaching out to more than 70,000 farmers, besides others.

Animal husbandry programmes supported the farmers with critical inputs. Such as veterinary health and vaccination camps along with doorstep services. This has aided over 12,902 cattle owners. Nearly 25,890 cattle were immunised and 8,860 cattle were artificially inseminated. This has enhanced the income of the farmers as the milk outcome notched up by 70%. Farmer training programmes have been intensified. A marked increase in their earnings has been noted.

#### **SDG-3: Ensuring, healthy lives and promoting well-being for all, in all age groups:**

We held 1,921 healthcare camps where over 7.47 lakh individuals were examined and provided healthcare.

Additionally, 7 ambulances are deployed catering to a population of 46,842 while our Company's hospitals and dispensaries continued to be looked upon as healthcare anchors.

Eye camps, dental checkups, blood donation drives, and holistic treatment from homeopathy to Thalassemia, from haemoglobin testing to combatting TB, diabetes, blood pressure, thyroid issues, cancer screening, dermatological care, and comprehensive health counselling were leveraged by ~ 43,904 families.

In collaboration with the District Health Department, our 58 Family Welfare Centres reached out to ~ 21,845 women with healthcare services. These encompassed mother and child healthcare projects. Antenatal and post-natal care, mass immunisation, nutritional guidance, and escort services for institutional deliveries have been provided. Furthermore, 79,619 children were given vaccines against polio, CG, DPT, and Hepatitis-B, across the Company's Units.

#### **SDG-4: Education:**

Our close involvement with the Kasturba Gandhi Balika Vidyalayas ('KGBV') has motivated parents to register their daughters. Currently 2,916 girls are enrolled at the KGBVs.

Over digital literacy programmes delighted 5,573 students from the villages (Nagda, Vilayat, Renukoot, Veraval, Kalyan, Ganjam and Harihar).

4,296 children have been enrolled at the 129 anganwadis that we support (Nagda, Vilayat, Harihar, Rehla, Karwar and Veraval). Under the Integrated Child Development Scheme ('ICDS'), 3,177 malnourished children were nurtured by us on the road to health.

At six Aditya Birla Public Schools in Nagda, Kharach, Harihar and Ganjam, we have 6,665 students from the underprivileged communities schooling with us.

The 'Gyanarajan' project, which provides special coaching for Grade XI – XII students to enable them to appear for JEE and NEET competitive exams was welcomed overwhelmingly by students. At Nagda, Rishra, Kalyan, Kharach, Veraval and Renukoot 3,650 students were accorded scholarship.

Through project 'Shishya' 450 students attained proficiency in English.

Bettering the infrastructure of 11 school buildings at Nagda, Ganjam and Veraval, also accord sanitation and drinking water facilities at several schools.

**SDG-5: Women empowerment and gender equality:**

450 self-help groups have been facilitated by us with an enrolment of 5,459 women. Each woman has embarked on a transformative journey, earning a livelihood on her own.

Our SHGs also stitched ~1.62 lakh jute bags for local vendors, espousing environmental consciousness with economic growth.

Our commitment to vocational and skills training, alongside our farm and non-farm-based programs, aligns seamlessly with the Sustainable Development Goals (SDGs). Through these endeavours, we touch the lives of nearly 13,723 individuals.

**The sixth, seventh and eighth SDGs, center on water and sanitation, reliable, sustainable, modern energy, decent work, and economic growth:**

Placed within the reach of the village households, 29 Reverse Osmosis (RO) plants have been set up.

Elsewhere pipelines and bore wells, fills water tanks, and reaches over 294,901 villagers.

**SDG-9: Build resilient infrastructure:**

Our infrastructure endeavours have been the cornerstone of progress in the villages. These are connectivity enhancements, road repairs, and the construction of community halls.

The establishment of rest places and the installation of solar lights have been enablers.

The construction of water tanks and the installation of piped water supply systems, along with washing platforms, have been appreciated by 134,846 people.

In our journey across 311 villages, we've marked 60 villages for transformation into model villages. To date, 30 villages have been transformed. External impact assessment studies have not just certified but commended the metamorphosis of these villages, acknowledging the tangible and intangible shifts that have redefined the rural landscape.

**Accolades/Awards received:****Jayshree Textile, Rishra**

Golden Peacock CSR Award for Domestic Textiles: Sustainable Livelihood – Project Aanya and Kaushalya

**SFD, Nagda**

CSR HEALTH IMPACT AWARDS for Water Harvesting Project

**Aditya Birla Insulators, Rishra**

6<sup>th</sup> ICC Social Impact Awards

**Vilayat**

Award for Miyawaki project for Vilayat unit by Gujarat State Disaster Management Authority (GSDMA)

**Our Investment:**

For the year 2023-24, we have invested ₹ 58.39 crore. We have also mobilised ₹ 54.93 crore through the various schemes of the Government, acting as catalysts for the community.

Our Board of Directors, our Management and our colleagues across the Company are committed to enrich lives of the underprivileged and continue to be a force for good in the locales in which we operate and beyond.

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)

## SECTION A: GENERAL DISCLOSURE

### I. Details of the Listed Entity

|     |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                      |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | Corporate Identity Number (CIN) of the Listed Entity                                                                                                                                                                                          | L17124MP1947PLC000410                                                                                                                                                                                                |
| 2.  | Name of the Listed Entity                                                                                                                                                                                                                     | Grasim Industries Limited ('Grasim')                                                                                                                                                                                 |
| 3.  | Year of incorporation                                                                                                                                                                                                                         | 1947                                                                                                                                                                                                                 |
| 4.  | Registered office address                                                                                                                                                                                                                     | Birlagram, Nagda – 456 331, Madhya Pradesh, India                                                                                                                                                                    |
| 5.  | Corporate address                                                                                                                                                                                                                             | Aditya Birla Centre, 'A' Wing, 2 <sup>nd</sup> Floor,<br>S. K. Ahire Marg, Worli, Mumbai – 400 030,<br>Maharashtra, India                                                                                            |
| 6.  | E-mail                                                                                                                                                                                                                                        | <a href="mailto:grasim.secretarial@adityabirla.com">grasim.secretarial@adityabirla.com</a>                                                                                                                           |
| 7.  | Telephone                                                                                                                                                                                                                                     | +91 22 6652 5000, +91 22 2499 5000                                                                                                                                                                                   |
| 8.  | Website                                                                                                                                                                                                                                       | <a href="https://www.grasim.com/">https://www.grasim.com/</a>                                                                                                                                                        |
| 9.  | Financial year for which reporting is being done                                                                                                                                                                                              | 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024                                                                                                                                                            |
| 10. | Name of the Stock Exchange(s) where shares are listed                                                                                                                                                                                         | 1. BSE Limited<br>2. National Stock Exchange of India Limited<br>3. Luxembourg Stock Exchange                                                                                                                        |
| 11. | Paid-up Capital                                                                                                                                                                                                                               | ₹ 132.80 crore                                                                                                                                                                                                       |
| 12. | <b>Contact Person</b>                                                                                                                                                                                                                         |                                                                                                                                                                                                                      |
|     | Name of the Person                                                                                                                                                                                                                            | Mr. Sailesh Kumar Daga (Company Secretary)                                                                                                                                                                           |
|     | Telephone                                                                                                                                                                                                                                     | +91 22 2499 5000                                                                                                                                                                                                     |
|     | Email address                                                                                                                                                                                                                                 | <a href="mailto:sailesh.daga@adityabirla.com">sailesh.daga@adityabirla.com</a>                                                                                                                                       |
| 13. | <b>Reporting Boundary</b>                                                                                                                                                                                                                     |                                                                                                                                                                                                                      |
|     | Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The disclosures in this report cover the standalone operations of Grasim Industries Limited. However, for Principle 6, we have considered the operating plants and have not included the data pertaining to offices. |
| 14. | Name of assurance provider                                                                                                                                                                                                                    | BDO India LLP                                                                                                                                                                                                        |
| 15. | Type of assurance obtained                                                                                                                                                                                                                    | BRSR Core Indicators - Reasonable Assurance;<br>Selected BRSR indicators - Limited Assurance<br>For the detailed Assurance Report please refer to pg no. 156                                                         |

### II. Products/Services

#### 16. Details of business activities (accounting for 90% of the turnover:

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the Entity |
|--------|------------------------------|----------------------------------|-----------------------------|
| 1.     | Manufacturing                | Cellulosic Fibres & Yarns        | 58                          |
| 2.     | Manufacturing                | Chemicals and Allied Chemicals   | 32                          |

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service              | NIC Code | % of Total Turnover contributed |
|--------|------------------------------|----------|---------------------------------|
| 1.     | Cellulosic Fibres & Yarns    | 24303    | 58                              |
| 2.     | Chemicals & Allied Chemicals | 24297    | 32                              |





### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of plants | No. of Offices | Total |
|---------------|------------------|----------------|-------|
| National      | 24               | 2*             | 26    |
| International | -                | 1              | 1     |

There are one or more plants at a single geographical location.  
\*Corporate & Registered Office. (Does not include marketing and other offices)

#### 19. Markets served by the entity:

| <b>a. Number of locations</b>                                                                      | <table> <tr> <th>Locations</th><th>Numbers</th></tr> <tr> <td>National (No. of States)</td><td>28 states &amp; 8 Union Territories</td></tr> <tr> <td>International (No. of Countries)</td><td>86</td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Locations | Numbers | National (No. of States) | 28 states & 8 Union Territories | International (No. of Countries) | 86 |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|--------------------------|---------------------------------|----------------------------------|----|
| Locations                                                                                          | Numbers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |         |                          |                                 |                                  |    |
| National (No. of States)                                                                           | 28 states & 8 Union Territories                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |         |                          |                                 |                                  |    |
| International (No. of Countries)                                                                   | 86                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |         |                          |                                 |                                  |    |
| <b>b. What is the contribution of exports as a percentage of the total turnover of the entity?</b> | 12% of the total operating revenue of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |         |                          |                                 |                                  |    |
| <b>c. A brief on types of customers</b>                                                            | <p><b>Cellulosic Fibres</b> – The customer base for Cellulosic fibres includes all partners within the textiles value chain. Cellulosic Staple Fibre is supplied to yarn manufacturers for the conversion of fibre into yarn, while weaving mills convert yarn into fabrics and eventually used for garment manufacturing.</p> <p><b>Chemicals</b> – Our Chlor-Alkali business caters to a wide range of applications, such as the production of aluminium, pulp and paper, soaps, detergents, cellulosic fibres, food additives, textile processing, and more. The business primarily serves industrial sectors (B2B) that are diverse and critical. On the other hand, our Speciality Chemicals (epoxy polymers and curing agents) division produces products in the Epoxy value chain, which are used in various industries such as windmill blades and auto segments, paints, construction, coating, composite, and electrical applications, among others, and caters to different touchpoints across the value chain.</p> <p><b>Textiles</b> – Our Textiles business caters to both the textile value chain and retail customers, with certain products being made available through retail outlets. Our textiles business addresses demand of three sub-categories linen, wool and cotton fabrics.</p> <p><b>B2B E-Commerce</b> – B2B E-Commerce helps MSMEs to procure construction raw materials from various brands at competitive prices, with easy access to finance and a smooth delivery experience.</p> |           |         |                          |                                 |                                  |    |

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled)\*:

| S. No.    | Particulars                        | Total (A)     | Male          |           | Female       |           |
|-----------|------------------------------------|---------------|---------------|-----------|--------------|-----------|
|           |                                    |               | No. (B)       | % (B/A)   | No. (C)      | % (C/A)   |
| Employees |                                    |               |               |           |              |           |
| 1.        | Permanent Employees (D)            | 10,042        | 9,102         | 91        | 940          | 9         |
| 2.        | Other than Permanent Employees (E) | 485           | 422           | 87        | 63           | 13        |
| 3.        | <b>Total Employees (D+E)</b>       | <b>10,527</b> | <b>9,524</b>  | <b>90</b> | <b>1,003</b> | <b>10</b> |
| Workers   |                                    |               |               |           |              |           |
| 4.        | Permanent (F)                      | 15,887        | 15,746        | 99        | 141          | 1         |
| 5.        | Other than Permanent (G)           | 19,515        | 18,966        | 97        | 549          | 3         |
| 6.        | <b>Total Workers (F+G)</b>         | <b>35,402</b> | <b>34,712</b> | <b>98</b> | <b>690</b>   | <b>2</b>  |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### b. Differently abled employees and workers\*

| S. No.                      | Particulars                                    | Total (A) | Male      |            | Female   |          |
|-----------------------------|------------------------------------------------|-----------|-----------|------------|----------|----------|
|                             |                                                |           | No. (B)   | % (B/A)    | No. (C)  | % (C/A)  |
| Differently abled employees |                                                |           |           |            |          |          |
| 1.                          | Permanent Employees (D)                        | 9         | 9         | 100        | -        | -        |
| 2.                          | Other than Permanent Employees (E)             | -         | -         | -          | -        | -        |
| 3.                          | <b>Total Differently abled Employees (D+E)</b> | <b>9</b>  | <b>9</b>  | <b>100</b> | <b>-</b> | <b>-</b> |
| Differently abled workers   |                                                |           |           |            |          |          |
| 4.                          | Permanent (F)                                  | 38        | 38        | 100        | -        | -        |
| 5.                          | Other than Permanent (G)                       | 4         | 4         | 100        | -        | -        |
| 6.                          | <b>Total Differently Abled Workers (F+G)</b>   | <b>42</b> | <b>42</b> | <b>100</b> | <b>-</b> | <b>-</b> |

\* Limited assurance has been carried out by BDO India LLP for FY 2023-24.

### 21. Participation/Inclusion/Representation of women\*:

| Particulars              | Total (A) | No. and % of Females |         |
|--------------------------|-----------|----------------------|---------|
|                          |           | No. (B)              | % (B/A) |
| Board of Directors       | 14        | 3                    | 21      |
| Key Management Personnel | 3         | -                    | -       |

\*Limited assurance has been carried out by BDO India LLP for FY 2023-24.

### 22. Turnover rate for permanent employees and workers:

| Category            | FY 2023-24 |        |       | FY 2022-23 |        |       | FY 2021-22 |        |       |
|---------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
|                     | Male       | Female | Total | Male       | Female | Total | Male       | Female | Total |
| Permanent Employees | 12%        | 16%    | 12%   | 13%        | 18%    | 14%   | 9%         | 18%    | 9%    |
| Permanent Workers   | 5%         | 3%     | 4%    | 4%         | 18%    | 4%    |            |        |       |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding/ subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary / associate companies / joint venture (A) | Indicate whether holding / Subsidiary / Associate / Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|----------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 1.     | UltraTech Cement Limited*                                                  | Subsidiary                                                        | 57.27                             | No                                                                                                                           |
| 2.     | Aditya Birla Capital Limited**                                             | Subsidiary                                                        | 52.68                             | No                                                                                                                           |
| 3.     | Aditya Birla Renewables Limited                                            | Subsidiary                                                        | 100                               | No                                                                                                                           |

\*UltraTech Cement Limited and its subsidiaries, associate companies and joint ventures follow their individual business responsibility initiatives.

\*\*Aditya Birla Capital Limited and its subsidiaries, associate companies and joint ventures follow their individual business responsibility initiatives.

Please refer to page no 634 for the list of subsidiaries, associate companies, and joint ventures.

## VI. CSR Details

|     |                                                                                   |                                                                                |
|-----|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 24. | (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No): | Yes, CSR applies to the Company as per section 135 of the Companies Act, 2013. |
|     | (ii) Turnover (in ₹)                                                              | 25,847 crore                                                                   |
|     | (iii) Net worth (in ₹)                                                            | 52,115 crore                                                                   |



## VII. Transparency and Disclosures Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No)<br>(If Yes, then provide web-link for grievance redress policy) | FY 2023-24                                 |                                                              |                                         | FY 2022-23                                 |                                                              |                                         |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------|-----------------------------------------|--------------------------------------------|--------------------------------------------------------------|-----------------------------------------|
|                                                   |                                                                                                                 | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks                                 | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks                                 |
| Communities                                       | Yes                                                                                                             | Nil                                        | Nil                                                          | -                                       | Nil                                        | Nil                                                          | -                                       |
| Investors (other than shareholders)               | Yes                                                                                                             | Nil                                        | Nil                                                          | -                                       | Nil                                        | Nil                                                          | -                                       |
| Shareholders                                      | Yes                                                                                                             | 70                                         | Nil                                                          | -                                       | 60                                         | Nil                                                          | -                                       |
| Employees and workers                             | Yes                                                                                                             | 7                                          | Nil                                                          | -                                       | Nil                                        | Nil                                                          | -                                       |
| Customers*                                        | Yes                                                                                                             | 773                                        | 132                                                          | The pending complaints are under review | 928                                        | 76                                                           | The pending complaints are under review |
| Value Chain Partners                              | Yes                                                                                                             | 113                                        | Nil                                                          | -                                       | Nil                                        | Nil                                                          | -                                       |
| Others* (Whistle-Blower)                          | Yes                                                                                                             | 4                                          | 1                                                            | -                                       | 3                                          | 1                                                            | -                                       |

**Note:** The grievance redressal policy is available on the Company's website under the Corporate Governance & Policies and Code of Conduct section, and can be accessed at: <https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf>

\* In some Whistle-blower cases, the identity is unknown, and whistle-blower may belong to any of the above stakeholder groups.

### 26. Overview of the entity's material responsible business conduct issues:

| Material Issue Identified            | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | In case of risk, approach to adapt or mitigate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Financial implications of the risk or opportunity |
|--------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Energy Consumption and GHG Emissions | Risk                                 | The environmental effects and regulatory compliance obligations linked to energy usage and GHG emissions present a potential threat to Grasim. This could be due to surging energy costs, potential supply chain disruptions, and stringent emission regulations, all of which can have a detrimental effect on operations and profitability. Nevertheless, Grasim can navigate these risks by enhancing energy efficiency, by transitioning to greener energy sources and adopting measures to decrease emission levels. These actions not only boost operational robustness but also accelerate the transition toward a low-carbon future. | For Grasim, energy consumption represents a substantial part of its business costs and environmental impact. The company is aggressively adopting measures to reduce its carbon footprint and costs by implementing energy efficiency measures. The use of high-efficiency equipment, integration of renewable energy systems where feasible, and other energy conservation projects are enabling Grasim to reduce emissions and save costs. Grasim's objective to eradicate direct greenhouse gas emissions from its operations not only bolsters its energy supply stability but also addresses the concerns of investors who view carbon emissions as a rising risk. This proactive strategy aims to decrease operating expenses while attracting investors who are environmentally conscious about the impact of the business. | Negative                                          |



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| Material Issue Identified | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | In case of risk, approach to adapt or mitigate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Financial implications of the risk or opportunity |
|---------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Responsible Supply Chain  | Risk                                 | Stakeholders such as investors, customers, and regulators are increasingly calling for corporations to address environmental, social, and governance (ESG) risks in their supply chains. Failure to adopt sustainable supply chain management practices leaves companies vulnerable to various risks, including potential labour disruptions, incidents impacting workforce health and safety, issues related to human rights, and scarcity of raw materials.                                                                                                                                                                                                                                                                                                                                                       | Grasim is fully aware of the merit of infusing ESG components into its supply chain as a holistic risk reduction strategy. The company has made considerable progress in managing its supply chain, broadening its supplier base, and initiating green sourcing practices. A preference for local suppliers within its procurement processes not only stimulates community growth but also endorses sustainability.                                                                                                                                                                                                                                                                                      | Negative                                          |
| Climate Change Adaptation | Risk                                 | Global warming and the subsequent need for adaptive measures can profoundly affect Grasim's operational activities. Severe weather phenomena like floods, storms, and droughts can disrupt supply chains, damage infrastructure and machinery, and increase costs. Alongside these effects, future regulatory stipulations could further amplify regulatory risks, impacting the company's functions.<br><br>Grasim views climate change as a double-edged sword - a challenge and an opportunity. The transition towards a low-carbon model enables it to augment efficiency and stimulate innovation and growth. Making calculated investments in green technologies can reduce energy, material costs and emissions, cater to changing client demands, enhance their reputations, and attract and retain talent. | Grasim understands the potential risks of climate change and has strategically taken steps to mitigate them and enhance the resilience of its business model. The company has woven the Task Force on Climate-related Financial Disclosures (TCFD) into its risk management structure, successfully assessing both physical and transition risks this year.                                                                                                                                                                                                                                                                                                                                              | Negative                                          |
| Waste Management          | Risk                                 | The issue of waste management poses a risk for Grasim, primarily due to its potential environmental and regulatory consequences. If waste management practices are inadequate, it can result in environmental contamination, statutory non-compliance, and damage to the company's reputation. Grasim can mitigate these risks by effectively addressing waste management to minimise its environmental footprint, ensure regulatory compliance, and explore potential avenues for resource recovery through circular economy practices.                                                                                                                                                                                                                                                                            | Grasim prioritises waste reduction, recycling and appropriate waste disposal practices in all its operations. By implementing efficient waste segregation at source, adopting circular economy principles to reduce-recycle-reuse materials and facilitating waste disposal through authorised waste management agencies in compliance with Central and State Pollution Control Boards regulations, Grasim aims to limit waste generation, optimise resource use, and reduce environmental risks.                                                                                                                                                                                                        | Negative                                          |
| Product Stewardship       | Opportunity                          | Product stewardship gives Grasim the platform to showcase its dedication to responsible and sustainable business operations. By ensuring that its products are used, disposed of, and managed throughout their lifecycle in a safe and eco-friendly manner, Grasim can boost customer confidence, comply with regulatory standards, and set itself apart in the marketplace as a company that values social responsibility.                                                                                                                                                                                                                                                                                                                                                                                         | Grasim adopts a holistic approach to strengthening product stewardship. The company leverages the Life Cycle Assessment method to identify and manage risks related to its manufacturing and waste disposal practices. Grasim's Closed-loop system promotes the reuse of by-products within its manufacturing processes, enhancing resource efficiency and reducing waste. By reducing its environmental footprint, Grasim optimises resource consumption and generates long-term value for its stakeholders. Moreover, the company places high importance on product safety to ensure the secure transport and handling of its final products, safeguarding customers, communities and the environment. | Positive                                          |



| Material Issue Identified      | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity                                                                                                                                                                                                                                                                                                                                                                                        | In case of risk, approach to adapt or mitigate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Financial implications of the risk or opportunity |
|--------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Human Rights                   | Risk                                 | Human rights violations represent a potential risk for Grasim due to its extensive supply chain and labour-intensive operations. Infringements or non-adherence to human rights guidelines can harm the company's image, cause legal complications, and interrupt operations. To mitigate these risks, the company must respect human rights and adhere to ethical business conduct.                                                  | Grasim is committed to respecting human rights and creating a safe, ethical work environment throughout its business operations. The company adheres to universally accepted human rights standards within its workforce and supply chain. With strong policies, regular audits and capacity-building efforts, Grasim aims to prevent breaches of human rights, cultivate a sense of diversity and inclusion, and empower its stakeholders, following global standards and local regulations.                                                                                                      | Negative                                          |
| Water and Effluents            | Risk                                 | Access to a seamless supply of quality water is pivotal to our business functions. Water scarcity can impact our operations and result in supply chain disruptions. These disruptions can increase raw material costs and pose potential health and safety hazards for our workforce and the local community. Moreover, competing for access to water resources with local communities can put our social license to operate at risk. | Grasim has initiated numerous actions to strengthen water stewardship. The company focuses on water conservation, treatment, and reuse. It aspires to lower its water consumption through continuous investments in advanced technologies and process improvements. Furthermore, the installation of Zero Liquid Discharge (ZLD) plants in its manufacturing units demonstrates Grasim's commitment to responsible water management and conserving this valuable natural resource for today and the future.                                                                                        | Negative                                          |
| Innovation and R&D             | Opportunity                          | Strategic investments in research and development (R&D) offer Grasim an innovative edge and an opportunity to advance technology solutions and product development. Building a strong R&D foundation enables Grasim to stay abreast of evolving market trends, enhance product performance and expand new business opportunities to meet changing customer needs.                                                                     | Grasim understands that innovation is crucial to stay relevant and retain a competitive edge in a dynamically changing market with evolving customer preferences for sustainable products and solutions. Through Grasim's market-leading R&D capabilities, the company aims to innovate in speciality chemicals, develop sustainable solutions, and transform production processes. Embracing innovation enables Grasim to enhance growth and create stakeholder value while reducing its carbon footprint and contributing to the sustainable development of the industry and society.            | Positive                                          |
| Resource Efficiency            | Opportunity                          | Resource efficiency offers a significant opportunity for Grasim to optimise resource usage and substantially reduce waste generation due to the scale of its operations. By using energy, water, and raw materials optimally, Grasim can enhance operational efficiency, reduce costs and minimise environmental impact. This approach aligns with the company's sustainability objectives and strengthens its competitive edge.      | Through the use of efficient technologies, process improvements, and responsible consumption practices, Grasim aims to optimise resource use and reduce inefficiencies. This not only helps in environmental conservation efforts but also improves its competitiveness in a world with limited resources. By prioritising resource efficiency, Grasim can reduce operational expenses, enhance productivity, and promote a more sustainable future for the company and all stakeholders, including customers, partners, communities and the larger ecosystem.                                     | Positive                                          |
| Occupational Health and Safety | Risk                                 | Occupational Health and Safety represent significant risks for Grasim due to its labour-intensive manufacturing processes. The company's operations are susceptible to health hazards and the risk of injuries resulting from equipment failures and human errors. The Chemicals business further intensifies these risks due to the production and handling of hazardous chemicals.                                                  | The company has adopted SA 8000 standards across all its branches to mitigate risks and ensure safety within Grasim. Moreover, Grasim has formulated and enforced key safety guidelines, including the launch of 'Life Saving Rules' and processes to identify and develop customised training for specific roles. Additionally, Grasim consistently conducts awareness and training sessions to promote a safety culture among its workforce. Adequate insurance coverage has been provided to employees to support them during any unforeseen incidents or accidents that may occur during work. | Negative                                          |

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### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure Questions                                                                                                                                                                                                                                      | P1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and Management Processes</b>                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |     |     |     |     |     |     |     |
| <b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>                                                                                                                                     | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| <b>b. Has the policy been approved by the Board? (Yes/No)</b>                                                                                                                                                                                             | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| <b>c. Web Link of the Policies, if available</b>                                                                                                                                                                                                          | Yes. All policies required to be disclosed under various governing regulations have been published on the website and are easily accessible to everyone through the links provided below.<br><a href="https://www.grasim.com/investors/policies-and-code-of-conduct">https://www.grasim.com/investors/policies-and-code-of-conduct</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     |     |     |     |     |     |     |     |
| <b>2. Whether the entity has translated the policy into procedures. (Yes / No)</b>                                                                                                                                                                        | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| <b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>                                                                                                                                                                          | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| <b>4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b> | <p>Grasim adheres to global and national certifications, standards, and codes aligned with the BRSR principles, which help us manage and grow a sustainable business as outlined below:</p> <p><b>Principle 1:</b> IR framework, ISAE3000</p> <p><b>Principle 2:</b> FSC®, PEFC™, GOTS, OCS, GRS, RWS, OEKO TEX, Better Cotton Initiatives (BCI), REACH, HIGG INDEX, ISO 9001, ISO 14001, ISO 14040/44, ISO 50001, EcoVadis</p> <p><b>Principle 3:</b> SA 8000, ISO 45001</p> <p><b>Principle 4:</b> IR framework, SA 8000</p> <p><b>Principle 5:</b> SA 8000</p> <p><b>Principle 6:</b> GRI Standards, ISO 14001, ISO 50001, FSC, PEFC, GOTS, OCS, RWS, OEKO-TEX, BCI, HIGG INDEX, REACH</p> <p><b>Principle 7:</b> IR framework, GRI standards</p> <p><b>Principle 8:</b> SA 8000</p> <p><b>Principle 9:</b> ISO 27001</p> <p>In addition, Grasim is committed to report on climate change and water related issues through CDP and Dow Jones Sustainability Index (DJSI) disclosures.</p> |     |     |     |     |     |     |     |     |
| <b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>                                                                                                                                                       | <p>Grasim has set a goal to combat climate change through its target of achieving net zero emissions by 2050.</p> <p>Please refer to the Sustainability Framework section on page no. 86 for the company's goals and targets.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |     |     |     |     |     |     |     |
| <b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>                                                                                                                  | <p>Grasim has set various sustainability targets across businesses and aims to achieve them with its robust strategies and roadmap.</p> <p>Please refer to the Sustainability Framework section on page no. 86 for the company's performance highlights.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |     |     |     |     |     |     |     |





## Governance, Leadership and Oversight

| Disclosure Questions                                                                                                                                                        | P1                                                                                                                                                                                                                                                                                                                                                                                                                            | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements.                                | Please refer to the message from the Managing Director on page no. 12 and Sustainability framework on page no. 86 of the report.                                                                                                                                                                                                                                                                                              |    |    |    |    |    |    |    |    |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).                                               | Mr. Harikrishna Agarwal, Managing Director                                                                                                                                                                                                                                                                                                                                                                                    |    |    |    |    |    |    |    |    |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes, the Risk Management and Sustainability Committee oversees the company's sustainability strategy and implementation impact. The committee assesses the progress of sustainability initiatives, including key performance indicators, and periodically formulates suitable action plans to ensure the achievement of targets.<br><br>For more details, please refer to page no. 220 of the Report on Corporate Governance. |    |    |    |    |    |    |    |    |

## 10. Details of Review of NGRBCs by the Company:

| Subject for Review                                                                                              | Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee |     |     |     |     |     |     |     |     | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)                                                                                                                                                                                                                                                                                                            |    |    |    |    |    |    |    |    |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|
|                                                                                                                 | P1                                                                                              | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  | P1                                                                                                                                                                                                                                                                                                                                                                                  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action                                                         | Yes                                                                                             | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes, quarterly reviews by the executive management and quarterly / half-yearly reviews by the Audit Committee and the Risk Management and Sustainability Committee of the Board, are undertaken to track performance on some of the above principles.                                                                                                                               |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes                                                                                             | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Grasim has instituted robust policies to guide the implementation of provisions adhering to BRSR's nine principles. The company's performance on these principles is reviewed at pre-determined intervals or as needed basis. Performance and compliance tasks are assessed through the Regulatory Compliance Module (RCM), and necessary actions are taken based on these reviews. |    |    |    |    |    |    |    |    |

## 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

| P1                                                                                                            | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|
| The policies are currently reviewed internally and will be subjected to external audits as and when required. |    |    |    |    |    |    |    |    |

## 12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

| Disclosure Questions                                                                                                            | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|----|
| The entity does not consider the Principles material to its business (Yes/No)                                                   |    |    |    |    |    |    |    |    |    |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |    |    |    |    |    |    |    |    |    |
| The entity does not have the financial or/ human and technical resources available for the task (Yes/No)                        |    |    |    |    |    |    |    |    |    |
| It is planned to be done in the next financial year (Yes/No)                                                                    |    |    |    |    |    |    |    |    |    |
| Any other reason (please specify)                                                                                               |    |    |    |    |    |    |    |    |    |

Not Applicable

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## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable



Guided by principles of integrity, ethical conduct, transparency, and accountability, Grasim integrates sustainable practices into its business strategy and operational framework.

This includes adhering to regulations, maintaining transparency, and remaining accountable to all stakeholders. Through these efforts, Grasim strives to create positive outcomes for society and the environment while ensuring the long-term success of its businesses.

#### ESSENTIAL INDICATORS

##### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment                           | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact                                                                                                                                                                                                                                                                                                              | %age of persons in respective category covered by the awareness programmes |
|-----------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Board of Directors                | 5                                                      | 1. Code of Conduct and Ethics<br>2. Awareness on Whistle Blower<br>3. Prevention of Sexual Harassment (POSH)<br>4. Environment, Health and Safety<br>5. Awareness on Regulatory Updates                                                                                                                                                                                  | 100                                                                        |
| Key Management Personnel          | 9                                                      | 1. Code of Conduct and Ethics<br>2. Awareness on Whistle Blower<br>3. Prevention of Sexual Harassment (POSH)<br>4. Environment, Health and Safety<br>5. Awareness on Regulatory Updates<br>6. Anti-Corruption and Anti-Bribery<br>7. Compliance relating to Sanctions<br>8. Prevention on Money Laundering<br>9. Know Your Customer                                      | 100                                                                        |
| Employees other than BoD and KMPs | 11                                                     | 1. Human Rights Trainings<br>2. POSH Trainings<br>3. Grievance Handling<br>4. Cyber Security Awareness Trainings<br>5. Insider Trading Awareness Trainings<br>6. Code of Conduct<br>7. Anti-Corruption and Anti-bribery Trainings<br>8. Sustainability Awareness<br>9. Skill Up-gradation Trainings<br>10. Health and Safety Trainings<br>11. Health & Wellness sessions | 87                                                                         |
| Workers                           | 8                                                      | 1. Human Rights Trainings<br>2. POSH Trainings<br>3. Grievance Handling<br>4. Code of Conduct<br>5. Sustainability Awareness<br>6. Skill Up-gradation Trainings<br>7. Health and Safety Trainings<br>8. Toolbox Trainings                                                                                                                                                | 45                                                                         |



2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

| Monetary        |                                                                       |                 |                   |                                        |
|-----------------|-----------------------------------------------------------------------|-----------------|-------------------|----------------------------------------|
| NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions   | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine   |                                                                       | Nil             |                   |                                        |
| Settlement      |                                                                       | Nil             |                   |                                        |
| Compounding fee |                                                                       | Nil             |                   |                                        |
| Non-Monetary    |                                                                       |                 |                   |                                        |
| NGRBC Principle | Name of the regulatory / enforcement agencies / judicial institutions |                 | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment    |                                                                       | Nil             |                   |                                        |
| Punishment      |                                                                       | Nil             |                   |                                        |

Note - For this disclosure, materiality threshold is considered as detailed in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---------------------------------------------------------------------|
|              | Not Applicable                                                      |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Grasim upholds a policy that strictly prohibits corruption and bribery, applicable to all employees and representatives of the Company. This policy is shared with all stakeholders, including suppliers and vendors. In line with our commitment to Zero tolerance for bribery and corruption, Grasim has engaged third-party to handle allegations. This underscores our unwavering dedication to upholding ethical principles and ensuring transparency in all our dealings.

The policy can be accessed through this web link: <https://www.grasim.com/Upload/PDF/anti-corruption-and-anti-bribery.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for charges of bribery/corruption:

| Category  | FY 2023-24 | FY 2022-23 |
|-----------|------------|------------|
| Directors | Nil        | Nil        |
| KMPs      | Nil        | Nil        |
| Employees | Nil        | Nil        |
| Workers   | Nil        | Nil        |

6. Details of complaints with regard to conflict of interest:

|                                                                                              | FY 2023-24 |         | FY 2022-23 |         |
|----------------------------------------------------------------------------------------------|------------|---------|------------|---------|
|                                                                                              | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil        |         | Nil        |         |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil        |         | Nil        |         |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No instances of corruption or conflicts of interest have been reported in the financial year.



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### 8. Number of days of accounts payables ((Accounts payable x 365) / Cost of goods/services procured) in the following format:

|                                      | FY 2023-24 | FY 2022-23 |
|--------------------------------------|------------|------------|
| Number of days of accounts payables* | 91         | 78         |

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

### 9. Open-ness of business\*

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameters                 | Metrics                                                                                  | FY 2023-24 | FY 2022-23 |
|----------------------------|------------------------------------------------------------------------------------------|------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                                 | 14%        | 17%        |
|                            | b. Number of trading houses where purchases are made from                                | 4,446      | 4,709      |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses      | 45%        | 45%        |
| Concentration of Sales     | a. Sales to dealers / distributors as % of total sales                                   | 13%        | 15%        |
|                            | b. Number of dealers / distributors to whom sales are made                               | 2,410      | 849        |
|                            | c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors   | 23%        | 25%        |
| Share of RPTs in           | a. Purchases (Purchases with related parties / Total Purchases)                          | 13%        | 16%        |
|                            | b. Sales (Sales to related parties / Total Sales)                                        | 0.20%      | 0.19%      |
|                            | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 94%        | 89%        |
|                            | d. Investments (Investments in related parties / Total Investments made)                 | 59%        | 66%        |

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

## LEADERSHIP INDICATORS

### 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics / principles covered under the training   | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|-------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 180                                       | Energy and Carbon Policy                         | 3%                                                                                                                 |
|                                           | Water Stewardship                                |                                                                                                                    |
|                                           | Human Rights                                     |                                                                                                                    |
|                                           | Non-discrimination                               |                                                                                                                    |
|                                           | Zero Tolerance                                   |                                                                                                                    |
|                                           | POSH                                             |                                                                                                                    |
|                                           | Health and Safety                                |                                                                                                                    |
|                                           | Freedom of Association and Collective Bargaining |                                                                                                                    |
|                                           | Quality                                          |                                                                                                                    |
|                                           | Food Safety                                      |                                                                                                                    |
|                                           |                                                  |                                                                                                                    |

Note - For the current financial year, we have considered our value chain partners for raw materials procurement. We aim to cover our entire value chain in the future.

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the company has institutionalised a Code of Conduct that applies to all employees, including the Board and Senior Management, as stipulated by the Listing Regulations. In addition, Board Members and Key Managerial Personnel (KMPs) reaffirm their commitment to the Code of Conduct at the beginning of each financial year. In instances of critical decisions, Board members are required to confirm that they do not have personal stake in any significant financial or business deals that could potentially pose a conflict of interest. If such conflicts arise, Directors recuse themselves from discussions or decision-making related to agenda points during Board or Committee Meetings where they have a personal or perceived interest.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

We focus on providing safe and sustainable goods and services. We integrate sustainability into every aspect of our product life-cycle, from sourcing raw materials responsibly to implementing eco-friendly manufacturing practices. By prioritising sustainable innovation and efficiency, we aim to minimise environmental impact while meeting the evolving needs of our customers.

**ESSENTIAL INDICATORS**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| Parameters                   | FY 2023-24 | FY 2022-23 | Details of improvement in environmental and social aspects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------|------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Research & Development (R&D) | 37%        | 18%        | Cellulosic Fashion Yarn (CFY) business is redirecting its focus towards green manufacturing leveraging indigenously developed technology to penetrate silk market. Our R&D team has devised a tracer mechanism for Dull Yarn products, enhancing the ability to trace products at various stages of consumption across the value chain.<br><br>Chemicals business are creating eco-friendly plasticisers to enhance polyvinyl chloride (PVC) products. Our investment in a plastic application lab and a photo chlorination kilo lab has led to the development of a sustainable green plasticiser branded as Twist. |
| Capital Expenditure (Capex)  | 10%        | 6%         | Capex in technologies to improve Environmental and Social impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has a policy for responsible sourcing, integrating sustainability into its procurement processes. Our 'Supplier Code of Conduct' sets stringent standards that all suppliers must meet, encompassing considerations such as safety, environmental impact, regulatory compliance, ethics, human rights, and fair wages.

For our Cellulosic Fibres business, certifications for the procured material ensure sustainability and ethical sourcing practices. We procure all our pulp from responsibly managed forests, complying with FSC®, SFI® and PEFC™ regulations for pulp sourcing.

Please refer to our Wood Sourcing Policy available on: <https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf>

In the Speciality Chemicals business, Epichlorohydrin (ECH), a critical raw material, is sourced largely from Glycerine-based suppliers rather than Propylene-based ones. This strategic choice significantly contributes to reducing the company's overall carbon footprint.

Additionally, our textiles business prioritises sustainable sourcing for a substantial portion of its raw materials, including flax fibre and greasy wool, reinforcing its environmentally responsible practices across operations.

- b. **If yes, what percentage of inputs were sourced sustainably?**

62%

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

| Product                           | Process to safely reclaim the product |
|-----------------------------------|---------------------------------------|
| a. Plastics (including packaging) | Not Applicable                        |
| b. E-Waste                        | Not Applicable                        |
| c. Hazardous Waste                | Not Applicable                        |
| d. Other Waste                    | Not Applicable                        |

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, The Extended Producer Responsibility (EPR) provision under the Plastic Waste Management (PWM) rules 2018 applies to Grasim.

Grasim has implemented a waste collection method that aligns with the guidelines and the protocols set by the Central Pollution Control Board (CPCB). As part of our commitment to EPR, Grasim has obtained Brand Owner registration and has submitted its EPR Plan to the CPCB in accordance with the guidelines. The CPCB has provided specific year-by-year percentage-based targets. In compliance with these yearly targets, Grasim procures EPR Credits by recycling plastic waste (both pre-consumer and post-consumer) through CPCB-registered Plastic Waste Processors (PWPs), categorised as either rigid or flexible.

This process is managed and governed through the CPCB online portal for EPR Credit exchange. We remain dedicated to fulfilling our EPR obligations and contributing to sustainable waste management practices.

### LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product/ Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by independent external agency (Yes/ No) | Results communicated in public domain (Yes/ No)                                                                                                                                                                 |
|----------|--------------------------|---------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24303    | Cellulosic Staple Fibre  | 49%                             | Cradle-to-gate                                                          | Yes                                                        | <a href="https://birlacellulose.com/policies_reports_files/policies_reports_pdf_36_1636614623.pdf#page=41">https://birlacellulose.com/policies_reports_files/policies_reports_pdf_36_1636614623.pdf#page=41</a> |
| 24297    | Chlor-Alkali Product     | 24%                             | Cradle-to-gate                                                          | Yes                                                        | No                                                                                                                                                                                                              |
| 51311    | Linen Fabric             | 5%                              | Cradle-to-gate                                                          | Yes                                                        | <a href="https://www.jayashree-grasim.com/wp-content/uploads/FY-19-20-and-21.pdf">https://www.jayashree-grasim.com/wp-content/uploads/FY-19-20-and-21.pdf</a>                                                   |



2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product/Service | Description of the risk/concern                                                                                                                     | Action taken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cellulosic Staple Fibre | The major contribution to Global Warming Potential (GWP) is from the on-site generation of electricity and steam from the captive power plant (CPP) | The company is planning for <ol style="list-style-type: none"> <li>1. Decarbonisation and transitioning to green power and green steam required for fibre production.</li> <li>2. Adopting more efficient coal-based steam and power generation.</li> <li>3. Improving operational efficiency to achieve a reduction in steam and power consumption.</li> <li>4. Actively participating in the Perform, Achieve and Trade (PAT) cycle as per the Bureau of Energy Efficiency (BEE), which helps in the conservation and efficient use of energy.</li> </ol>                                                                                         |
| Chlor-Alkali            | Electricity used in the Electrolysis process leading to GHG emissions                                                                               | The company is <ol style="list-style-type: none"> <li>1. Upgrading technology for using sixth generation electrolyzers, timely recoating &amp; re-membraning to optimise power consumption.</li> <li>2. Installing Variable Frequency Drivers (VFDs) and energy-efficient equipment IE-3 Grade motors by replacing non-IE/below IE-2 standard machines.</li> <li>3. Actively participating in the Perform, Achieve and Trade (PAT) cycle as per Bureau of Energy Efficiency (BEE) to conserve energy.</li> <li>4. Increasing the share of renewable power/green energy footprint to reduce the use of fossil fuels and carbon emissions.</li> </ol> |
| Linen and Wool          | Global Warming Potential on account of electricity consumed and steam consumption during the process                                                | The company has planned to source hybrid power to increase the share of renewable power in the energy mix.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicated input Material | Recycled or re-used input material to total material |            |
|--------------------------|------------------------------------------------------|------------|
|                          | FY 2023-24                                           | FY 2022-23 |
|                          | Nil                                                  | Nil        |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

|                                | FY 2023-24 |          |                 | FY 2022-23 |          |                 |
|--------------------------------|------------|----------|-----------------|------------|----------|-----------------|
|                                | Reused     | Recycled | Safely Disposed | Reused     | Recycled | Safely Disposed |
| Plastics (including packaging) | None       |          |                 | None       |          |                 |
| E-waste                        |            |          |                 |            |          |                 |
| Hazardous waste                |            |          |                 |            |          |                 |
| Other waste                    |            |          |                 |            |          |                 |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate Product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|-----------------------------------------------------------------------------------------------------|
|                           | Not Applicable                                                                                      |



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains



Grasim ensures equitable treatment and dignity for all employees and workers within the organisation and throughout its value chains. The company aims to safeguard the health and safety of its employees. As an equal-opportunity employer, Grasim has implemented policies, processes, and systems to ensure fair working conditions, equitable pay based on experience, and ample opportunities for career advancement.

#### ESSENTIAL INDICATORS

##### 1. a. Details of measures for the well-being of employees:

| Category                       | % of employees covered by |                  |         |                    |        |                    |        |                    |        |                     |        |
|--------------------------------|---------------------------|------------------|---------|--------------------|--------|--------------------|--------|--------------------|--------|---------------------|--------|
|                                | Total (A)                 | Health Insurance |         | Accident Insurance |        | Maternity Benefits |        | Paternity Benefits |        | Day Care Facilities |        |
|                                |                           | No. (B)          | % (B/A) | No. (C)            | %(C/A) | No.(D)             | %(D/A) | No. (E)            | %(E/A) | No. (F)             | %(F/A) |
| Permanent Employees            |                           |                  |         |                    |        |                    |        |                    |        |                     |        |
| Male                           | 9,102                     | 9,097            | 99.95   | 9,088              | 99.85  | -                  | -      | 9,102              | 100    | 2,940               | 32.30  |
| Female                         | 940                       | 940              | 100     | 934                | 99.36  | 940                | 100    | -                  | -      | 290                 | 30.85  |
| Total                          | 10,042                    | 10,037           | 99.95   | 10,022             | 99.80  | 940                | 100    | 9,102              | 100    | 3,230               | 32.16  |
| Other than Permanent Employees |                           |                  |         |                    |        |                    |        |                    |        |                     |        |
| Male                           | 422                       | 114              | 27.01   | 49                 | 11.61  | -                  | -      | -                  | -      | 5                   | 1.18   |
| Female                         | 63                        | 34               | 53.97   | 22                 | 34.92  | 6                  | 9.52   | -                  | -      | 6                   | 9.52   |
| Total                          | 485                       | 148              | 30.52   | 71                 | 14.64  | 6                  | 9.52   | -                  | -      | 11                  | 2.27   |

##### b. Details of measures for the well-being of workers:

| Category                     | % of workers covered by |                  |         |                    |        |                    |        |                    |        |                     |        |
|------------------------------|-------------------------|------------------|---------|--------------------|--------|--------------------|--------|--------------------|--------|---------------------|--------|
|                              | Total (A)               | Health Insurance |         | Accident Insurance |        | Maternity Benefits |        | Paternity Benefits |        | Day Care Facilities |        |
|                              |                         | No. (B)          | % (B/A) | No. (C)            | %(C/A) | No.(D)             | %(D/A) | No. (E)            | %(E/A) | No. (F)             | %(F/A) |
| Permanent Workers            |                         |                  |         |                    |        |                    |        |                    |        |                     |        |
| Male                         | 15,746                  | 8,114            | 51.53   | 8,339              | 52.96  | -                  | -      | 1,132              | 7.19   | 2,122               | 13.48  |
| Female                       | 141                     | 6                | 4.26    | 6                  | 4.26   | 141                | 100    | -                  | -      | 86                  | 60.99  |
| Total                        | 15,887                  | 8,120            | 51.11   | 8,345              | 52.53  | 141                | 100    | 1,132              | 7.19   | 2,208               | 13.90  |
| Other than Permanent Workers |                         |                  |         |                    |        |                    |        |                    |        |                     |        |
| Male                         | 18,966                  | 972              | 5.12    | 2,198              | 11.59  | -                  | -      | -                  | -      | 3,013               | 15.89  |
| Female                       | 549                     | 37               | 6.74    | 97                 | 17.67  | 150                | 27.32  | -                  | -      | 87                  | 15.85  |
| Total                        | 19,515                  | 1,009            | 5.17    | 2,295              | 11.76  | 150                | 27.32  | -                  | -      | 3,100               | 15.89  |

##### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.

|                                                                              | FY 2023-24 | FY 2022-23 |
|------------------------------------------------------------------------------|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the company* | 0.44%      | 0.43%      |

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.



## 2. Details of retirement benefits, for Current FY and Previous Financial Year

| Benefits              | FY 2023-24                                                                                                     |                                               |                                                      | FY 2022-23                                         |                                               |                                                      |
|-----------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|----------------------------------------------------|-----------------------------------------------|------------------------------------------------------|
|                       | No. of employees covered as a % of total employees                                                             | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total worker | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                    | 100                                                                                                            | 100                                           | Yes                                                  | 100                                                | 100                                           | Yes                                                  |
| Gratuity              | 100                                                                                                            | 100                                           | Yes                                                  | 100                                                | 100                                           | Yes                                                  |
| ESIC                  | 2                                                                                                              | 43                                            | Yes                                                  | 3                                                  | 41                                            | Yes                                                  |
| Others-Please Specify | The Company offers employee benefits like superannuation and NPS, out of the total remuneration, if opted for. |                                               |                                                      |                                                    |                                               |                                                      |

## 3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company has implemented a comprehensive strategy to enhance workplace accessibility for specially-abled employees, customers, visitors and other stakeholders across both existing and planned facilities. Grasim is developing accessible workspaces, lavatories, communal spaces, and transit areas within and outside our buildings to provide specially-abled stakeholders with a safe and inclusive workspace where they can be productive and flourish.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Grasim has a Diversity and Inclusion Policy that promotes a discrimination-free work environment for all employees and value chain partners. The Company is committed to providing equal opportunities for individuals with disabilities, ensuring accessibility and supporting their unique needs. Grasim values the contributions of disabled individuals and strives to create an inclusive environment where they can thrive. This includes making physical workspaces, digital platforms, technologies, and communication channels accessible to everyone.

Weblink of the policy: <https://www.grasim.com/Upload/PDF/diversity-and-inclusion-policy.pdf>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave\*.

| Gender       | Permanent Employees |                | Permanent Workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | 100                 | 97             | -                   | -              |
| Female       | 81                  | 94             | -                   | -              |
| <b>Total</b> | <b>97</b>           | <b>97</b>      | <b>-</b>            | <b>-</b>       |

\*Limited assurance has been carried out by BDO India LLP for FY 2023-24.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| Category                       | Yes/No | Details of the mechanism in brief                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Permanent Workers              | Yes    | Grasim has established a structured internal system for addressing employee and worker grievances, easily accessible through the company's internal network. All employees and workers are encouraged to report operational or performance-related risks or concerns to their immediate supervisor or reporting manager. For matters pertaining to organisational issues, performance reviews, or complaints against the supervisor or reporting manager, employees should escalate them to the Human Resource Manager. To ensure transparency and impartiality in addressing organisational concerns, we have set up a portal that allows employees to raise any concerns they may encounter. Additionally, we conduct an annual survey to gather feedback and identify any potential issues or grievances among our employees. This proactive approach allows us to address concerns promptly and maintain a positive work environment. Please refer to our Grievance Handling Policy available at: <a href="https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf">https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf</a> |
| Other than Permanent Workers   | Yes    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Permanent Employees            | Yes    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Other than Permanent Employees | Yes    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category                   | FY 2023-24                                           |                                                                                                |           | FY 2022-23                                           |                                                                                                |           |
|----------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------|------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------|
|                            | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A)   | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | %(D/C)    |
| <b>Permanent Employees</b> |                                                      |                                                                                                |           |                                                      |                                                                                                |           |
| Male                       | 9,102                                                | -                                                                                              | -         | 7,645                                                | -                                                                                              | -         |
| Female                     | 940                                                  | -                                                                                              | -         | 669                                                  | -                                                                                              | -         |
| <b>Total</b>               | <b>10,042</b>                                        | <b>-</b>                                                                                       | <b>-</b>  | <b>8,314</b>                                         | <b>-</b>                                                                                       | <b>-</b>  |
| <b>Permanent Workers</b>   |                                                      |                                                                                                |           |                                                      |                                                                                                |           |
| Male                       | 15,746                                               | 14,473                                                                                         | 92        | 16,002                                               | 14,715                                                                                         | 92        |
| Female                     | 141                                                  | 141                                                                                            | 100       | 139                                                  | 138                                                                                            | 99        |
| <b>Total</b>               | <b>15,887</b>                                        | <b>14,614</b>                                                                                  | <b>92</b> | <b>16,141</b>                                        | <b>14,853</b>                                                                                  | <b>92</b> |

8. Details of training given to employees and workers:

| Category | FY 2023-24 <sup>#</sup> |                               |           |                      |           | FY 2022-23          |                               |           |                      |           |
|----------|-------------------------|-------------------------------|-----------|----------------------|-----------|---------------------|-------------------------------|-----------|----------------------|-----------|
|          | Total (A)               | On Health and Safety measures |           | On skill upgradation |           | Total (D)           | On Health and Safety measures |           | On skill upgradation |           |
|          |                         | No. (B)                       | % (B / A) | No. (C)              | % (C / A) |                     | No. (E)                       | % (E / D) | No. (F)              | % (F / D) |
|          | Employees               |                               |           |                      |           | Permanent Employees |                               |           |                      |           |
| Male     | 9,524                   | 8,073                         | 85        | 8,036                | 84        | 7,645               | 7,011                         | 92        | 7,272                | 95        |
| Female   | 1,003                   | 891                           | 89        | 926                  | 92        | 669                 | 498                           | 74        | 597                  | 89        |
| Total    | 10,527                  | 8,964                         | 85        | 8,962                | 85        | 8,314               | 7,509                         | 90        | 7,869                | 95        |
|          | Workers                 |                               |           |                      |           | Permanent Workers   |                               |           |                      |           |
| Male     | 34,712                  | 18,220                        | 52        | 9,737                | 28        | 16,002              | 12,402                        | 78        | 7,040                | 44        |
| Female   | 690                     | 263                           | 38        | 89                   | 13        | 139                 | 51                            | 37        | 17                   | 12        |
| Total    | 35,402                  | 18,483                        | 52        | 9,826                | 28        | 16,141              | 12,543                        | 77        | 7,057                | 44        |

<sup>#</sup>Training data includes contractual workforce for FY 2023-24 as per FAQs released by SEBI.



## 9. Details of performance and career development reviews of employees and workers\*:

| Category         | FY 2023-24    |              |              | FY 2022-23    |              |              |
|------------------|---------------|--------------|--------------|---------------|--------------|--------------|
|                  | Total (A)     | No. (B)      | % (B/A)      | Total (C)     | No. (D)      | %(D/C)       |
| <b>Employees</b> |               |              |              |               |              |              |
| Male             | 9,524         | 7,996        | 83.96        | 7,645         | 7,595        | 99.35        |
| Female           | 1,003         | 722          | 71.98        | 669           | 520          | 77.73        |
| <b>Total</b>     | <b>10,527</b> | <b>8,718</b> | <b>82.82</b> | <b>8,314</b>  | <b>8,115</b> | <b>97.61</b> |
| <b>Workers</b>   |               |              |              |               |              |              |
| Male             | 34,712        | 3,422        | 9.86         | 16,002        | 3,070        | 19.19        |
| Female           | 690           | 1            | 0.14         | 139           | 3            | 2.16         |
| <b>Total</b>     | <b>34,402</b> | <b>3,423</b> | <b>9.67</b>  | <b>16,141</b> | <b>3,073</b> | <b>19.04</b> |

\*Career development data includes contractual workforce for FY 2023-24 as per FAQs released by SEBI.

\*Limited assurance has been carried out by BDO India LLP for FY 2023-24.

## 10. Health and safety management system:

|                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system? | Yes, the Company has instituted a robust Occupational Health and Safety (OHS) management framework across its operations. This system is rigorously upheld and overseen through a tripartite safety governance framework involving representatives from management, employees and worker groups. Our OHS protocols at manufacturing units comply with ABG sustainability standards as well as adhere to ISO 45001 requirements and SA 8000 certifications. To evaluate the effectiveness of the OHS framework, we employ a Self-Assessment Questionnaire (SAQ) Assurance model. This proactive approach ensures the ongoing safety and well-being of our workforce.                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?              | <p>The company has instituted a comprehensive Risk Evaluation Management and Occupational Health Risk Assessment framework, encompassing TIER-1 and TIER-2 Risk Assessment requirements. This framework guides the Hazard Identification and Risk Assessment procedures across business units, supported by the implementation of the Business Hazard Identification and Risk Assessment protocol. This approach involves identifying routine and non-routine tasks, assessing related risks, and implementing appropriate control measures. High-risk and critical tasks undergo the Job Safety Analysis process.</p> <p>To mitigate significant risks, the company has developed Operational Control Procedures and Work Instructions. Additionally, HAZOP (Hazard and Operability Study) is conducted to identify and evaluate hazardous processes, incorporating recommendations from these studies. Before commencing any toolbox discussions with all contractors are conducted, followed by a job safety analysis and the issuance of work permits, ensuring the safety of all involved parties.</p> |
| c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)                 | Yes, we utilise an online platform for incident reporting, allowing us to record all incidents from any given location. Based on these reports, we implement Corrective Action and Preventive Action (CAPA) measures and distribute an incident learning report to all related individuals. This process assists us in preventing similar incidents from occurring in the future.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)                            | Yes, the Company offers continuous access to non-occupational medical and healthcare services for all its employees and staff.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### 11. Details of safety related incidents\*, in the following format

| Safety Incident/Number                                                        | Category# | FY 2023-24* | FY 2022-23 |
|-------------------------------------------------------------------------------|-----------|-------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.04        | 0.21       |
|                                                                               | Workers   | 0.30        | 0.23       |
| Total recordable work-related injuries                                        | Employees | 6           | 52         |
|                                                                               | Workers   | 76          | 50         |
| No. of fatalities                                                             | Employees | 0           | 1          |
|                                                                               | Workers   | 3           | 1          |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | 4           | 21         |
|                                                                               | Workers   | 0           | 27         |

#Data includes contractual workforce for FY 2023-24 as per FAQs released by SEBI.

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company maintains technical and managerial safety standards, including various working practices such as Permit to Work in Confined Spaces, Hot Work, Machine Guarding, Working at Height, Electrical Safety, Management of Change, and Process Safety Management. Moreover, Grasim has set up a robust infrastructure to facilitate regular occupational health monitoring. Ongoing monitoring of work zones ensures safety and well established medical care facilities are available for all employees.

Regular awareness programmes on safety protocols and practices are conducted for both employees and contractual workers. Multiple safety and occupational health campaigns are regularly organised to enhance awareness about appropriate work practices and behaviours. Mock drills are conducted across every unit to assess readiness in managing incidents, and toolbox talks are integrated before work commences as a vital part of our safety protocol. All new employees, including contractual workers, new joiners, security staff, etc., are required to participate in safety induction/orientation.

Grasim has implemented a systematic procedure for sharing knowledge management capsules on safety across all units. Our OHS processes and procedures align with the ABG sustainability policies, the requirements of ISO 45001 and SA 8000. All business units adhere strictly to their plant standard operating procedures (SOPs). We have established an audit system for conducting regular internal and external audits on Occupational Safety Parameters throughout the year. Additionally, we have developed a rotation of internal auditors trained in different ISO Standards to ensure regular compliance checks.

We have integrated a Behaviour-Based Safety Observation Rounds module into our system, enabling online reporting of safe and unsafe practices, conditions and close calls in the workplace. The reported incidents and corrective actions taken are reviewed to determine corresponding remedial measures. Grasim also employs a structured Kaizen scheme that encourages employees at all levels to contribute safety-related Kaizens/Suggestions. To complement our efforts, central and departmental safety committees are tasked with conducting periodic safety reviews to ensure strict adherence to safety practices. Moreover, our Safety Frameworks undergo audits by the Group assurance team.

Our safety and OHS policies are available on our website.

1. Safety Policy: <https://www.grasim.com/Upload/PDF/safety-policy.pdf>
2. Occupational Health Policy: <https://www.grasim.com/Upload/PDF/occupational-health-policy.pdf>

### 13. Number of Complaints on the following made by employees and workers:

| Topic              | FY 2023-24            |                                       |         | FY 2022-23            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 6                     | 0                                     | Nil     |                       |                                       |         |
| Health & Safety    | 12                    | 0                                     | Nil     |                       | Nil                                   |         |

**14. Assessments for the year**

| Topic                       | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|-------------------------------------------------------------------------------------------------------|
| Health and safety practices | 100% (All units of Grasim are assessed by both internal and external parties)                         |
| Working Conditions          |                                                                                                       |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

The company utilises a well-defined framework for investigating incidents. When incidents occur, investigations are triggered, followed by root cause analysis. Response strategies are designed and shared across all facilities to mitigate the impact. Additionally, the company has a system in place for sharing information regarding significant incidents that have occurred within group companies to facilitate learning and prevent recurrence. Initial incident investigation reports are uploaded to the company's internal IT software within 24 hours, in line with our safety policy guidelines. In the case of major incidents, cross-functional teams are deployed to conduct in-depth investigations to find the root cause, which is then presented at the central safety committee meeting. Furthermore, the company employs Taproot-certified professionals to handle incident investigations.

Grasim has a robust audit system that facilitates internal and external audits for Environmental and Occupational Health Safety parameters throughout the year. A team of internal auditors trained in various ISO Standards conducts compliance reviews periodically with internal audits occurring biannually and external audit thereafter. Any identified areas for improvement and non-compliances raised during internal audits are addressed based on their root causes, and appropriate corrective and preventative actions are implemented. Grasim publishes an Annual Integrated Report, which includes data on the Company's safety performance.

**LEADERSHIP INDICATORS****1. Does the entity extend any life insurance or any compensatory package in the event of death of**

- a. Employees (Yes/No): Yes
- b. Workers (Yes/No): Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

- To comply with PF and ESIC regulations, we ensure that contractors promptly make payments by verifying compliance before settling their invoices. We have also initiated the process for ensuring these payments by vendors.
- Monthly cross-checks of GSTR-2B are conducted to confirm that vendors are paying GST and filing government returns on schedule.
- Filing of GST returns aids our customers in claiming GST credits on time, with any related issues promptly addressed.
- Follow up with customers and vendors is done to obtain TDS/TCS certificates (Form 16A and Form 27D), ensuring scheduled payments.
- Ensuring timely payments of TDS/TCS and issuing certificates to vendors, customers, and staff so they can obtain credits without delay.
- Seek vendors' annual Income Tax Returns to confirm the application of accurate TDS rates and ensure that vendors submit their Income Tax Returns in a timely manner.
- Collection of Tax Residency Certificates, Permanent Establishment Certificates, and Form 10F for all overseas payments related to goods and services to regulate foreign currency payments and deter tax evasion by foreign entities.
- Ensure timely payments of the Labour Welfare Fund.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Question 11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

|           | Total no. of affected employees/ workers |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|-----------|------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|           | FY 2023-24                               | FY 2022-23 | FY 2023-24                                                                                                                                        | FY 2022-23 |
| Employees | 4                                        | 1          | -                                                                                                                                                 | 1          |
| Workers   | 3                                        | 1          | 1*                                                                                                                                                | 0          |

\*Right to employment was extended to all families. So far one family has exercised this right.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes, the Company provides support and assistance to employees upon retirement or when their employment ends, regardless of whether they are part of the other group company. The company has an exclusive initiative called Enabling a New Life Post Retirement (ENLPR) that serves to motivate and guide employees for their post-retirement life.

5. Details on assessment of value chain partners:

| Topic                       | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---------------------------------------------------------------------------------------------|
| Health and safety practices | 11.57%                                                                                      |
| Working Conditions          | 11.57%                                                                                      |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Several recommendations were made during the evaluations, which have been addressed internally. However, no serious risks or concerns were detected because of the strict vigilance and efforts dedicated to health and safety within the companies.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

The Company recognises its fundamental responsibility to safeguard the interests of all stakeholders, including vulnerable and marginalised groups. Grasim aims to fulfilling its duty by striving to maximise the positive impact of its activities, products, processes, and decisions on all stakeholders.

**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity:**

At Grasim, we employ a structured methodology to identify key stakeholder groups, outlined as below:

- **Stakeholder Mapping:** Conduct a comprehensive exercise to identify and categorise key stakeholder groups relevant to Grasim's business. This involves assessing the impact and influence of various individuals, organisations, and communities on our operations, as well as the impact of our activities on them.
- **In-house Consultation:** Engage in dialogues with internal teams, divisions, and leaders to gather viewpoints and understanding of stakeholder groups. This involves organising workshops, meetings, and discussions to prioritise stakeholders who directly or indirectly influence our businesses.
- **External Collaboration:** Actively connect with external stakeholders through numerous communication channels, including surveys, interviews, focus groups, and public consultations, to better understand their needs, concerns and interests regarding our operations and sustainable practices.
- **Compilation of Stakeholder Matrix:** Develop a stakeholder matrix based on data collected from internal and external consultations, categorising stakeholders, according to their degree of influence, impact, and relevance to Grasim's business.
- **Formulation of Stakeholder Engagement Plans:** Design engagement plans for each key stakeholder group, detailing the purpose, channels, frequency, interventions and activities for stakeholder engagement, considering their specific interests and concerns.
- **Ongoing Monitoring and Response:** Continuously engage with stakeholders to monitor their evolving needs and expectations. Regular feedback is gathered through surveys, feedback forms, meetings, and other platforms to ensure effective engagement.

Grasim's Stakeholder Engagement Policy is available here: <https://www.grasim.com/Upload/PDF/grasim-stakeholder-engagement-policy.pdf>

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Please refer to the Stakeholder Engagement section on page no. 76 of this report for details.



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Grasim acknowledges the critical role of meeting stakeholder expectations in maintaining its success as an organisation and generating value for shareholders. The company prioritises efficient stakeholder engagement to gather a crucial understanding of stakeholder concerns and expectations.

Stakeholders are broadly categorised into internal and external groups.

External stakeholders include customers, investors, government agencies, regulatory bodies, knowledge partners, and trade and industry associations. Grasim manages its stakeholders through a stakeholder matrix, which outlines engagement methods, frequency and communication channels.

Stakeholders can engage with the Company through available channels and avenues. Our Board level committees oversee these interactions, effectively addressing stakeholder concerns, aligning corporate strategies with expectations, and promoting sustainable business practices throughout the organisation.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, Grasim employs stakeholder consultations to identify and manage environmental and social issues effectively. Grasim gathers feedbacks from various stakeholders including investors, customers, government and regulators, rating agencies and consultants through diverse channels. All feedbacks and recommendations undergo thorough analysis and are integrated into the company's policies and initiatives. The outcomes of these engagements are presented to the Board of Directors, ensuring stakeholder viewpoints and concerns are included in decision-making processes.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

Grasim adopts a structured approach to facilitate effective stakeholder engagement towards addressing the concerns of vulnerable/ marginalised groups through CSR initiatives. These initiatives encourage beneficiaries to form self-help groups to increase employment opportunities and ensure poverty alleviation. Effective stakeholder engagement begins with a thorough needs assessment, addressing the ongoing needs and specific gaps in skills and employment opportunities among beneficiaries. They are proactively involved in decision-making and project planning alongside potential employers, educational institutions, and NGOs.



## PRINCIPLE 5: Businesses should respect and promote human rights



The Company is committed to fostering a work environment free from harassment and discrimination, while promoting human rights. We have implemented robust policies and systems to empower employees to raise concerns effectively. The Company ensures adherence to national and international regulations and frameworks, striving to adopt best practices.

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policies of the entity, in the following format:

| Category               | FY 2023-24    |                                        |           | FY 2022-23    |                                                              |           |
|------------------------|---------------|----------------------------------------|-----------|---------------|--------------------------------------------------------------|-----------|
|                        | Total (A)     | No. of employees / workers covered (B) | % (B / A) | Total (C)     | No. of employees / workers covered (D)                       | % (D / C) |
| <b>Employees</b>       |               |                                        |           |               |                                                              |           |
| Permanent              | 10,042        | 2,805                                  | 28        | 8,314         | 2,307                                                        | 28        |
| Other than permanent   | 485           | 16                                     | 3         | 553           | -                                                            | -         |
| <b>Total Employees</b> | <b>10,527</b> | <b>2,821</b>                           | <b>27</b> | <b>8,867</b>  | <b>2,307</b>                                                 | <b>26</b> |
| <b>Workers</b>         |               |                                        |           |               |                                                              |           |
| Permanent              | 15,887        | 1,206                                  | 8         | 16,141        | 1,525                                                        | 9         |
| Other than permanent   | 19,515        | 5,311                                  | 27        | 18,121        | All contractors have been made aware of Human Rights Policy. |           |
| <b>Total Workers</b>   | <b>35,402</b> | <b>6,517</b>                           | <b>18</b> | <b>34,262</b> | <b>1,525</b>                                                 | <b>4</b>  |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category                       | FY 2023-24 |                                                                                                                            |           |                        |           | FY 2022-23 |                                                                                                                            |           |                        |           |
|--------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------|-----------|------------------------|-----------|------------|----------------------------------------------------------------------------------------------------------------------------|-----------|------------------------|-----------|
|                                | Total (A)  | Equal to Minimum Wage                                                                                                      |           | More than Minimum Wage |           | Total (D)  | Equal to Minimum Wage                                                                                                      |           | More than Minimum Wage |           |
|                                |            | No. (B)                                                                                                                    | % (B / A) | No. (C)                | % (C / A) |            | No. (E)                                                                                                                    | % (E / D) | No. (F)                | % (F / D) |
| Permanent Employees            |            |                                                                                                                            |           |                        |           |            |                                                                                                                            |           |                        |           |
| Male                           | 9,102      | 324                                                                                                                        | 4         | 8,778                  | 96        | 7,645      | 608                                                                                                                        | 8         | 7,036                  | 92        |
| Female                         | 940        | 43                                                                                                                         | 5         | 897                    | 95        | 669        | 76                                                                                                                         | 11        | 594                    | 89        |
| Total                          | 10,042     | 367                                                                                                                        | 4         | 9,675                  | 96        | 8,314      | 684                                                                                                                        | 8         | 7,630                  | 92        |
| Other than Permanent Employees |            |                                                                                                                            |           |                        |           |            |                                                                                                                            |           |                        |           |
| Male                           | 422        | -                                                                                                                          | -         | 422                    | 100       | 498        | -                                                                                                                          | -         | 498                    | 100       |
| Female                         | 63         | -                                                                                                                          | -         | 63                     | 100       | 55         | -                                                                                                                          | -         | 55                     | 100       |
| Total                          | 485        | -                                                                                                                          | -         | 485                    | 100       | 553        | -                                                                                                                          | -         | 553                    | 100       |
| Permanent Workers              |            |                                                                                                                            |           |                        |           |            |                                                                                                                            |           |                        |           |
| Male                           | 15,746     | -                                                                                                                          | -         | 15,746                 | 100       | 16,002     | 3,644                                                                                                                      | 23        | 12,358                 | 77        |
| Female                         | 141        | -                                                                                                                          | -         | 141                    | 100       | 139        | 62                                                                                                                         | 45        | 77                     | 55        |
| Total                          | 15,887     | -                                                                                                                          | -         | 15,887                 | 100       | 16,141     | 3,706                                                                                                                      | 23        | 12,435                 | 77        |
| Other than Permanent Workers   |            |                                                                                                                            |           |                        |           |            |                                                                                                                            |           |                        |           |
| Male                           | 18,966     | All contractors have been paid more than minimum wages in accordance with the laws of the land where the Company operates. |           |                        |           | 17,667     | All contractors have been paid more than minimum wages in accordance with the laws of the land where the Company operates. |           |                        |           |
| Female                         | 549        |                                                                                                                            |           |                        |           | 454        |                                                                                                                            |           |                        |           |
| Total                          | 19,515     |                                                                                                                            |           |                        |           | 18,121     |                                                                                                                            |           |                        |           |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### 3. Details of remuneration/salary/wages:

#### a. Median remuneration / wages

|                                  | Male   |                                                           | Female |                                                           |
|----------------------------------|--------|-----------------------------------------------------------|--------|-----------------------------------------------------------|
|                                  | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD)         | 11     | ₹ 15,50,000                                               | 3      | ₹ 33,10,000                                               |
| Key Managerial Personnel         | 3      | ₹ 3,00,63,252                                             | -      | -                                                         |
| Employees other than BoD and KMP | 9,099  | ₹ 6,26,290                                                | 940    | ₹ 5,02,839                                                |
| Workers                          | 15,746 | ₹ 4,34,048                                                | 141    | ₹ 3,03,913                                                |

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

|                                                  | FY 2023-24 | FY 2022-23 |
|--------------------------------------------------|------------|------------|
| Gross wages paid to females as % of total wages* | 5%         | 4%         |

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, each of Grasim's manufacturing locations has a dedicated committee to address human rights complaints.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Grasim has established a robust internal system aligned with its extensive human rights policy, accessible to all stakeholders and the general public.

To effectively address complaints, Grasim has established a dedicated grievance redressal committee to handle various issues, including those related to human rights. Through this system, employees and stakeholders are encouraged to express any concerns or grievances regarding possible human rights infringements without fear of reprisals. They may file written complaints with a designated committee member or their respective contact point.

Upon receiving a complaint, the grievance redressal committee executes a thorough investigation. The process is transparent and unbiased, involving collection of evidence, interaction with relevant parties, and consultation with professionals as necessary. The objective is to resolve grievances swiftly in a fair and just manner.

Throughout the entire grievance resolution process, the privacy and confidentiality of all involved parties are fully respected. Ensuring safe and supportive environment is a priority for the company, ensuring complainants are protected from any form of harassment or victimisation, both during and after the investigation.

Please refer to our Human Rights Policy: <https://www.grasim.com/upload/pdf/human-rights-policy.pdf>

### 6. Number of Complaints on the following made by employees and workers:

| Category                           | FY 2023-24            |                                       |         | FY 2022-23            |                                       |         |
|------------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment                  | 5                     | 1                                     | -       | 4                     | 2                                     | -       |
| Discrimination at workplace        | Nil                   | Nil                                   | Nil     | Nil                   | Nil                                   | Nil     |
| Child Labour                       | Nil                   | Nil                                   | Nil     | Nil                   | Nil                                   | Nil     |
| Forced Labour / Involuntary Labour | Nil                   | Nil                                   | Nil     | Nil                   | Nil                                   | Nil     |
| Wages                              | Nil                   | Nil                                   | Nil     | Nil                   | Nil                                   | Nil     |
| Other human rights related issues  | Nil                   | Nil                                   | Nil     | Nil                   | Nil                                   | Nil     |



**7. Complaints filed under the Sexual Harassment of Women at Workplace\* (Prevention, Prohibition and Redressal) Act, 2013:**

| Safety Incident/Number                                                                                                              | FY 2023-24 | FY 2022-23 |
|-------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 5          | 4          |
| Complaints on POSH as a % of female employees / workers                                                                             | 0.46%      | 0.50%      |
| Complaints on POSH upheld                                                                                                           | 4          | 2          |

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

**8. Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Grasim stands by a comprehensive policy aimed at preventing and addressing instances of discrimination and harassment, particularly on sexual harassment, at the workplace. Every reported incident receives serious attention and is handled rigorously, prioritising the protection and well-being of the complainant throughout the process.

The identity of the complainant is kept confidential, and it is advised that complaints be submitted within 30 days of the incident. Throughout the investigation, neither the complainant, witnesses, nor any other involved party faces any form of harsh treatment or victimisation. Grasim is committed to fostering a safe and supportive environment for all individuals involved, and strictly prohibiting any form of retaliation or victimisation.

However, in cases where a complaint is found to be false or maliciously intended, appropriate disciplinary measures, including possible termination of employment, may be taken against the complainant. This approach ensures the integrity and the fairness of the grievance resolution procedure.

Please refer to our POSH Policy: <https://www.grasim.com/Upload/PDF/POSH-policy.pdf>

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Grasim mandates its entire value chain to adhere to the Human Rights Policy and Supplier's Code of Conduct. Specific human rights clauses are included in agreements, aligning with the values outlined in Grasim's Human Rights Policy and Supplier's Code of Conduct.

This helps raise awareness among partners and suppliers about the importance of adhering to human rights principles and aligns them with Grasim's commitment to upholding these principles across all operations.

**10. Assessment for the year:**

|                             | % of your plants and offices that were assessed<br>(by entity or statutory authorities or third parties) |
|-----------------------------|----------------------------------------------------------------------------------------------------------|
| Child Labour                |                                                                                                          |
| Forced/involuntary labour   |                                                                                                          |
| Sexual harassment           | 100%                                                                                                     |
| Discrimination at workplace |                                                                                                          |
| Wages                       |                                                                                                          |
| Others                      | N/A                                                                                                      |

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Grasim conducts internal audits to ensure compliance with all relevant laws and policies regarding matters such as discrimination, child labour, or sexual harassment. Throughout the year, there have been no significant findings from such audits.



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### Leadership Indicators

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Grasim has instituted a comprehensive system for addressing grievances at its production sites aimed at effectively resolving any complaints related to human rights. This proactive approach ensures that individuals with a grievance has a simple and transparent way to voice their concerns. These assigned individuals undergo training to handle human rights issues with empathy and objectivity, thoroughly scrutinising each complaint and taking necessary measures in line with the company's commitment to upholding human rights. Additionally, our SA 8000-certified facilities highlight our dedication to providing a quality work environment and maintaining the highest social standards. Such streamlined business process creates an open, fair, and accountable means of addressing human rights grievances. The process allows us to quickly investigate and resolve any issues, promoting a culture of respect and dignity at Grasim. Moreover, the company on continuous basis reviews and enhances its process to ensure their effectiveness and compliance with globally recognized human rights standards.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

Grasim has employed the Human Rights Due Diligence (HRDD) tool across all its operations, for scrutinising and managing potential human rights impacts within its business areas. The tool aids in detecting, preventing, mitigating, and reporting possible risks and violations of human rights. The scope of HRDD includes multiple locations, showcasing a holistic approach to human rights due diligence that includes all aspects of the company's operations and supply chain. By performing HRDD across diverse locations, the company strives to maintain accountability and responsibility in handling human rights-related matters throughout its operations. As a part of the HRDD process, the company regularly assesses its strategies, practices, and procedures to ensure they align with human rights standards.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Grasim is committed to providing accessibility for differently abled individuals at all its locations, including its registered and corporate offices as well as manufacturing plants, in compliance with the Rights of Persons with Disabilities Act, 2016. Access ramps have been installed to assist mobility challenged visitors. Corporate offices located in commercial buildings are either on the ground level or equipped with lifts and facilities designed to meet the needs of differently abled visitors.

**4. Details on assessment of value chain partners:**

| % of value chain partners (by value of business done with such partners) that were assessed |                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sexual Harassment                                                                           |                                                                                                                                                                                                                                                                  |
| Discrimination at workplace                                                                 | The Company's supplier code of conduct ensures that the entire value chain adheres to the code which prevents violations of labour rights, health and safety, and issues like sexual harassment, discrimination, fair pay, child labour, forced labour and more. |
| Child Labour                                                                                |                                                                                                                                                                                                                                                                  |
| Forced Labour/Involuntary Labour                                                            |                                                                                                                                                                                                                                                                  |
| Wages                                                                                       |                                                                                                                                                                                                                                                                  |
| Others – please specify                                                                     |                                                                                                                                                                                                                                                                  |

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

No significant risks/concerns were identified in the assessment of our suppliers.



## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment



The Company understands its responsibility to raise awareness of environmental issues through its broadcasting and programming initiatives. At the core of sustainable development is the imperative to shift focus from meeting immediate needs to also considering the needs of future generations.

### Essential Indicators

#### 1. Details of total energy consumption (in million GJ) and energy intensity:

| Parameter                                                                                                                                                                          | FY 2023-24   | FY 2022-23   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>From renewable sources</b>                                                                                                                                                      |              |              |
| Total electricity consumption (A)                                                                                                                                                  | 1.56         | 0.95         |
| Total fuel consumption (B)                                                                                                                                                         | 3.02         | 2.59         |
| Energy consumption through other sources (C)                                                                                                                                       | -            | -            |
| <b>Total energy consumed from renewable sources (A+B+C)</b>                                                                                                                        | <b>4.58</b>  | <b>3.54</b>  |
| <b>From non-renewable sources</b>                                                                                                                                                  |              |              |
| Total electricity consumption (D)                                                                                                                                                  | 5.98         | 6.39         |
| Total fuel consumption (E)                                                                                                                                                         | 57.72        | 53.71        |
| Energy consumption through other sources (F)                                                                                                                                       | -            | -            |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b>                                                                                                                    | <b>63.71</b> | <b>60.10</b> |
| <b>Total energy consumed (A+B+C+D+E+F)</b>                                                                                                                                         | <b>68.28</b> | <b>63.64</b> |
| <b>Energy intensity per rupee of turnover</b><br>(Total energy consumed/revenue from operations) (GJ / crore INR)                                                                  | 2,641.72     | 2,370.98     |
| <b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total energy consumed / Revenue from operations adjusted for PPP)<br>(GJ/million USD) | 6,044.26     | 5,424.80     |
| <b>Energy intensity in terms of physical output</b><br>Energy intensity (GJ/MT)                                                                                                    | 22.53        | 22.43        |

Note: The revenue from operations has been adjusted for PPP based on the latest 2022 PPP conversion factor for India published by OECD.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes, 14 out of 24 Grasim's sites are designated consumers under the PAT scheme with a target year of FY 2024-25 and beyond.

All the units where PAT scheme is applicable are on course to achieve their respective targets set by Bureau of Energy Efficiency.

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### 3. Details of disclosures related to water:

| Parameter                                                                                                                                                                                   | FY 2023-24     | FY 2022-23   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|
| <b>Water withdrawal by source (in million cubic meter)</b>                                                                                                                                  |                |              |
| (i) Surface water                                                                                                                                                                           | 37.08          | 37.56        |
| (ii) Groundwater                                                                                                                                                                            | 2.41           | 3.09         |
| (iii) Third party water                                                                                                                                                                     | 13.01          | 13.36        |
| (iv) Seawater / desalinated water                                                                                                                                                           | 1.30           | -            |
| (v) Others (Rainwater storage)                                                                                                                                                              | 0.12           | 0.03         |
| <b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>                                                                                                                             | <b>53.91</b>   | <b>54.04</b> |
| <b>Total volume of water consumption</b>                                                                                                                                                    | <b>54.66**</b> | <b>52.54</b> |
| <b>Water intensity per rupee of turnover</b> (Water consumed / Revenue from operations) (m <sup>3</sup> / crore INR)                                                                        | 2,114.78       | 1,957.64     |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) (m <sup>3</sup> / million USD) | 4,838.62       | 4,479.08     |
| <b>Water intensity in terms of physical output</b><br>Water intensity (m <sup>3</sup> /MT)                                                                                                  | 18.04          | 18.52        |

\*\* Water consumption includes 27.19 million cubic meter of recycled water used in the processes/operations/residential premises.

Note: The revenue from operations has been adjusted for PPP based on the latest 2022 PPP conversion factor for India published by OECD.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

### 4. Provide the following details related to water discharged:

| Parameter                                                                             | FY 2023-24   | FY 2022-23   |
|---------------------------------------------------------------------------------------|--------------|--------------|
| <b>Water discharge by destination and level of treatment (in million cubic meter)</b> |              |              |
| (i) To Surface water                                                                  |              |              |
| - No treatment                                                                        | -            | -            |
| - With treatment – Secondary treatment                                                | 10.26        | 10.22        |
| (ii) To Groundwater                                                                   |              |              |
| - No treatment                                                                        | -            | -            |
| - With treatment                                                                      | -            | -            |
| (iii) To Seawater                                                                     |              |              |
| - No treatment                                                                        | -            | -            |
| - With treatment – Secondary treatment                                                | 16.00        | 9.84         |
| (iv) Sent to third-parties                                                            |              |              |
| - No treatment                                                                        | -            | -            |
| - With treatment – Secondary treatment                                                | 0.16         | 5.58         |
| (v) Others                                                                            |              |              |
| - No treatment                                                                        | -            | -            |
| - With treatment                                                                      | -            | -            |
| <b>Total water discharged (in million cubic meter)</b>                                | <b>26.43</b> | <b>25.64</b> |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, reasonable assurance has been carried out by BDO India LLP for FY 2023-24.



**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, among Grasim's 24 manufacturing units, 12 of them have installed ZLD (Zero Liquid Discharge) plants, of which 1 is under commissioning.

Chemicals - Nagda, Renukoot, Ganjam, Rehla, and Balabhadrapuram;

Paints - Panipat, Ludhiana and Cheyyar;

Textiles - Rishra (under commissioning) and Malanpur;

Cellulosic Staple Fibre - Nagda;

Insulators - Halol.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter                           | Please specify unit | FY 2023-24 | FY 2022-23 |
|-------------------------------------|---------------------|------------|------------|
| NOx                                 | MT                  | 2,319.28*  | 2,128.67   |
| SOx                                 | MT                  | 7,735.26*  | 7,273.01   |
| Particulate matter (PM)             | MT                  | 1,097.72*  | 1,038.54   |
| Persistent organic pollutants (POP) | -                   | -          | -          |
| Volatile organic compounds (VOC)    | -                   | -          | -          |
| Hazardous Air Pollutants (HAP)      | -                   | -          | -          |
| Others – please specify             | -                   | -          | -          |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, limited assurance has been carried out by BDO India LLP for FY 2023-24 for the indicators marked by “\*” above.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

| Parameter                                                                                                                                                                                                 | Unit                              | FY 2023-24 | FY 2022-23 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------|------------|
| <b>Total Scope 1 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                           | Million tCO <sub>2</sub> e        | 5.31       | 4.72       |
| <b>Total Scope 2 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                           | Million tCO <sub>2</sub> e        | 1.19       | 1.62       |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b><br>(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)                                                          | tCO <sub>2</sub> e/crore<br>INR   | 251.35     | 236.20     |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | tCO <sub>2</sub> e/million<br>USD | 575.09     | 540.43     |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>                                                                                                                           | tCO <sub>2</sub> e/MT             | 2.14       | 2.23       |

Note: The revenue from operations has been adjusted for PPP based on the latest 2022 PPP conversion factor for India published by OECD.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, reasonable assurance has been carried out by BDO India LLP for FY 2023-24.



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### 8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide detail

#### Energy Efficiency:

##### *Steep lye pump speed optimisation for energy saving:*

In our efforts to enhance energy efficiency in the lye transfer process, we addressed the operational inefficiency of the pump, which previously ran at full speed despite idle periods during circulation. To optimise energy usage, a Variable Frequency Drive (VFD) was installed to adjust the speed of the pump according to production needs. This caused reduction in speed during lower production levels and resulted in annual energy savings. By aligning the pump's operation more closely with our batch processing timeline, we have significantly reduced greenhouse gas emissions and improved overall operational sustainability.

##### *Installation of New Air cooled two stage Air Compressor*

After conducting an air audit and consulting with vendors and senior management, it was discovered that the water-cooled, single-stage air compressor was consuming a substantial amount of power. To address this issue, we sought alternative solutions and engaged a vendor to assess our site and propose energy-saving measures. Following the vendor's recommendations, we replaced the water-cooled compressor with an air-cooled, two-stage air compressor. The new system resulted in a significant reduction in per day power consumption.

##### *Other Initiatives:*

We have undertaken several initiatives to improve energy efficiency across our facilities. These include replacing conventional lighting with energy-saving LED lights, upgrading ceiling fans to efficient BLDC models, and converting exhaust fans from V-belt drives to flat belt drives for better energy performance. Moreover, we have replaced older reciprocating air compressors with more efficient screw compressors. Additionally, we are upgrading cooling towers with Mist Cooling Systems (MCS) for our spin bath operations. Incorporating renewable energy sources has been pivotal in significantly reducing our reliance on non-renewable electricity.

### 9. Provide details related to waste management by the entity, in the following format:

| Parameter                                                                                                                                                                      | FY 2023-24          | FY 2022-23         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>Total Waste generated (in metric tonnes)</b>                                                                                                                                |                     |                    |
| Plastic waste (A)                                                                                                                                                              | 1,261.28            | 2,361.32           |
| E-waste (B)                                                                                                                                                                    | 73.23               | 104.60             |
| Bio-medical waste (C)                                                                                                                                                          | 7.63                | 21.10              |
| Construction and demolition waste (D)                                                                                                                                          | 15,800.28           | 12,537.31          |
| Battery waste (E)                                                                                                                                                              | 88.43               | 99.79              |
| Radioactive waste (F)                                                                                                                                                          | -                   | -                  |
| Other Hazardous waste. Please specify, if any. (G)                                                                                                                             | 2,21,372.93         | 2,29,316.38        |
| Other Non-hazardous waste generated (H)                                                                                                                                        | 8,04,332.89         | 6,54,238.62        |
| <b>Total (A+B + C + D + E + F + G + H)</b>                                                                                                                                     | <b>10,42,936.67</b> | <b>8,98,679.11</b> |
| <b>Waste intensity per rupee of turnover</b><br>(Total waste generated / Revenue from operations) (MT/crore INR)                                                               | 40.35               | 33.48              |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total waste generated / Revenue from operations adjusted for PPP) (MT/million USD) | 92.32               | 76.60              |
| <b>Waste intensity in terms of physical output</b><br>Waste intensity (MT of waste / MT of production)                                                                         | 0.34                | 0.32               |

Note: The revenue from operations has been adjusted for PPP based on the latest 2022 PPP conversion factor for India published by OECD.



For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

| Parameter                                                                                                         | FY 2023-24         | FY 2022-23         |
|-------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Category of waste (Hazardous Waste)</b>                                                                        |                    |                    |
| (i) Recycled                                                                                                      | 87,877.95          | 1,39,567.40        |
| (ii) Re-used                                                                                                      | 59,975.66          |                    |
| (iii) Other recovery operations                                                                                   | 20,079.36          | 20,010.77          |
| <b>Total</b>                                                                                                      | <b>1,67,932.97</b> | <b>1,59,578.17</b> |
| <b>Category of waste (Non-Hazardous Waste)</b>                                                                    |                    |                    |
| (i) Recycled                                                                                                      | 2,81,380.60        | 5,81,717.33        |
| (ii) Re-used                                                                                                      | 4,93,508.52        |                    |
| (iii) Other recovery operations                                                                                   | 9,640.14           | 67,684.90          |
| <b>Total</b>                                                                                                      | <b>7,84,529.25</b> | <b>6,49,402.23</b> |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b> |                    |                    |
| <b>Category of waste (Hazardous Waste)</b>                                                                        |                    |                    |
| (i) Incineration                                                                                                  | 565.33             | 1,174.78           |
| (ii) Landfilling                                                                                                  | 57,688.77          | 1,09,765.91        |
| (iii) Other disposal operations                                                                                   | -                  | -                  |
| <b>Total</b>                                                                                                      | <b>58,254.10</b>   | <b>1,10,940.69</b> |
| <b>Category of waste (Non-Hazardous Waste)</b>                                                                    |                    |                    |
| (i) Incineration                                                                                                  | 29.89              | 21.05              |
| (ii) Landfilling                                                                                                  | 6,598.31           | 9,601.92           |
| (iii) Other disposal operations                                                                                   | -                  | -                  |
| <b>Total</b>                                                                                                      | <b>6,628.20</b>    | <b>9,622.97</b>    |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Grasim maintains an efficient waste management system to control operational waste while upholding ethical waste-handling practices. All our premises strictly adhere to local regulations for waste collection, handling, storage and disposal. We continuously aim to evolve our waste management strategy to better identify and account for our waste. The majority of waste generated on our sites undergoes either recycling, reused, or recovery, with a focus on minimising incineration and landfill disposal.

Bio-sludge from our Effluent Treatment Plants is used in our power plants as a substitute for coal. Given that incineration contributes to greenhouse emissions and landfilling is expensive and sensitive to seasonal changes, solid waste management practices become crucial.

We are transitioning to multi-source procurement of super washed/washed salt for chemical reduction, which helps in reducing sludge formation. Additionally, we are implementing a treatment system aimed at reducing or eliminating sulphate. Our plans are in advanced stage to supply the sludge to fertiliser industries for the manufacturing NPK Fertiliser. Grasim's Chemicals business has developed applications for liquid byproducts from bleaching powder manufacturing, offering cost-effective alternatives for textile bleaching and effluent treatment, further reducing chlorine recycling costs and promoting sustainability.

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11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required:

| S. No. | Location of operations/offices                                                                                                                                                                                           | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | None of the sites are located in ecologically sensitive areas. However, the company plans to conduct biodiversity impact assessments for selected sites to understand and mitigate any potential impact on biodiversity. |                    |                                                                                                                                                             |
|        | Please refer to Biodiversity Policy: <a href="https://www.grasim.com/Upload/PDF/biodiversity-policy.pdf">https://www.grasim.com/Upload/PDF/biodiversity-policy.pdf</a>                                                   |                    |                                                                                                                                                             |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|-------------------------------------------------------------|--------------------------------------------------|-------------------|
| None                              |                      |      |                                                             |                                                  |                   |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law / regulation / guidelines which was not complied with                                                                           | Provide details of the non- compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------|
|        | Yes, all units operated by Grasim Industries Limited comply with the applicable environmental laws and regulations in their respective regions. |                                        |                                                                                                           |                                 |

### Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in million cubic meter):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Following plants fall under the water stress regions as per India Water Tool:

Chemicals Business – Nagda, Veraval, Vilayat, Balabhadrapuram, Ganjam.

Cellulosic Fibres Business– Vilayat, Kharach, Nagda, Harihar, Veraval.

Others Businesses– Halol, Malanpur, Kolhapur.

- (ii) Nature of operations: Manufacturing unit



- (iii) Water withdrawal, consumption and discharge in the following format: (consolidated numbers for units which are present in areas of stress)

| Parameter                                                                                            | FY 2023-24   | FY 2022-23   |
|------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Water withdrawal by source (in million cubic meter)</b>                                           |              |              |
| (i) Surface water                                                                                    | 26.47        | 26.52        |
| (ii) Groundwater                                                                                     | 1.19         | 1.06         |
| (iii) Third party water                                                                              | 12.22        | 9.17         |
| (iv) Seawater / desalinated water                                                                    | 1.30         | -            |
| (v) Others                                                                                           | 0.001        | -            |
| <b>Total volume of water withdrawal (in million cubic meter)</b>                                     | <b>41.18</b> | <b>36.75</b> |
| <b>Total volume of water consumption (in million cubic meter)</b>                                    | <b>42.10</b> | <b>35.37</b> |
| <b>Water intensity per rupee of turnover</b> (Water consumed / turnover) (m <sup>3</sup> /crore INR) | 1,628.93     | 1317.83      |
| <b>Water intensity</b> (optional) – the relevant metric may be selected by the entity                | -            | -            |
| <b>Water discharge by destination and level of treatment (in million cubic meter)</b>                |              |              |
| (i) Into Surface water                                                                               |              |              |
| - No treatment                                                                                       | --           | --           |
| - With treatment – Secondary treatment                                                               | 10.25        | 10.22        |
| (ii) Into Groundwater                                                                                |              |              |
| - No treatment                                                                                       | --           | --           |
| - With treatment                                                                                     | -            | --           |
| (iii) Into Seawater                                                                                  |              |              |
| - No treatment                                                                                       | --           | --           |
| - With treatment – Secondary treatment                                                               | 11.89        | 5.54         |
| (iv) Sent to third-parties                                                                           |              |              |
| - No treatment                                                                                       | --           | --           |
| - With treatment – Secondary treatment                                                               | 0.06         | 5.55         |
| (v) Others                                                                                           |              |              |
| - No treatment                                                                                       | --           | --           |
| - With treatment                                                                                     | --           | --           |
| <b>Total water discharged</b>                                                                        | <b>22.20</b> | <b>21.32</b> |

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.

Yes, limited assurance has been carried out by BDO India LLP for FY 2023-24.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter                                                                                                                                                                    | Unit                                    | FY 2023-24 | FY 2022-23 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------|------------|
| <b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Million tCO <sub>2</sub> e              | 4.85       | 5.57       |
| <b>Total Scope 3 emissions per rupee of turnover</b>                                                                                                                         | tCO <sub>2</sub> e per crore INR        | 187.83     | 207.43     |
| <b>Total Scope 3 emission intensity in terms of physical output</b>                                                                                                          | tCO <sub>2</sub> e per MT of production | 1.60       | 1.96       |

Note - Categories 1, 2, 3, 4, 5, 6, 7 and 9 considered for calculation of scope 3 GHG emissions

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, limited assurance has been carried out by BDO India LLP for FY 2023-24.



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3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

| S. No. | Initiative undertaken                              | Details of the initiative<br>(Web-link, if any, may be provided along-with summary)                                                                                                                                                                              | Outcome of the initiative                                                                                       |
|--------|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 1.     | Waste Heat Recovery                                | With the help of Pinch analysis, we have utilised low-temperature waste hot streams for process heating, thus reducing the equivalent requirement of energy.                                                                                                     | Reduction in Steam Consumption for process heating. Reduction in power consumption of Effluent treatment plant. |
| 2.     | Condensate Recovery                                | The utilisation of vapour condensates in place of soft water for product washing.                                                                                                                                                                                | Decrease in freshwater consumption in process washing.                                                          |
| 3.     | Installation of high efficiency equipment          | Increasing the number of stages of evaporators, thus expanding the evaporation efficiency.                                                                                                                                                                       | Increase in the steam economy, thus reducing absolute steam consumption.                                        |
|        |                                                    | Replacement of an old Economiser with higher Heat Transfer Area and efficient new Economiser to extract more heat from gases.                                                                                                                                    | Increased waste heat recovery and reduction in equivalent steam consumption.                                    |
|        |                                                    | Replacing old low-efficiency air compressor with high energy efficient air compressor.                                                                                                                                                                           | Reduction in equipment specific power consumption.                                                              |
|        |                                                    | Replacement of conventional lights by LED lights.                                                                                                                                                                                                                | Reduction in illumination power consumption.                                                                    |
|        |                                                    | Upgradation of conventional ceiling fans with BLDC fans.                                                                                                                                                                                                         | Reduction in power consumption.                                                                                 |
| 4.     | Power Plant Performance Monitoring and Improvement | Improve 'Steam to Fuel' ratio from the Boiler through various energy conservation measures and operational excellence.                                                                                                                                           | Reduction in Non-Renewable fuel consumption.                                                                    |
|        |                                                    | Upgradation of the turbine by Installing New Rotor and Diaphragms for Energy Efficiency-Boiler House.                                                                                                                                                            | Drop in steam and power consumption.                                                                            |
| 5.     | Renewable Energy and Alternate Fuels               | Sourcing RE power in the form of Solar and Wind Power.                                                                                                                                                                                                           | Site specific reduction in GHG Emission intensity.                                                              |
|        |                                                    | Utilising waste liquor as fuel to run boilers.                                                                                                                                                                                                                   | Reduction of Non-Renewable fuel consumption.                                                                    |
|        |                                                    | Use of alternate fuels like bagasse, rice husk and biomass briquettes in coal power plant.                                                                                                                                                                       | Reduction in coal consumption.                                                                                  |
|        |                                                    | Power generation using waste steam.                                                                                                                                                                                                                              |                                                                                                                 |
| 6.     | Waste recycling & reuse                            | We strive to reduce waste disposal into landfill and through incineration. Characteristics of each type of waste generated is identified and suitable use for each is sought. Eg. Fly ash generated in coal power plants is diverted to cement plants for reuse. | Circularity of waste and thus reduction in waste to landfill.                                                   |
| 7.     | Zero Liquid Discharge                              | Installation of zero liquid discharge plants to treat and recycle water.                                                                                                                                                                                         | Reduction in freshwater consumption as well as effluent discharge.                                              |
| 8.     | Circular Fibre                                     | Utilising pre-consumer cotton waste to replace virgin wood pulp.                                                                                                                                                                                                 | Reduction in raw material usage.                                                                                |

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Grasim is dedicated to ensuring operational safety and has a strategy in place to address potential crisis that could pose risks to individuals, the environment, or the company's strategic, financial, or reputational standing. These crisis may arise from various factors including negative media coverage, government inquiries, major lawsuits, natural disasters, terrorist or cyberattacks, data breaches, workplace incidents, violence outbreaks, or pandemics.



Our crisis management approach aims to mobilise experienced and senior personnel and necessary resources, to mitigate impact on people, the environment, shareholders, brand value, infrastructure, and reputation.

Grasim has developed extensive business continuity and disaster management plan, disseminated across all sites. Additionally, to enhance preparedness for emergencies, Grasim has partnered with an agency to manage Code Red and Call Centre operations. The Code Red team verifies the information provided and gather more details about the incident. In times of crisis, the Site Incident Command System (ICS) communicates with the call centre to provide updates and activate response measures.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

There is no adverse impact to the environment from our value chain entities.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Currently 100% of our pulp suppliers which accounts for 38% of our total raw material procurement value go through assessments for environment impact. We are planning to increase our assessment outreach to our entire value chain in future.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



Engagement with relevant authorities is guided by Grasim's core values and unwavering principles of integrity and transparency to balance the interests of diverse stakeholders. Grasim trains and authorises only qualified officials to interact with trade chambers and industry associations that influence policymaking. The company's public policy positions align with its sustainability goals and responsible corporate citizenship objectives. It actively participates in industry representations to regulatory bodies to promote the holistic development of the sector and the broader economy.

#### Essential Indicators

**1. a) Number of affiliations with trade and industry chambers/ associations.**

Thirty Two (32)

**b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

| S. No. | Name of the trade and industry chambers/ associations                | Reach of trade and industry chambers/ associations (State/National) |
|--------|----------------------------------------------------------------------|---------------------------------------------------------------------|
| 1.     | The Associated Chambers of Commerce and Industry of India (ASSOCHAM) | National                                                            |
| 2.     | India Chemical Council                                               | National                                                            |
| 3.     | Federation of Indian Chambers of Commerce and Industry (FICCI)       | National                                                            |
| 4.     | Alkali Manufacturer Association of India                             | National                                                            |
| 5.     | Confederation of Indian Industry (CII)                               | National                                                            |
| 6.     | Association Of Man-made Fibre Industry Of India (AMFII)              | National                                                            |
| 7.     | The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)     | National                                                            |
| 8.     | Confederation of Indian Textile Industry (CITI)                      | National                                                            |
| 9.     | Indian Wind Turbine                                                  | National                                                            |
| 10.    | Indian Technical Textile Association (ITTA)                          | National                                                            |

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

No new cases were filed in the current financial year. Listed below are ongoing cases from the previous years.

| Name of Authority               | Brief of the case                                                                                                                                                                                                                                             | Corrective action taken                                                                             |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Competition Commission of India | Competition Commission of India (CCI) has passed an order dated 16 <sup>th</sup> March, 2020 under Section 4 of the Competition Act, 2002, imposing a penalty of ₹ 301.61 crore related to the Cellulosic Staple Fibre turnover.                              | The company filed an appeal before the National Company Law Appellate Tribunal (NCLAT).             |
| Competition Commission of India | Without considering that an Appeal is already pending against the aforesaid Order, the CCI passed another Order dated 3 <sup>rd</sup> June, 2021, levying a penalty of ₹ 3.49 crore for non-compliance with the Order passed on 16 <sup>th</sup> March, 2020. | The company filed a Writ Petition before the Hon'ble Delhi High Court against the Order of the CCI. |



| Name of Authority               | Brief of the case                                                                                                                                                                                                                                                                                               | Corrective action taken                                                                 |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Competition Commission of India | The CCI has passed another order dated 6 <sup>th</sup> August 2021 under Section 4 of the Competition Act, 2002. However, because of the penalty of ₹ 301.61 crore already imposed on the company in a previous order, the CCI deemed it appropriate not to impose any further monetary penalty on the company. | The company filed an appeal before the National Company Law Appellate Tribunal (NCLAT). |

## Leadership Indicators

### 1. Details of public policy positions advocated by the entity:

| S. No. | Public policy advocated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Method resorted for such advocacy                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Whether the information available in public domain? (Yes/No) | Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify) | Web Link, if available |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------|
| 1.     | The Company follows a structured approach towards public policy advocacy across all its businesses. It participates and engages with different stakeholders including Government, Trade Associations, Industry chambers, Ministries and Regulators providing feedback & addressing policy related issues relevant to its businesses. Some areas of policy advocacy includes textiles sector, chemical sector, renewable energy, climate change, health and safety etc. The purpose of such collaborations is to contribute towards overall development of Indian Industry, taxation policy matters, innovation etc. and knowledge sharing with respect to industry best practices. The Company's approach is guided by its internal code of principles maintaining ethical business standards. | The Company engages with industry leading associations like CII, FICCI and ASSOCHAM for providing input on the relevant subjects. It also discusses changes/ suggestions with various industry bodies like Indian Chemical Council, Apparel Export Promotion Council, etc. and address policy related issues relevant to its businesses. The feedback is provided through representations, inputs to relevant committees, consultations either directly or through the industry chamber/associations. | No                                                           | NA                                                                                    | NA                     |



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### PRINCIPLE 8: Businesses should promote inclusive growth and equitable development



Grasim is committed to promoting equitable and sustainable community development, with a strong emphasis on inclusivity. The Company aims to foster a culture that seamlessly integrates Corporate Social Responsibility (CSR) values into its core business objectives. Grasim is dedicated to nurturing a society that offers equal opportunities to all individuals and is actively engaged in implementing developmental interventions to improve education, healthcare, sustainable livelihood, infrastructure, and social development.

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of Notification | Whether conducted by independent external agency? (Yes/No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|------------------------------------------------------------|--------------------------------------------------|-------------------|
| NIL                               |                      |                      |                                                            |                                                  |                   |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

| S. No. | Name of the project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (in INR) |
|--------|----------------------------------------------|-------|----------|-----------------------------------------|--------------------------|-----------------------------------------|
| NIL    |                                              |       |          |                                         |                          |                                         |



### 3. Describe the mechanisms to receive and redress grievances of the community.

Grasim has established a dedicated grievance redressal mechanism specifically for the community, ensuring prompt and effective actions to address raised complaints, facilitate timely resolution and prevent recurrence. The company actively communicates the availability of this mechanism and designated channels to community members, fostering awareness and transparency in the grievance reporting process. Stakeholders can approach our Admin & Liaison Officer, who escalates their concerns to the Grievance Committee for further action.

Grievance Mechanism Process: We follow a 6-step process to resolve grievances:

Step 1: Receive Grievance

Step 2: Record

Step 3: Screen

Step 4: Investigate

Step 5: Act

Step 6: Follow up and close out

Formal grievances are recorded in the Grievance Register, with relevant forms documented for record-keeping. Upon submission of a grievance, it is acknowledged within five working days of submission. The stakeholder officer and employees undertake the responsibility of investigating grievances, which may involve site visits, consultations, and record-keeping. The gathered information is analysed to determine the most appropriate steps for resolution. The stakeholder officer then creates an action plan, assigns tasks, monitors progress, and informs the external stakeholder once the grievance is satisfactorily resolved. Three weeks post-resolution, the stakeholder officer conducts a follow-up with the external stakeholder to ensure their satisfaction and collect feedback on the process.

For detailed information on our stakeholders' grievance redressal policy, please refer to the following web link:

<https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf>

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers\*:

|                                              | FY 2023-24 | FY 2022-23 |
|----------------------------------------------|------------|------------|
| Directly sourced from MSMEs/ Small producers | 15%        | 9%         |
| Directly from within India                   | 50%        | 55%        |

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

Note - The numbers are revised for FY 2022-23 on the basis of the explanation provided by SEBI of Input Material.

### 5. Job creation in smaller towns\* – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

| Location     | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural        | 15%        | 12%        |
| Semi urban   | 3%         | 3%         |
| Urban        | 61%        | 59%        |
| Metropolitan | 21%        | 26%        |

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|----------------------------------------------|-------------------------|
|                                              | Not Applicable          |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State     | Aspirational District | Amount Spent (In INR) |
|--------|-----------|-----------------------|-----------------------|
| 1.     | Jharkhand | Palamu                | ₹119.41 lakh          |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No

- (b) From which marginalised/vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes/No) | Basis of calculating of benefits share |
|--------|------------------------------------------------------|--------------------------|-------------------------|----------------------------------------|
|        |                                                      |                          |                         | Not Applicable                         |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
|                   |                   | Not Applicable          |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project                        | No of persons benefited from CSR Projects | % of beneficiaries from vulnerable and marginalised groups |
|--------|------------------------------------|-------------------------------------------|------------------------------------------------------------|
| 1.     | Healthcare Initiatives             | 7,77,196                                  | 100%                                                       |
| 2.     | Education Initiatives              | 90,674                                    | 100%                                                       |
| 3.     | Sustainable Livelihood Initiatives | 1,41,275                                  | 100%                                                       |
| 4.     | Infrastructural Initiatives        | 1,45,104                                  | 100%                                                       |
| 5.     | Social Welfare Initiatives         | 56,264                                    | 100%                                                       |

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

Grasim's primary goal is to meet customers' needs, provide added value, and exceed their expectations through innovation and ethical business conduct. The Company is committed to operating sensitively and responsibly, establishing a partnership with its customers to enhance their experience through the seamless delivery of good quality and safe products developed sustainably. With the widespread availability of internet access and rapid technological advancement, people's lives have been significantly influenced, presenting both opportunities and risks related to data privacy and cybersecurity. Grasim has stringent policies and processes to safeguard the information entrusted to it by customers and other stakeholders.

**Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The company has established a structured mechanism to receive and address consumer complaints and feedback promptly. Senior management regularly reviews these complaints to ensure effective resolution. The specific escalation process may vary depending on the nature of the business, considering both B2B and B2C components.

Overview of company's mechanism:

**Step 1: Complaint registration** – Customers can submit complaints online through the Customer Relationship Management system, managed by the Customer Care Services (CTS) team or by sending an email. Complaints are forwarded to the marketing team.

**Step 2: Process input** – Details of customer complaints, including product name, batch number, and type of complaint, are gathered from the marketing department via email.

**Step 3: Process interface** – Several actions are taken to analyse customer complaints:

Marketing personnel enter the complaint into the Customer Relationship Management (CRM) system and generate a unique Ticket ID.

The marketing department communicates the complaint details to the relevant departments.

Quality-related complaints are promptly investigated and shared with the Supply Chain Management (SCM) and marketing departments. If necessary, the marketing department requests a complaint sample from the customer. Genuine complaints undergo a detailed root cause analysis, which is escalated for further action. The detailed root cause analysis and corrective action report are shared with the customer through the marketing department. The response time vary based on the customer's location:

- a. Domestic customers: Quality, packaging documentation, and label complaints are addressed within 15 days, while weight shortage and application complaints are addressed within 60 days.
- b. Export customers: Quality, packaging documentation, and label complaints are addressed within 30 days, while weight shortage and application complaints are addressed within 60 days.
- c. Customers are informed if a complaint is deemed not genuine.
- d. If feasible, the Quality Assurance (QA) department may recommend visiting the customer to better understand and verify the complaint's authenticity.

**Step 4: Feedback** – The company provides an online feedback mechanism through Mission Happiness, a highly active portal. Majority of the customers provide feedback through this platform.



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR) (CONTD.)

### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

|                                                           | As a percentage to total turnover |
|-----------------------------------------------------------|-----------------------------------|
| Environment and Social parameters relevant to the product | 100%                              |
| Safe and responsible usage                                | 100%                              |
| Recycling and/or safe disposal                            | Not Applicable                    |

### 3. Number of consumer complaints in respect of the following:

| Category                       | FY 2023-24               |                                       |         | FY 2022-23               |                                       |         |
|--------------------------------|--------------------------|---------------------------------------|---------|--------------------------|---------------------------------------|---------|
|                                | Received during the year | Pending resolution at the end of year | Remarks | Received during the year | Pending resolution at the end of year | Remarks |
| Data privacy                   | Nil                      | Nil                                   | -       | Nil                      | Nil                                   | -       |
| Advertising                    | Nil                      | Nil                                   | -       | Nil                      | Nil                                   | -       |
| Cyber-security                 | Nil                      | Nil                                   | -       | Nil                      | Nil                                   | -       |
| Delivery of essential services | Nil                      | Nil                                   | -       | Nil                      | Nil                                   | -       |
| Restrictive Trade Practices    | Nil                      | Nil                                   | -       | Nil                      | Nil                                   | -       |
| Unfair Trade Practices         | Nil                      | Nil                                   | -       | Nil                      | Nil                                   | -       |
| Others                         | 433                      | 88                                    | -       | 389                      | 67                                    | -       |

### 4. Details of instances of product recalls on account of safety issues:

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil    | Not applicable     |
| Forced recalls    | Nil    | Not applicable     |

### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the company maintains a robust system and policy to address data security and privacy threats, ensuring data protection and integrity while complying with regulations. The policy outlines protocols for asset utilisation, information categorisation and dissemination, data backups, asset protection, software and internet usage, and email procedures, among others. The Company emphasises the importance of adhering to exemplary practices to uphold the highest levels of cyber security within the workspace.

You can find Grasim's information security policy at the following web link:

<https://www.grasim.com/Upload/PDF/information-security-policy.pdf>

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No incident was reported in the financial year.

### 7. Provide the following information relating to data breaches:

#### a. Number of instances of data breaches\*

Zero

#### b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable

#### c. Impact, if any, of the data breaches

Not Applicable

\*Reasonable assurance has been carried out by BDO India LLP for FY 2023-24.



## Leadership Indicators

### 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

We have a range of websites that cater to different aspects of information on products and services, which are listed below:

**Corporate: Grasim Industries:** [www.grasim.com](http://www.grasim.com)

**Cellulosic Fibres:** Birla Cellulose: [www.birlacellulose.com](http://www.birlacellulose.com) Navyasa: <https://navyasabyliya.in>

**Textiles:** Jayashree Textiles: [www.jayashree-grasim.com](http://www.jayashree-grasim.com) Grasim Premium Fabrics: [www.grasimpremiumfabrics.com](http://www.grasimpremiumfabrics.com)

Linen Club: <https://www.linenclub.com>

**Chemicals:** Aditya Birla Chemicals: [www.adityabirlachemicals.com](http://www.adityabirlachemicals.com) Speciality Chemicals: [www.abg-am.com](http://www.abg-am.com)

**Paints:** Birla Opus: <https://www.birlaopus.com/>

**B2B E-commerce:** Birla Pivot: <https://www.birlapivot.com/>

### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company adopts a diverse range of methods to ensure that product information is effectively communicated to consumers. These include utilising bale packaging, incorporating hang tags, and prominently featuring detailed product specification on products and websites. Grasim prioritises responsible product handling by including a safety sheet with every product and ensuring Material Safety Data Sheets (MSDS) are available for all chemicals used.

### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As a responsible entity, Grasim has developed robust systems to warn customers of potential risks linked to the disruption or cessation of essential services. These systems include timely communication through the official website, social media channels and dedicated customer service phone lines. Grasim ensures that customers get timely alerts about any impending maintenance, upgrades or potential disruptions that might interfere with their access to key services.

### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, Grasim goes above and beyond regulatory requirements by offering additional product information to benefit customers.

Grasim endeavors to enhance consumer confidence by equipping them with the necessary information for informed decision-making when buying and using its products. We enhance the transparency of our products through initiatives such as GreenTrack, a blockchain-based traceability platform developed by Birla Cellulose for Cellulosic Fibres. This platform allows consumers and brands to trace the entire textile value chain in real-time by scanning a QR code. Registered partners provide updates on product movement throughout the value chain, offering transparency from the plantation to the final consumer. GreenTrack empowers consumers to make informed decisions by showcasing the complete sustainability journey of each product.

Grasim conducts systematic surveys to assess customer satisfaction across its products, operational sites, and overall company performance, using Net Promoter Scores (NPS) as a measure. These insights help Grasim understand evolving customer needs and make informed decisions to enhance offerings and improve the overall customer experience.

Net Promoter Scores for Grasim's business segments are as follows:

Chemicals: 61%

Speciality Chemicals: 63%

CSF (Cellulosic Staple Fibre): 54%

Insulators: 85%

CFY (Cellulosic Fashion Yarn): 37%

# INDEPENDENT AUDITORS' REPORT

To the Members of  
**Grasim Industries Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the standalone financial statements of Grasim Industries Limited ("the Company"), and its Employee Welfare Trust ("Trust") which comprise the standalone balance sheet as at 31<sup>st</sup> March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of one of the joint auditors of the Company on standalone financial statements of such Trust as were audited by one of the joint auditors of the Company, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of report of one of the joint auditors of the Company referred to in the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Assessment of impairment of investments in subsidiaries, associates and joint ventures

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As disclosed in Note 2.4 of standalone financial statements, the Company has investments in subsidiaries, associates and joint venture companies of ₹ 23,168.85 crore (P.Y – ₹ 22,300.03 crore). The said investments are carried at cost less allowance for impairment.</p> <p>The Company analyses indicators of impairment of the said investments by reference to the requirements under relevant Ind AS. We identified the annual impairment assessment as a significant risk because carrying value of these investments is significant, assessment process is complex, judgmental by nature, significant changes in business environment and further based on the inherent subjectivity, uncertainty and judgment involved in the following key assumptions;</p> <ul style="list-style-type: none"><li>• projected future cash inflows;</li><li>• expected growth rate;</li><li>• discount rate;</li><li>• terminal growth rate;</li></ul> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Assessed the Company's accounting policy for Impairment of investments in subsidiaries, associates and joint ventures with applicable accounting standards;</li><li>• Tested the design and operating effectiveness of key internal financial controls over the impairment assessment process, including the approval of forecasts and valuation models in subsidiaries, associates and Joint venture.</li><li>• Examined the Company's assessment for indicators of impairment of such investments. In cases where such indicators existed, tested the estimates and assumption made by the Company of the recoverable amounts, and the allowance for impairment for these investments, where applicable.</li><li>• We challenged the key assumptions used by management in developing the forecasts by applying sensitivities and evaluating plausible downside scenarios, where applicable.</li><li>• Evaluated competence, capabilities and independence of the specialist engaged by the Company and analysed the valuation reports issued by such specialist, where applicable.</li></ul> |

**Assessment of impairment of investments in subsidiaries, associates and joint ventures**

| The key audit matter                                                                                           | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Refer Note 1.30 – Material accounting policy for impairment of investments and Note 3.10 on Exceptional Items. | <ul style="list-style-type: none"> <li>Involved our internal valuation expert to assist in evaluating the key assumptions and methodology of the valuations, where applicable.</li> <li>Tested the arithmetical accuracy of the computation of recoverable amounts of investments.</li> <li>Evaluated past performance where relevant and assessed historical accuracy of the forecast produced by management.</li> </ul> |

**Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

**Management's and Board of Directors'/ Trustees' Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and Board of Directors of the Company/Trustees of the Trust are responsible for maintenance of adequate accounting records

in accordance with the provisions of the Act for safeguarding of the assets of the Company/Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/Trustees are responsible for assessing the ability of the Company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Directors/Trustees are also responsible for overseeing the standalone financial reporting process of the Company/Trust.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of Trust of the Company to express an opinion on the standalone financial statements. For

the Trust included in the standalone financial statements, which have been audited by one of the joint auditors of the Company, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Company and Trust included in the standalone financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

The standalone annual financial statements include the audited financial statements of Trust whose total assets (before consolidation adjustments) of ₹ 276.73 crore as at 31<sup>st</sup> March 2024 and, total revenue (before consolidation adjustments) of ₹ Nil crore total net profit after tax (before consolidation adjustments) of ₹ 2.65 crore, and net cash inflows (before consolidation adjustments) of ₹ 0.06 crore for the year ended on that date, which have been audited by one of the joint auditors and our opinion on the standalone annual financial statements, in so far as it relates to the amounts and disclosures included in respect of the Trust, is based solely on the report of one of the joint auditors. Our opinion is not modified in respect of this matter.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
  - a. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2024 on its financial position in its standalone financial statements - Refer Note 4.1 to the standalone financial statements.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 4.10 to the standalone financial statements.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d.
    - (i) The management of the Company has represented that, to the best of its knowledge and belief, as disclosed in the Note 4.12 (viii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The management of the Company has represented that, to the best of its knowledge and belief, as disclosed in the Note 4.12 (ix) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 4.7.4 to the standalone financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

1. In accounting software owned and managed by the Company, the feature of recording audit

trail (edit log) facility was not enabled at the database level in any accounting software. Further, in the absence of an appropriate independent service auditor's report in relation to controls in certain third-party service provider's software used for maintenance of customer master and general ledger, we are unable to comment if the audit trail (edit log) facility was enabled, at the Database level to log any direct data changes.

2. In the case of two accounting software used for maintaining the general ledger, the feature of recording the audit trail (edit log) was not enabled throughout the year and in case of three accounting software used for maintaining the general ledger, changes to the application level by certain identified users having access rights of debugging, does not have the feature of recording audit trail.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

**Vikas R Kasat**

Partner  
Membership No.: 105317  
ICAI UDIN: 24105317BKQCQM6930

Date: 22<sup>nd</sup> May 2024

**For KKC & Associates LLP**

Chartered Accountants  
(formerly known as Khimji Kunverji & Co LLP)  
Firm's Registration No.: 105146W/W100621

**Gautam Shah**

Partner  
Membership No.: 117348  
ICAI UDIN: 24117348BKBZWO5412

Date: 22<sup>nd</sup> May 2024



# ANNEXURE A

To the Independent Auditors' Report on the Standalone Financial Statements of Grasim Industries Limited for the year ended 31<sup>st</sup> March 2024

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two to three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No major discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company in Annexure I.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments and granted unsecured loan to companies and other parties, during the year. The Company has not made any investment in firms, limited liability partnership or any other parties during the year. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.



- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted unsecured loans to Companies and other parties, in respect of which the requisite information is as below:

| ₹ in crore                                         |        |
|----------------------------------------------------|--------|
| Particulars                                        | Loans  |
| Aggregate amount during the year                   |        |
| - Subsidiaries                                     | 252.00 |
| - Joint Ventures                                   | 49.50  |
| - Others                                           | 11.69  |
| Balance outstanding as at balance sheet date       |        |
| - Subsidiaries (including subsidiary's subsidiary) | 194.92 |
| - Joint Ventures                                   | 34.50  |
| - Associates                                       | 10.41  |
| - Others                                           | 14.62  |

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion there

are no instances of loans falling due during the year which were renewed or extended or settled by fresh loans.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1<sup>st</sup> July 2017, these statutory dues has been subsumed into Goods and Service Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees



State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31<sup>st</sup> March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Sales Tax, Value Added Tax, Entry Tax, Excise Duty, Service Tax, Employees State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are mentioned in Annexure II to this report.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standard of Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistleblower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 1 CIC which is registered with the Reserve Bank of India, 4 CICs which are in the process of registration with Reserve Bank of India and 3 CICs which are not required to be registered with the Reserve Bank of India.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which



causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

#### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

#### Vikas R Kasat

Partner

Membership No.: 105317

ICAI UDIN: 24105317BKCQYM6930

Date: 22<sup>nd</sup> May 2024

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in the Company's annual report, is expected to be made available to us after the date of this auditor's report.

- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

#### For KKC & Associates LLP

Chartered Accountants

(formerly known as Khimji Kunverji & Co LLP)

Firm's Registration No.: 105146W/W100621

#### Gautam Shah

Partner

Membership No.: 117348

ICAI UDIN: 24117348BKBZWO5412

Date: 22<sup>nd</sup> May 2024



# ANNEXURE I

(Refer clause i(c) of Annexure A) - Title deed not in the name of the Company.

| Description of item of property | Gross carrying value<br>(₹ in crore) | Title Deeds held in the name of                  | Whether title deed holder is promoter, director or relative there of or employee there of | Property held since | Reason for not being held in the name of the Company                                                                                                                |
|---------------------------------|--------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Building                        | 214.73                               | Aditya Birla Nuvo Limited                        | No                                                                                        | Apr-2017            | The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/ merger/ demerger are in process of being transferred in the name of the Company. |
| Building                        | 96.94                                | Jayashree Textiles Limited                       | No                                                                                        | Apr-1972            |                                                                                                                                                                     |
| Building                        | 15.77                                | Indian Rayon Corporation Limited                 | No                                                                                        | Apr-1987            |                                                                                                                                                                     |
| Building                        | 2.43                                 | Indian Rayon and Industries Limited              | No                                                                                        | Apr-1998            |                                                                                                                                                                     |
| Building                        | 26.75                                | Jayashree Textiles Limited                       | No                                                                                        | Apr-1972            | Under Legal Proceeding                                                                                                                                              |
| Building                        | 2.34                                 | Solaris Chemtech Limited (SCIL)                  | No                                                                                        | Apr-2008            |                                                                                                                                                                     |
| <b>Total (A)</b>                | <b>358.96</b>                        |                                                  |                                                                                           |                     |                                                                                                                                                                     |
| Freehold Land                   | 286.26                               | Aditya Birla Nuvo Limited                        | No                                                                                        | Apr-2017            | The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/ merger/ demerger are in process of being transferred in the name of the Company. |
| Freehold Land                   | 143.92                               | Jayashree Textiles Limited                       | No                                                                                        | Apr-1972            |                                                                                                                                                                     |
| Freehold Land                   | 23.44                                | Indian Rayon Corporation Limited                 | No                                                                                        | Apr-1987            |                                                                                                                                                                     |
| Freehold Land                   | 3.61                                 | Indian Rayon and Industries Limited              | No                                                                                        | Apr-1998            |                                                                                                                                                                     |
| Freehold Land                   | 47.50                                | Jayashree Textiles Limited                       | No                                                                                        | Apr-1972            | Transfer is in Process.                                                                                                                                             |
| Freehold Land                   | 1.77                                 | Solaris Chemtech Limited (SCIL)                  | No                                                                                        | Apr-2008            |                                                                                                                                                                     |
| Freehold Land                   | 58.39                                | Andhra Pradesh Industrial Investment Corporation | No                                                                                        | Apr-2019            | Under Legal Proceeding.                                                                                                                                             |
| Freehold Land                   | 38.60                                | Bharat Commerce & Industries Limited             | No                                                                                        | Apr-2014            |                                                                                                                                                                     |
| Freehold Land                   | 0.51                                 | Various individual Parties                       | No                                                                                        | 1985-2015           |                                                                                                                                                                     |
| <b>Total (B)</b>                | <b>604.00</b>                        |                                                  |                                                                                           |                     |                                                                                                                                                                     |
| Leasehold Land                  | 1.10                                 | Bihar Caustics and Chemicals Limited             | No                                                                                        | Apr-1980            | The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/ merger/ demerger are in process of being transferred in the name of the Company. |
| Leasehold Land                  | 1.01                                 | Aditya Birla Chemical Industries Limited         | No                                                                                        | May-2011            |                                                                                                                                                                     |
| Leasehold Building              | 4.70                                 | Aditya Birla Nuvo Limited                        | No                                                                                        | Apr-2017            | Under Legal Proceeding.                                                                                                                                             |
| Leasehold Land                  | 0.20                                 | Welspun India Limited                            | No                                                                                        | May-2009            |                                                                                                                                                                     |
| <b>Total (C)</b>                | <b>7.01</b>                          |                                                  |                                                                                           |                     |                                                                                                                                                                     |
| <b>Total (A+B+C)</b>            | <b>969.97</b>                        |                                                  |                                                                                           |                     |                                                                                                                                                                     |



## ANNEXURE II

(Refer clause vii(b) of Annexure A) - Statutory dues not been deposited on account of dispute

| Name of the Statute                | Nature of the Dues                   | Period to which the amount relates | Total Disputed dues<br>(Net of amount deposited)<br>(₹ In crore) | Forum where case is pending |
|------------------------------------|--------------------------------------|------------------------------------|------------------------------------------------------------------|-----------------------------|
| Income Tax                         | Income Tax and Interest              | 2015-2017                          | 4.04                                                             | Appellate Authority         |
|                                    |                                      | 2000-2023                          | 66.95                                                            | Assessing Authority         |
| Entry Tax                          | Entry Tax and Interest               | 2004-2005                          | 0.01                                                             | Assessing Authority         |
|                                    |                                      | 2004-2018                          | 23.88                                                            | High Court                  |
| Excise Duty                        | Excise Duty, Interest and Penalty    | 1974-2018                          | 50.24                                                            | Appellate Authority         |
|                                    |                                      | 1974-2018                          | 38.24                                                            | Assessing Authority         |
|                                    |                                      | 1996-2018                          | 3.62                                                             | High Court                  |
| Sales Tax/VAT/GST                  | Sales Tax, VAT, Interest and Penalty | 2006-2019                          | 26.20                                                            | Appellate Authority         |
|                                    |                                      | 2001-2024                          | 50.79                                                            | Assessing Authority         |
|                                    |                                      | 2008-2018                          | 2.42                                                             | High Court                  |
|                                    |                                      | 2001-2005                          | 24.61                                                            | Supreme Court               |
| Service Tax                        | Service Tax, Interest and Penalty    | 2005-2016                          | 29.39                                                            | Appellate Authority         |
|                                    |                                      | 2002-2016                          | 3.51                                                             | Assessing Authority         |
|                                    |                                      | 2005-2014                          | 56.07                                                            | High Court                  |
| Customs Duty                       | Custom Duty, Interest and Penalty    | 2004-2021                          | 21.46                                                            | Appellate Authority         |
|                                    |                                      | 1985-2019                          | 9.10                                                             | Assessing Authority         |
|                                    |                                      | 1975-1988                          | 2.42                                                             | High Court                  |
|                                    |                                      | 2005-2014                          | 0.87                                                             | Supreme Court               |
| Stamp Duty                         | Stamp Duty and Interest              | 2002-2003                          | 0.64                                                             | Assessing Authority         |
|                                    |                                      | 2014-2019                          | 21.50                                                            | High Court                  |
| Electricity Duty                   | Duty                                 | 1988-2018                          | 45.58                                                            | High Court                  |
| Employee State Insurance Act, 1948 | Tax and Interest                     | 2004-2005                          | 0.20                                                             | Assessing Authority         |
| Land Tax & Property Tax            | Tax and Interest                     | 2005-2006                          | 3.80                                                             | High Court                  |

# ANNEXURE B

To the Independent Auditors' Report on the standalone financial statements of Grasim Industries Limited for the year ended 31<sup>st</sup> March 2024

## **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Grasim Industries Limited ("the Company") as of 31<sup>st</sup> March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2024, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone

financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made



only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements,

including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

#### **Vikas R Kasat**

Partner

Membership No.: 105317

ICAI UDIN: 24105317BKCQYM6930

Date: 22<sup>nd</sup> May 2024

#### **For KKC & Associates LLP**

Chartered Accountants

(formerly known as Khimji Kunverji & Co LLP)

Firm's Registration No.: 105146W/W100621

#### **Gautam Shah**

Partner

Membership No.: 117348

ICAI UDIN: 24117348BKBZWO5412

Date: 22<sup>nd</sup> May 2024



# STANDALONE BALANCE SHEET

as at 31<sup>st</sup> March 2024

₹ in crore

|                                                            | Note No. | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>ASSETS</b>                                              |          |                                      |                                      |
| <b>Non-Current Assets</b>                                  |          |                                      |                                      |
| Property, Plant and Equipment                              | 2.1      | 15,439.16                            | 14,634.81                            |
| Capital Work-in-Progress                                   | 2.1      | 7,115.64                             | 2,919.09                             |
| Right of Use Assets                                        | 2.2      | 909.68                               | 764.29                               |
| Goodwill                                                   |          | 2.78                                 | 2.78                                 |
| Other Intangible Assets                                    | 2.3      | 753.55                               | 817.75                               |
| Intangible Assets Under Development                        | 2.3      | 15.31                                | 6.60                                 |
| Financial Assets                                           |          |                                      |                                      |
| Investments in Subsidiaries, Joint Ventures and Associates | 2.4      | 23,168.85                            | 22,300.03                            |
| Other Investments                                          | 2.5      | 13,122.93                            | 8,541.12                             |
| Loans                                                      | 2.6      | 90.94                                | 100.31                               |
| Other Financial Assets                                     | 2.7      | 343.94                               | 339.21                               |
| Non-Current Tax Assets (Net)                               |          | 113.30                               | 191.43                               |
| Other Non-Current Assets                                   | 2.8      | 461.30                               | 840.13                               |
| <b>Total Non-Current Assets</b>                            |          | <b>61,537.38</b>                     | <b>51,457.55</b>                     |
| <b>Current Assets</b>                                      |          |                                      |                                      |
| Inventories                                                | 2.9      | 5,215.04                             | 4,492.78                             |
| Financial Assets                                           |          |                                      |                                      |
| Investments                                                | 2.10     | 2,920.39                             | 3,055.63                             |
| Trade Receivables                                          | 2.11     | 1,974.31                             | 1,597.26                             |
| Cash and Cash Equivalents                                  | 2.12     | 48.17                                | 16.48                                |
| Bank Balances other than Cash and Cash Equivalents         | 2.13     | 261.42                               | 457.89                               |
| Loans                                                      | 2.14     | 163.51                               | 3.68                                 |
| Other Financial Assets                                     | 2.15     | 236.21                               | 133.91                               |
| Current Tax Assets (Net)                                   |          | 314.43                               | -                                    |
| Other Current Assets                                       | 2.16     | 1,466.89                             | 961.93                               |
| <b>Total Current Assets</b>                                |          | <b>12,600.37</b>                     | <b>10,719.56</b>                     |
| <b>TOTAL ASSETS</b>                                        |          | <b>74,137.75</b>                     | <b>62,177.11</b>                     |



# STANDALONE BALANCE SHEET (CONTD.)

as at 31<sup>st</sup> March 2024

₹ in crore

|                                                                           | Note No. | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>EQUITY AND LIABILITIES</b>                                             |          |                                      |                                      |
| <b>Equity</b>                                                             |          |                                      |                                      |
| Equity Share Capital                                                      | 2.17     | 132.80                               | 131.69                               |
| Other Equity                                                              | 2.18     | 51,981.79                            | 46,823.24                            |
| <b>Total Equity</b>                                                       |          | <b>52,114.59</b>                     | <b>46,954.93</b>                     |
| <b>Liabilities</b>                                                        |          |                                      |                                      |
| <b>Non-Current Liabilities</b>                                            |          |                                      |                                      |
| Financial Liabilities                                                     |          |                                      |                                      |
| Borrowings                                                                | 2.19     | 7,392.24                             | 4,273.23                             |
| Lease Liabilities                                                         | 2.2      | 210.45                               | 74.37                                |
| Other Financial Liabilities                                               | 2.20     | 24.06                                | 10.61                                |
| Provisions                                                                | 2.21     | 74.06                                | 64.23                                |
| Deferred Tax Liabilities (Net)                                            | 2.22     | 2,297.09                             | 1,534.80                             |
| Other Non-Current Liabilities                                             | 2.23     | 14.99                                | 7.08                                 |
| <b>Total Non-Current Liabilities</b>                                      |          | <b>10,012.89</b>                     | <b>5,964.32</b>                      |
| <b>Current Liabilities</b>                                                |          |                                      |                                      |
| Financial Liabilities                                                     |          |                                      |                                      |
| Borrowings                                                                | 2.24     | 2,060.67                             | 981.00                               |
| Lease Liabilities                                                         | 2.2      | 65.84                                | 23.00                                |
| Trade Payables                                                            | 2.25     |                                      |                                      |
| Total Outstanding due of Micro and Small Enterprises                      |          | 146.75                               | 121.41                               |
| Total Outstanding due of Creditors other than Micro and Small Enterprises |          | 5,335.88                             | 4,589.79                             |
| Other Financial Liabilities                                               | 2.26     | 2,016.88                             | 1,617.82                             |
| Other Current Liabilities                                                 | 2.27     | 972.02                               | 988.04                               |
| Provisions                                                                | 2.28     | 764.40                               | 322.39                               |
| Current Tax Liabilities (Net)                                             |          | 647.83                               | 614.41                               |
| <b>Total Current Liabilities</b>                                          |          | <b>12,010.27</b>                     | <b>9,257.86</b>                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                       |          | <b>74,137.75</b>                     | <b>62,177.11</b>                     |

Basis of Preparation and Material Accounting Policies

1

The accompanying Notes are an integral part of the Standalone Financial Statements  
In terms of our report on even date attached

## For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022 Firm's Registration No.: 105146W/W100621

## Vikas R Kasat

Partner

Membership No.: 105317

Mumbai

Dated: 22<sup>nd</sup> May 2024

## For KKC & Associates LLP

Chartered Accountants

Firm's Registration No.: 105146W/W100621

## Gautam Shah

Partner

Membership No.: 117348

For and on behalf of the Board of Directors of

## GRASIM INDUSTRIES LIMITED

CIN-L17124MP1947PLC000410

## Harikrishna Agarwal

Managing Director

DIN: 09288720

## Pavan K. Jain

Chief Financial Officer

## V. Chandrasekaran

Independent Director

DIN: 03126243

## Sailesh Kumar Daga

Company Secretary

Membership No.: F 4164

Mumbai

Dated: 22<sup>nd</sup> May 2024

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                               | Note No. | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------|----------|-------------------------------------------|-------------------------------------------|
| <b>INCOME</b>                                                                 |          |                                           |                                           |
| Revenue from Operations                                                       | 3.1      | 25,847.33                                 | 26,839.71                                 |
| Other Income                                                                  | 3.2      | 1,256.60                                  | 1,018.34                                  |
| <b>Total Income (I)</b>                                                       |          | <b>27,103.93</b>                          | <b>27,858.05</b>                          |
| <b>EXPENSES</b>                                                               |          |                                           |                                           |
| Cost of Materials Consumed                                                    | 3.3      | 12,185.45                                 | 12,695.07                                 |
| Purchases of Stock-in-Trade                                                   | 3.4      | 1,425.67                                  | 466.22                                    |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 3.5      | (83.81)                                   | (261.91)                                  |
| Employee Benefits Expense                                                     | 3.6      | 2,145.01                                  | 2,023.49                                  |
| Finance Costs                                                                 | 3.7      | 440.42                                    | 367.67                                    |
| Depreciation and Amortisation Expense                                         | 3.8      | 1,215.06                                  | 1,097.29                                  |
| Power and Fuel                                                                |          | 4,015.64                                  | 4,745.01                                  |
| Other Expenses                                                                | 3.9      | 3,843.33                                  | 3,991.94                                  |
| <b>Total Expenses (II)</b>                                                    |          | <b>25,186.77</b>                          | <b>25,124.78</b>                          |
| <b>Profit Before Exceptional Items and Tax (I) - (II)</b>                     |          | <b>1,917.16</b>                           | <b>2,733.27</b>                           |
| Exceptional Items                                                             | 3.10     | (715.60)                                  | (88.03)                                   |
| <b>Profit Before Tax</b>                                                      |          | <b>1,201.56</b>                           | <b>2,645.24</b>                           |
| Tax Expense                                                                   | 3.11     |                                           |                                           |
| Current Tax                                                                   |          | 74.69                                     | 433.71                                    |
| Deferred Tax                                                                  |          | 181.48                                    | 87.80                                     |
| <b>Total Tax Expense</b>                                                      |          | <b>256.17</b>                             | <b>521.51</b>                             |
| <b>Profit for the Year (III)</b>                                              |          | <b>945.39</b>                             | <b>2,123.73</b>                           |



# STANDALONE STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                   | Note No. | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------|----------|-------------------------------------------|-------------------------------------------|
| <b>Other Comprehensive Income</b>                                                 | 3.12     |                                           |                                           |
| A (i) Items that will not be reclassified to profit or loss                       |          | 4,497.48                                  | (3,482.59)                                |
| (ii) Income Tax relating to items that will not be reclassified to profit or loss |          | (588.13)                                  | 400.12                                    |
|                                                                                   |          | <b>3,909.35</b>                           | <b>(3,082.47)</b>                         |
| B (i) Items that will be reclassified to profit or loss                           |          | (20.37)                                   | 14.20                                     |
| (ii) Income Tax relating to items that will be reclassified to profit or loss     |          | 7.32                                      | (5.74)                                    |
|                                                                                   |          | <b>(13.05)</b>                            | <b>8.46</b>                               |
| <b>Other Comprehensive Income for the Year (IV)</b>                               |          | <b>3,896.30</b>                           | <b>(3,074.01)</b>                         |
| <b>Total Comprehensive Income for the Year (III + IV)</b>                         |          | <b>4,841.69</b>                           | <b>(950.28)</b>                           |
| <b>Paid-up Equity Share Capital (Face Value ₹ 2 per share)</b>                    |          | 132.80                                    | 131.69                                    |
| <b>Earnings Per Equity Share (Face Value ₹ 2 each)</b>                            | 3.13     |                                           |                                           |
| Basic (₹)                                                                         |          | 14.34                                     | 32.22                                     |
| Diluted (₹)                                                                       |          | 14.31                                     | 32.19                                     |

Basis of Preparation and Material Accounting Policies

1

The accompanying Notes are an integral part of the Standalone Financial Statements  
In terms of our report on even date attached

## For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

## For KKC & Associates LLP

Chartered Accountants

Firm's Registration No.: 105146W/W100621

For and on behalf of the Board of Directors of

## GRASIM INDUSTRIES LIMITED

CIN-L17124MP1947PLC000410

## Vikas R Kasat

Partner

Membership No.: 105317

## Gautam Shah

Partner

Membership No.: 117348

## Harikrishna Agarwal

Managing Director

DIN: 09288720

## V. Chandrasekaran

Independent Director

DIN: 03126243

Mumbai

Dated: 22<sup>nd</sup> May 2024

## Pavan K. Jain

Chief Financial Officer

Mumbai

Dated: 22<sup>nd</sup> May 2024

## Sailesh Kumar Daga

Company Secretary

Membership No.: F 4164



# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2024

## A. EQUITY SHARE CAPITAL

| ₹ in crore                                     |          |                                           |                                           |
|------------------------------------------------|----------|-------------------------------------------|-------------------------------------------|
| Particulars                                    | Note No. | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Opening Balance                                |          | 131.69                                    | 131.67                                    |
| Change in Equity Share Capital during the year | 2.17.3   | 1.11                                      | 0.02                                      |
| <b>Closing Balance</b>                         |          | <b>132.80</b>                             | <b>131.69</b>                             |

## B. OTHER EQUITY

As at 31<sup>st</sup> March 2024

| ₹ in crore                                                                                 |          |                      |                  |                 |                 |                   |                                |                                                     |                                                       |                 |                  |
|--------------------------------------------------------------------------------------------|----------|----------------------|------------------|-----------------|-----------------|-------------------|--------------------------------|-----------------------------------------------------|-------------------------------------------------------|-----------------|------------------|
| Particulars                                                                                | Note No. | Reserves and Surplus |                  |                 |                 |                   |                                | Other Comprehensive Income (OCI)                    |                                                       |                 | Total            |
|                                                                                            |          | Securities Premium   | General Reserve  | Capital Reserve | Treasury Shares | Retained Earnings | Employee Stock Options Reserve | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Hedging Reserve |                  |
| Balance as at 1 <sup>st</sup> April 2023                                                   |          | 23,741.42            | 11,584.56        | 3,670.17        | (240.21)        | 9,476.76          | 97.23                          | 4.12                                                | (1,522.21)                                            | 11.40           | 46,823.24        |
| Profit for the Year                                                                        |          | -                    | -                | -               | -               | 945.39            | -                              | -                                                   | -                                                     | -               | 945.39           |
| Other Comprehensive Income for the Year                                                    |          | -                    | -                | -               | -               | @ 14.21           | -                              | (0.67)                                              | 3,895.14                                              | (12.38)         | 3,896.30         |
| <b>Total Comprehensive Income for the Year</b>                                             |          | -                    | -                | -               | -               | <b>959.60</b>     | -                              | <b>(0.67)</b>                                       | <b>3,895.14</b>                                       | <b>(12.38)</b>  | <b>4,841.69</b>  |
| Proceeds from Rights Issue                                                                 |          | 998.71               | -                | -               | -               | -                 | -                              | -                                                   | -                                                     | -               | 998.71           |
| Share Issue Expenses                                                                       |          | (16.08)              | -                | -               | -               | -                 | -                              | -                                                   | -                                                     | -               | (16.08)          |
| Dividends Paid                                                                             |          | -                    | -                | -               | -               | (657.21)          | -                              | -                                                   | -                                                     | -               | (657.21)         |
| Realised Gain/(Loss) on Sale of Equity Instruments FVTOCI transferred to Retained Earnings |          | -                    | -                | -               | -               | 334.20            | -                              | -                                                   | (334.20)                                              | -               | -                |
| Purchase of Treasury Shares                                                                |          | -                    | -                | -               | (70.27)         | -                 | -                              | -                                                   | -                                                     | -               | (70.27)          |
| Issue of Treasury Shares                                                                   |          | -                    | -                | -               | 35.25           | -                 | -                              | -                                                   | -                                                     | -               | 35.25            |
| Employee Stock Options Exercised                                                           |          | 3.67                 | -                | -               | -               | -                 | (14.84)                        | -                                                   | -                                                     | -               | (11.17)          |
| Employee Stock Options Granted (net of lapses)                                             |          | -                    | -                | -               | -               | -                 | 37.63                          | -                                                   | -                                                     | -               | 37.63            |
| <b>Balance as at 31<sup>st</sup> March 2024</b>                                            | 2.18     | <b>24,727.72</b>     | <b>11,584.56</b> | <b>3,670.17</b> | <b>(275.23)</b> | <b>10,113.35</b>  | <b>120.02</b>                  | <b>3.45</b>                                         | <b>2,038.73</b>                                       | <b>(0.98)</b>   | <b>51,981.79</b> |

@ Represents remeasurement of Defined Benefit Plan (Net of Tax)



# STANDALONE STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended 31<sup>st</sup> March 2024

## As at 31<sup>st</sup> March 2023

₹ in crore

| Particulars                                     | Note No.    | Reserves and Surplus |                  |                 |                 |                   |                                | Other Comprehensive Income (OCI)                    |                                                       |                 | Total            |
|-------------------------------------------------|-------------|----------------------|------------------|-----------------|-----------------|-------------------|--------------------------------|-----------------------------------------------------|-------------------------------------------------------|-----------------|------------------|
|                                                 |             | Securities Premium   | General Reserve  | Capital Reserve | Treasury Shares | Retained Earnings | Employee Stock Options Reserve | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Hedging Reserve |                  |
| Balance as at 1 <sup>st</sup> April 2022        |             | 23,731.50            | 11,584.56        | 3,670.17        | (150.93)        | 8,013.25          | 70.82                          | 6.51                                                | 1,557.69                                              | 0.55            | 48,484.12        |
| Profit for the Year                             |             | -                    | -                | -               | -               | 2,123.73          | -                              | -                                                   | -                                                     | -               | 2,123.73         |
| Other Comprehensive Income for the Year         |             | -                    | -                | -               | -               | @ (2.57)          | -                              | (2.39)                                              | (3,079.90)                                            | 10.85           | (3,074.01)       |
| <b>Total Comprehensive Income for the Year</b>  |             | -                    | -                | -               | -               | <b>2,121.16</b>   | -                              | <b>(2.39)</b>                                       | <b>(3,079.90)</b>                                     | <b>10.85</b>    | <b>(950.28)</b>  |
| Dividends Paid                                  |             | -                    | -                | -               | -               | (657.65)          | -                              | -                                                   | -                                                     | -               | (657.65)         |
| Purchase of Treasury Shares                     |             | -                    | -                | -               | (108.04)        | -                 | -                              | -                                                   | -                                                     | -               | (108.04)         |
| Issue of Treasury Shares                        |             | -                    | -                | -               | 18.76           | -                 | -                              | -                                                   | -                                                     | -               | 18.76            |
| Employee Stock Options Exercised                |             | 9.92                 | -                | -               | -               | -                 | (10.74)                        | -                                                   | -                                                     | -               | (0.82)           |
| Employee Stock Options Granted (net of lapses)  |             | -                    | -                | -               | -               | -                 | 37.15                          | -                                                   | -                                                     | -               | 37.15            |
| <b>Balance as at 31<sup>st</sup> March 2023</b> | <b>2.18</b> | <b>23,741.42</b>     | <b>11,584.56</b> | <b>3,670.17</b> | <b>(240.21)</b> | <b>9,476.76</b>   | <b>97.23</b>                   | <b>4.12</b>                                         | <b>(1,522.21)</b>                                     | <b>11.40</b>    | <b>46,823.24</b> |

@ Represents remeasurement of Defined Benefit Plan (Net of Tax)

Basis of Preparation and Material Accounting Policies: Refer Note 1

The accompanying Notes are an integral part of the Standalone Financial Statements  
In terms of our report on even date attached

### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

### For KKC & Associates LLP

Chartered Accountants

Firm's Registration No.: 105146W/W100621

For and on behalf of the Board of Directors of

### GRASIM INDUSTRIES LIMITED

CIN-L17124MP1947PLC000410

### Vikas R Kasat

Partner

Membership No.: 105317

### Gautam Shah

Partner

Membership No.: 117348

### Harikrishna Agarwal

Managing Director

DIN: 09288720

### V. Chandrasekaran

Independent Director

DIN: 03126243

Mumbai

Dated: 22<sup>nd</sup> May 2024

### Pavan K. Jain

Chief Financial Officer

### Sailesh Kumar Daga

Company Secretary

Membership No.: F 4164

Mumbai

Dated: 22<sup>nd</sup> May 2024

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                                                                                  | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                                                                                |                                           |                                           |
| Profit Before Tax                                                                                                            | 1,201.56                                  | 2,645.24                                  |
| Adjustments for:                                                                                                             |                                           |                                           |
| Exceptional Items (Note 3.10)                                                                                                | 715.60                                    | 88.03                                     |
| Depreciation and Amortisation Expense                                                                                        | 1,215.06                                  | 1,097.29                                  |
| Finance Costs                                                                                                                | 440.42                                    | 367.67                                    |
| Interest Income                                                                                                              | (310.77)                                  | (117.38)                                  |
| Dividend Income                                                                                                              | (655.60)                                  | (668.67)                                  |
| Unrealised Exchange (Gain)/Loss (Net)                                                                                        | 6.98                                      | (32.26)                                   |
| Allowance for Doubtful Debts and Advances (Net)                                                                              | (0.30)                                    | 5.13                                      |
| Provisions against Warranty and Contingent Liabilities Created / (Written Back)                                              | (0.10)                                    | (1.06)                                    |
| (Gain)/Loss on Sale/Discard of Property, Plant and Equipment (Net)                                                           | (3.14)                                    | 10.33                                     |
| Expenses on Employee Stock Option Scheme including Share Appreciation Rights                                                 | 36.73                                     | 38.12                                     |
| Unrealised (Gain)/Loss on Investments measured at Fair Value through Profit or Loss (Net)                                    | (173.84)                                  | (118.39)                                  |
| Profit on Sale of Investments (Net)                                                                                          | (41.17)                                   | (45.47)                                   |
| <b>Operating Profit Before Working Capital Changes</b>                                                                       | <b>2,431.43</b>                           | <b>3,268.57</b>                           |
| Adjustments for Changes in Working Capital:                                                                                  |                                           |                                           |
| Trade Receivables                                                                                                            | (372.53)                                  | 100.28                                    |
| Financial and Other Assets                                                                                                   | (506.63)                                  | (160.79)                                  |
| Inventories                                                                                                                  | (722.26)                                  | (551.94)                                  |
| Trade Payables, Financial & Other Liabilities and Provisions                                                                 | 1,004.89                                  | 69.81                                     |
| <b>Cash Generated from Operations</b>                                                                                        | <b>1,834.90</b>                           | <b>2,725.93</b>                           |
| Income Tax Paid (Net of Refund)                                                                                              | (57.31)                                   | (407.10)                                  |
| <b>Net Cash generated from/ (used in) Operating Activities (A)</b>                                                           | <b>1,777.59</b>                           | <b>2,318.83</b>                           |
| <b>B. Cash Flow from Investing Activities</b>                                                                                |                                           |                                           |
| Purchase of Property, Plant and Equipment and Other Intangible Assets                                                        | (5,525.95)                                | (4,022.47)                                |
| Proceeds from Disposal of Property, Plant and Equipment and Other Intangible Assets                                          | 20.76                                     | 11.13                                     |
| Proceeds from Sale and leaseback of owned assets                                                                             | 6.30                                      | -                                         |
| Investments in Subsidiaries, Joint Ventures and Associates including Advance against Equity                                  | (1,148.42)                                | (444.48)                                  |
| Investment in Other Non-Current Investments                                                                                  | (125.00)                                  | -                                         |
| Proceeds/ Sale of Other Non-Current Investments                                                                              | 1.11                                      | 0.10                                      |
| Sale/(Purchase) of Current Investments (Net)                                                                                 | 377.36                                    | 1,911.86                                  |
| Loans and Advances given to Subsidiaries, Joint Ventures and Associates                                                      | (301.50)                                  | (174.81)                                  |
| Receipt against Loans and Advances given to Subsidiaries, Joint Ventures and Associates                                      | 154.42                                    | 104.19                                    |
| Redemption of/ (Investment in) Bank Deposits (having original maturity more than 3 months) and earmarked balances with Banks | 196.47                                    | (285.25)                                  |
| Interest from Subsidiaries, Joint Ventures and Associates                                                                    | 16.72                                     | 7.43                                      |
| Interest from Others                                                                                                         | 85.88                                     | 33.40                                     |
| Dividend from Subsidiaries, Joint Ventures and Associates                                                                    | 628.27                                    | 628.27                                    |
| Dividend from Others                                                                                                         | 27.33                                     | 40.40                                     |
| <b>Net Cash generated from/ (used in) Investing Activities (B)</b>                                                           | <b>(5,586.25)</b>                         | <b>(2,190.23)</b>                         |
| <b>C. Cash Flow from Financing Activities</b>                                                                                |                                           |                                           |
| Proceeds from Rights Issue (Net of share issue expenses)                                                                     | 983.73                                    | -                                         |
| Proceeds from Issue of Share Capital under ESOS                                                                              | 2.09                                      | 7.71                                      |
| Treasury Shares acquired by ESOP Trust                                                                                       | (70.27)                                   | (108.04)                                  |
| Issue of Treasury Shares                                                                                                     | 22.00                                     | 10.15                                     |
| Proceeds from Non-Current Borrowings                                                                                         | 4,392.05                                  | 2,000.00                                  |
| Repayments of Non-Current Borrowings                                                                                         | (769.02)                                  | (1,056.08)                                |
| Proceeds/(Repayment) of Current Borrowings (Net)                                                                             | 579.31                                    | 193.51                                    |
| Proceeds/(Repayment) of Supplier's credit                                                                                    | -                                         | (183.40)                                  |
| Payments of Lease Liabilities                                                                                                | (35.99)                                   | (25.30)                                   |
| Payments of Interest on Lease Liabilities                                                                                    | (11.74)                                   | (6.84)                                    |
| Interest and Finance Costs Paid                                                                                              | (594.15)                                  | (339.10)                                  |
| Dividend Paid                                                                                                                | (657.66)                                  | (657.42)                                  |
| <b>Net Cash generated from/ (used in) Financing Activities (C)</b>                                                           | <b>3,840.35</b>                           | <b>(164.81)</b>                           |
| <b>D. Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>                                                      | <b>31.69</b>                              | <b>(36.21)</b>                            |
| <b>Cash and Cash Equivalents at the Beginning of the Year</b>                                                                | <b>16.48</b>                              | <b>52.69</b>                              |
| <b>Cash and Cash Equivalents at the End of the Year (Refer Note 2.12)</b>                                                    | <b>48.17</b>                              | <b>16.48</b>                              |

## Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013.
- Purchase of Property, Plant and Equipment includes cash flows of capital work-in-progress (including Capital Advances) and movement in Creditors against Capital Expenditure during the year.



# STANDALONE STATEMENT OF CASH FLOWS (CONTD.)

for the year ended 31<sup>st</sup> March 2024

## (iii) Supplemental Information

### (a) Non-Cash Transaction from Investing Activities

₹ in crore

| Particulars             | Balance as at<br>1 <sup>st</sup> April 2023 | Cash flows    | Non-Cash changes         |                                         | Balance as at<br>31 <sup>st</sup> March 2024 |
|-------------------------|---------------------------------------------|---------------|--------------------------|-----------------------------------------|----------------------------------------------|
|                         |                                             |               | Fair Value<br>Adjustment | Diminution<br>in Value of<br>Investment |                                              |
| Non-Current Investments | 30,841.15                                   | 1,210.95      | 4,457.92                 | (218.24)                                | 36,291.78                                    |
| Current Investments     | 3,055.63                                    | (336.19)      | 200.95                   | -                                       | 2,920.39                                     |
|                         | <b>33,896.78</b>                            | <b>874.76</b> | <b>4,658.87</b>          | <b>(218.24)</b>                         | <b>39,212.17</b>                             |

₹ in crore

| Particulars             | Balance as at<br>1 <sup>st</sup> April 2022 | Cash flows        | Non-Cash changes         |                                         | Balance as at<br>31 <sup>st</sup> March 2023 |
|-------------------------|---------------------------------------------|-------------------|--------------------------|-----------------------------------------|----------------------------------------------|
|                         |                                             |                   | Fair Value<br>Adjustment | Diminution<br>in Value of<br>Investment |                                              |
| Non-Current Investments | 33,941.79                                   | 444.38            | (3,545.02)               | -                                       | 30,841.15                                    |
| Current Investments     | 4,748.98                                    | (1,866.39)        | 173.04                   | -                                       | 3,055.63                                     |
|                         | <b>38,690.77</b>                            | <b>(1,422.01)</b> | <b>(3,371.98)</b>        | <b>-</b>                                | <b>33,896.78</b>                             |

### (b) Changes in Liabilities arising from Financing Activities

₹ in crore

| Particulars              | Balance as at<br>1 <sup>st</sup> April 2023 | Cash flows | Debt issuance<br>cost | Non-cash Changes      | Balance as at<br>31 <sup>st</sup> March 2024 |
|--------------------------|---------------------------------------------|------------|-----------------------|-----------------------|----------------------------------------------|
|                          |                                             |            |                       | Fair Value Adjustment |                                              |
| Non-Current Borrowings * | 5,041.50                                    | 3,623.03   | (1.02)                | (2.61)                | 8,660.90                                     |
| Current Borrowings       | 212.73                                      | 579.31     | -                     | -                     | 792.04                                       |

₹ in crore

| Particulars              | Balance as at<br>1 <sup>st</sup> April 2022 | Cash flows | Debt issuance<br>cost | Non-cash Changes      | Balance as at<br>31 <sup>st</sup> March 2023 |
|--------------------------|---------------------------------------------|------------|-----------------------|-----------------------|----------------------------------------------|
|                          |                                             |            |                       | Fair Value Adjustment |                                              |
| Non-Current Borrowings * | 4,101.55                                    | 943.92     | (3.46)                | (0.51)                | 5,041.50                                     |
| Current Borrowings       | 19.22                                       | 193.51     | -                     | -                     | 212.73                                       |
| Supplier's Credit        | 183.40                                      | (183.40)   | -                     | -                     | -                                            |

\* including Current Maturities of Non-Current Borrowings

(c) Refer Note 2.2.I.B for Movement in lease liabilities.

Basis of Preparation and Material Accounting Policies: Refer Note 1

The accompanying Notes are an integral part of the Standalone Financial Statements

In terms of our report on even date attached

#### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

#### For KKC & Associates LLP

Chartered Accountants

Firm's Registration No.: 105146W/W100621

For and on behalf of the Board of Directors of

**GRASIM INDUSTRIES LIMITED**

CIN-L17124MP1947PLC000410

#### Vikas R Kasat

Partner

Membership No.: 105317

Mumbai

Dated: 22<sup>nd</sup> May 2024

#### Gautam Shah

Partner

Membership No.: 117348

#### Harikrishna Agarwal

Managing Director

DIN: 09288720

#### Pavan K. Jain

Chief Financial Officer

Mumbai

Dated: 22<sup>nd</sup> May 2024

#### V. Chandrasekaran

Independent Director

DIN: 03126243

#### Sailesh Kumar Daga

Company Secretary

Membership No.: F 4164



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## CORPORATE INFORMATION

Grasim Industries Limited ("the Company") is a limited Company incorporated and domiciled in India. The registered office is at Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India. The Company is a public limited Company, and its shares are listed on the BSE Limited, India, and the National Stock Exchange of India Limited, India, and the Company's Global Depository Receipts are listed on the Luxembourg Stock Exchange.

The Company is engaged primarily in the business of Cellulosic Fibres (Pulp, Fibre and Yarn), Chemicals (Caustic Soda, Speciality and allied Chemicals), Building Materials (Paints and B2B E-Commerce) and Others (Insulators and Textiles).

### 1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

#### A. Basis of Preparation:

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. The accounting policies have been consistently applied for all the periods presented in the financial statements.

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- Derivative Financial Instruments at fair value (covered under para 1.20)
- Certain financial assets and liabilities at fair value [refer accounting policy regarding financial instruments (covered under para 1.22)]
- Assets held for disposal - measured at the lower of its carrying amount and fair value less cost to sell
- Employee's Defined Benefit Plan measured as per actuarial valuation
- Employee Stock Option Plans measured at fair value; and
- Assets and Liabilities acquired under Business Combination measured at fair value.

#### Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest crore, upto 2 decimal places except as otherwise indicated.

#### B. Material Accounting Policies:

##### 1.1 Business Combination and Goodwill/Capital Reserve:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred and the services are received.

## 1.2 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, Ind AS-1 and other criteria set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12-month period has been considered by the Company as its normal operating cycle.

## 1.3 Property, Plant and Equipment (PPE):

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognised as at 1<sup>st</sup> April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and accumulated impairment loss. Freehold land is stated at cost less accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition

for its intended use, including relevant borrowing costs and any expected costs of de-commissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses, are charged to the Standalone Statement of Profit and Loss during the year in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when these are held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

## 1.4 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

## 1.5 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis, except for Cellulosic

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

Fibres Division (excluding Power Plants), Nagda, and Corporate Finance Division, Mumbai for which it is provided on written down value method, over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for

use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Freehold land has an unlimited useful life and therefore is not depreciated.

The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

## A. Major assets class where useful life considered as provided in Schedule II:

| S. No. | Nature of Assets                                            | Estimated Useful Life of the Assets |
|--------|-------------------------------------------------------------|-------------------------------------|
| 1.     | Plant and Machinery - Continuous Process Plant              | 25 years                            |
| 2.     | Reactors                                                    | 3 years                             |
| 3.     | Vessel / Storage Tanks                                      | 20 years                            |
| 4.     | Factory Buildings                                           | 30 years                            |
| 5.     | Building (other than Factory Buildings) RCC Frame Structure | 60 years                            |
| 6.     | Electric Installations and Equipment (at Factory)           | 10 years                            |
| 7.     | Computer and other Hardwares                                | 3 years                             |
| 8.     | General Laboratory Equipment                                | 10 years                            |
| 9.     | Railway Sidings                                             | 15 years                            |
| 10.    | - Carpeted Roads- Reinforced Cement Concrete (RCC)          | 10 years                            |
|        | - Carpeted Roads- other than RCC                            | 5 years                             |
|        | - Non-Carpeted Roads                                        | 3 years                             |
| 11.    | Fences, wells, tube wells                                   | 5 years                             |

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Company uses its technical expertise along with historical and industry trends for arriving at the economic life of an asset.

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

## B. Assets where useful life differs from Schedule II:

| S. No. | Nature of Assets                                                        | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 | Estimated Useful Life of the Assets |
|--------|-------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------|
| 1.     | Plant & Machinery:-                                                     |                                                                     |                                     |
| 1.1    | Other than Continuous Process Plant (Single Shift)                      | 15 years                                                            | 15-20 years                         |
| 1.2    | Other than Continuous Process Plant (Double Shift)                      | Additional 50% depreciation over single shift (10 years)            | 20 years                            |
| 1.3    | Other than Continuous Process Plant (Triple Shift)                      | Additional 100% depreciation over single shift (7.5 years)          | 7.5-15 years                        |
| 2.     | Motor Vehicles                                                          | 6-10 years                                                          | 4-5 years                           |
| 3.     | Electronic Office Equipment                                             | 5 years                                                             | 4 years                             |
| 4.     | Furniture, Fixtures and Electrical Fittings                             | 10 years                                                            | 5-7 years                           |
| 5.     | Building (other than Factory Buildings) other than RCC Frame Structures | 30 years                                                            | 60 years                            |
| 6.     | Power Plant                                                             | 40 years                                                            | 25 years                            |
| 7.     | Servers and Networks                                                    | 6 Years                                                             | 3 years                             |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

| S. No. | Nature of Assets                                                                      | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 | Estimated Useful Life of the Assets       |
|--------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------|
| 8.     | Spares in the nature of PPE                                                           |                                                                     | 10 years                                  |
| 9.     | Temporary structures and Assets individually costing less than or equal to ₹ 10,000/- |                                                                     | Fully depreciated in the year of purchase |
| 10.    | Separately identified Component of Plant and Machinery                                |                                                                     | 2-25 years                                |

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process plant, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment and depreciation is provided accordingly.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition, and in case of a new Project, from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

## 1.6 Intangible Assets acquired separately and Amortisation:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognized as at 1<sup>st</sup> April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible assets, acquired separately, are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic

benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

### Intangible Assets and their useful lives are as under:

| S. No. | Nature of Assets                                   | Estimated Useful Life of the Assets |
|--------|----------------------------------------------------|-------------------------------------|
| 1.     | Computer Software                                  | 3 years                             |
| 2.     | Trademarks, Technical Know-how                     | 10 years                            |
| 3.     | Value of License/Right to use infrastructure       | 10 years                            |
| 4.     | Customer Relationship                              | 15-25 years                         |
| 5.     | Brands                                             | 10 years                            |
| 6.     | Production Formula                                 | 10 years                            |
| 7.     | Distribution Network                               | 5-25 years                          |
| 8.     | Right to Manage and Operate Manufacturing Facility | 15 years                            |
| 9.     | Non-compete fees                                   | 3 years                             |
| 10.    | Order Backlog                                      | 3 months - 1 year                   |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 1.7 Internally Generated Intangible Assets - Research and Development Expenditure:

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred. Development expenditure is capitalised as an asset, if the following conditions can be demonstrated:

- a) The technical feasibility of completing the asset so that it can be made available for use or sell.
- b) The Company has intention to complete the asset and use or sell it.
- c) In case of intention to sell, the Company has the ability to sell the asset.
- d) The future economic benefits are probable.
- e) The Company has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs, which do not meet the above criteria, are expensed out during the period in which they are incurred.

PPE procured for research and development activities are capitalised.

## 1.8 Discontinued operations and non-current assets held for sale:

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

## 1.9 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets

to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



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## 1.10 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Net realisable value for inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on weighted-average basis.

In the absence of cost, waste/scrap is valued at estimated net realisable value.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads.

## 1.11 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash on hand and cash at banks, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

## 1.12 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows

from operating, investing and financing activities of the Company are segregated.

## 1.13 Employee Benefits:

### Short-Term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

### Defined Contribution Plans:

Contribution payable to the recognised provident fund and approved superannuation scheme, which are substantially defined contribution plans, is recognised as expense in the Standalone Statement of Profit and Loss, when employees have rendered the service entitling them to the contribution.

The provident fund contribution as specified under the law is paid to the Regional Provident Fund Commissioner.

### Defined Benefit Plans:

The obligation in respect of defined benefit plans, which covers Gratuity, Pension and other post-employment medical benefits, are provided for on the basis of an actuarial valuation at the end of each financial year using projected unit credit method. Gratuity is funded with an approved trust.

In respect of certain employees, Provident Fund contributions are made to a Trust, administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size maintained by the Trust set up by the Company is additionally provided for.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur.

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Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to profit or loss in the Statement of Profit and Loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the Defined Benefit Plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation, recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

## **Other Long-Term Benefits:**

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Standalone Statement of Profit and Loss.

## **1.14 Employee Share Based Payments:**

### **Equity-settled Transactions:**

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black-Scholes Model and Binomial Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to Standalone Statement of Profit and Loss on a systematic basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within other equity.

### **Cash-settled Transactions:**

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black-Scholes Merton Formula. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

## **1.15 Treasury Shares:**

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The EBT purchase shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Standalone statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Share options whenever exercised, would be settled from such treasury shares.

## **1.16 Foreign Currency Transactions:**

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Standalone Statement of Profit and Loss in the period in which these arise except for:



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- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences relating to qualifying effective cash flow hedges.

## 1.17 Derivative Financial Instruments and Hedge

### Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Standalone Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Standalone Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

### Hedge Accounting:

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly

effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Standalone Statement of Profit and Loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in other equity relating to (effective portion as described above) are re-classified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in other equity at that time remains in other equity and is recognised when the forecast transaction is ultimately recognised in Standalone Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in Standalone Statement of Profit and Loss.

## 1.18 Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



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In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at

fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

## 1.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets

#### Initial Recognition and Measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price (net of variable consideration). Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)



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## Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

## Debt Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'Accounting Mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Standalone Statement of Profit and Loss.

Interest Income from these financial assets are recognized is included in Other Income in the Statement of Profit and Loss.

## Equity Instruments

Investment in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint venture at cost.

All other equity investments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Company has irrevocable option to present in Other Comprehensive Income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts of profit or loss from OCI to Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Standalone Statement of Profit and Loss.

## Impairment of Financial Assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of financial assets, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments – for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using

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a provision matrix on the basis of its historical credit loss experience.

## **De-recognition of Financial Assets:**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in other equity is recognised in Standalone Statement of Profit and Loss.

## **Financial Liabilities and Equity Instruments:**

### **Classification as Debt or Equity:**

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### **Financial Liabilities:**

Financial liabilities are classified, at initial recognition as fair value through profit or loss:

- Loans and borrowings,
- Payables, or

- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### **Subsequent Measurement:**

The measurement of financial liabilities depends on their classification, as described below:

### **Financial Liabilities at FVTPL:**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Standalone Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### **Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation



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is included as finance costs in the Standalone Statement of Profit and Loss.

## Financial Guarantee Contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs, because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109, and the amount recognised less cumulative amortisation.

## De-recognition of Financial Liabilities:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Standalone Statement of Profit and Loss.

## Embedded Derivatives:

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that would otherwise be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable, that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a re-classification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109, to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and

recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

## Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 1.20 Revenue Recognition:

### (a) Revenue from contracts with customers:

- Revenue is recognized when the Company satisfies a performance obligation on the basis of approved contracts regarding the transfer of goods or services to a customer. This is achieved when control of the product has been transferred to the customer, which generally occurs at a point in time.
- The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, including but not limited to discounts, volume rebates etc. The transaction price of goods sold and services rendered is net of variable consideration and excludes taxes and duties collected on behalf of the Government.
- Variable consideration - This includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.
- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised



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amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that good or service will be one year or less.

- (b) Dividend income is accounted for when the right to receive the income is established.
- (c) For all financial instruments measured at amortised cost or at fair value through Other Comprehensive Income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (d) Insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

## 1.21 Contract Liability

Contract liability is recognised when a payment for customer is already received before a related performance obligation is satisfied. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred or service is provided to the customers under the agreements.

## 1.22 Leases:

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- the contract involves the use of identified asset;
- the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
- the Company has the right to direct the use of the asset.

## As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change



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in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## Short-term Leases and Leases of Low-Value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## Sale and Leaseback

The right of use arising from leaseback is measured at the proportion of previous carrying amount of the asset that relates to right of use retained by the Company. Where sale proceeds received reflect the asset's fair value, any gain or loss arising on disposal is recognised in the Statement of Profit and Loss, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use assets recognised at commencement of the lease. Where sale proceeds received are not at the asset's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

## 1.23 Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset

is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing cost are recognized in Statement of Profit and Loss in the period in which they are incurred.

## 1.24 Trade Receivable:

Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less loss allowance.

Trade receivables which are sold to a bank under without-recourse factoring arrangement are de-recognized from the Balance Sheet. Under this arrangement, the Company sells those receivables for cash proceeds to the factor/bank and transfer related risks and rewards – primarily credit risk. Trade receivables which are sold under with-recourse factoring arrangements for cash proceeds, are not derecognised from the financial statements as the Company retains substantially all of the risks and rewards related to such trade receivables. The amount received on sell of trade receivables under such arrangements is recognised as a financial liability and disclosed as short-term borrowings.

## 1.25 Government Grants and Subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured

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as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

## 1.26 Exceptional Item:

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

## 1.27 Provision for Current and Deferred Tax:

### Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Current income tax, relating to items recognised outside of the Statement of Profit and Loss, is recognised outside of the Statement of Profit and Loss (either in Other Comprehensive Income or in other equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in other equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

### Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the reporting date.

Deferred tax, relating to items recognised outside profit or loss, is recognised outside profit or loss (either in Other Comprehensive Income or in other equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in other



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equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 1.28 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### Warranty Provisions

Provisions for warranty-related costs are recognised as an expense in the Standalone Statement of Profit and Loss when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

## 1.29 Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.30 Significant Accounting Judgments, Estimates and Assumptions:

The preparation of financial statements, in conformity with the Ind AS requires judgments, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are



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beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Classification of Lease Ind AS 116:**

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Litigation and Contingencies:**

The Company has ongoing litigations with various regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

- **Assessment of Impairment of Investments in Subsidiaries, Associates and Joint Ventures:**

The Company reviews its carrying value of investments in subsidiaries, associates and joint ventures annually, or more frequently when there is indication for impairment. If the recoverable amount

is less than its carrying amount, the impairment loss is accounted for. Determining whether the investments in subsidiaries, associates and joint ventures are impaired requires an estimate in the value in use of investments. The Management carries out impairment assessment for each investment by comparing the carrying value of each investment with the net worth of each Company based on audited financials, comparable market price and comparing the performance of the investee companies with projections used for valuations, in particular those relating to the cash flows, sales growth rate, pre-tax discount rate and growth rates used and approved business plans.

- **Useful Lives of Property, Plant and Equipment and Intangible Assets:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Measurement of Defined Benefit Obligation:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition and Measurement of Provisions and Contingencies:**

Key assumptions about the likelihood and magnitude of an outflow of resources.

The Company reviews and recognises provisions on periodic basis. Provisions are recognized, when the Company has a present obligation as



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a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

- **Fair Value Measurement of Financial Instruments:**

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgement include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Share-Based Payments:**

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.8

## 1.31 Cash Dividend to Equity Holders of the Company:

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

## 1.32 Recent Accounting Pronouncements:

### i) **New and amended standards adopted by the Company:**

On 31<sup>st</sup> March 2023, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1<sup>st</sup> April 2023. One of the major changes is in Ind AS 1 'Preparation of Financial Statements', which requires companies to disclose in their financial statements 'material accounting policies' as against the erstwhile requirement to disclose 'significant accounting policies'.

The Company has adopted the amendment from 1<sup>st</sup> April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

### ii) **Amendments applicable from next Financial Year:**

There are no other new updates or standards issued through the date of issuance of these financial statements that have not yet been adopted by the Company.

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## 2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in crore

| Description                         | Gross Block                      |                 |                            | Accumulated Depreciation          |                                  |                 |                            | Net Block <sup>#</sup>            |                                   |
|-------------------------------------|----------------------------------|-----------------|----------------------------|-----------------------------------|----------------------------------|-----------------|----------------------------|-----------------------------------|-----------------------------------|
|                                     | As at 1 <sup>st</sup> April 2023 | Additions       | Adjustments/<br>Deductions | As at 31 <sup>st</sup> March 2024 | As at 1 <sup>st</sup> April 2023 | For the Year    | Adjustments/<br>Deductions | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2024 |
| Freehold Land                       | 1,248.24                         | 6.75            | -                          | 1,254.99                          | -                                | -               | -                          | -                                 | 1,254.99                          |
| Leasehold Improvements              | 18.01                            | 3.67            | (0.36)                     | 21.32                             | 5.91                             | 5.02            | (0.35)                     | 10.58                             | 10.74                             |
| Buildings                           | 2,864.31                         | 268.73          | (2.00)                     | 3,131.04                          | 575.65                           | 112.78          | (1.36)                     | 687.07                            | 2,443.97                          |
| Plant and Equipment                 | 15,105.11                        | 1,473.93        | (80.88)                    | 16,498.16                         | 4,320.68                         | 857.49          | (70.05)                    | 5,108.12                          | 11,390.04                         |
| Furniture and Fixtures              | 108.58                           | 13.66           | (3.36)                     | 118.88                            | 67.36                            | 11.24           | (3.15)                     | 75.45                             | 43.43                             |
| Vehicles                            | 169.21                           | 66.94           | (17.57)                    | 218.58                            | 93.39                            | 27.34           | (11.22)                    | 109.51                            | 109.07                            |
| Office Equipment                    | 283.25                           | 40.99           | (3.21)                     | 321.03                            | 109.31                           | 40.04           | (3.85)                     | 145.50                            | 175.53                            |
| Salt Pans, Reservoir and Condensers | 7.41                             | 0.77            | -                          | 8.18                              | 7.04                             | -               | -                          | 7.04                              | 1.14                              |
| Railway Sidings                     | 24.80                            | 1.40            | -                          | 26.20                             | 14.77                            | 1.18            | -                          | 15.95                             | 10.25                             |
| <b>Total</b>                        | <b>19,828.92</b>                 | <b>1,876.84</b> | <b>(107.38)</b>            | <b>21,598.38</b>                  | <b>5,194.11</b>                  | <b>1,055.09</b> | <b>(89.98)</b>             | <b>6,159.22</b>                   | <b>15,439.16</b>                  |

₹ in crore

| Description                         | Gross Block                      |                 |                            | Accumulated Depreciation          |                                  |               |                            | Net Block <sup>#</sup>            |                                   |
|-------------------------------------|----------------------------------|-----------------|----------------------------|-----------------------------------|----------------------------------|---------------|----------------------------|-----------------------------------|-----------------------------------|
|                                     | As at 1 <sup>st</sup> April 2022 | Additions       | Adjustments/<br>Deductions | As at 31 <sup>st</sup> March 2023 | As at 1 <sup>st</sup> April 2022 | For the Year  | Adjustments/<br>Deductions | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 |
| Freehold Land                       | 1,202.42                         | 45.82           | -                          | 1,248.24                          | -                                | -             | -                          | -                                 | 1248.24                           |
| Leasehold Improvements              | 6.97                             | 11.04           | -                          | 18.01                             | 2.57                             | 3.34          | -                          | 5.91                              | 12.10                             |
| Buildings                           | 2,595.21                         | 269.41          | (0.31)                     | 2,864.31                          | 476.31                           | 99.49         | (0.15)                     | 575.65                            | 2288.66                           |
| Plant and Equipment                 | 13,665.00                        | 1,517.49        | (77.38)                    | 15,105.11                         | 3,591.88                         | 789.25        | (60.45)                    | 4,320.68                          | 10784.43                          |
| Furniture and Fixtures              | 91.39                            | 19.99           | (2.80)                     | 108.58                            | 57.57                            | 10.36         | (0.57)                     | 67.36                             | 41.22                             |
| Vehicles                            | 142.11                           | 41.95           | (14.85)                    | 169.21                            | 85.15                            | 19.71         | (11.47)                    | 93.39                             | 75.82                             |
| Office Equipment                    | 233.36                           | 60.22           | (10.33)                    | 283.25                            | 86.37                            | 34.65         | (11.71)                    | 109.31                            | 173.94                            |
| Salt Pans, Reservoir and Condensers | 7.41                             | -               | -                          | 7.41                              | 7.04                             | -             | -                          | 7.04                              | 0.37                              |
| Railway Sidings                     | 21.82                            | 2.98            | -                          | 24.80                             | 13.63                            | 1.14          | -                          | 14.77                             | 10.03                             |
| <b>Total</b>                        | <b>17,965.69</b>                 | <b>1,968.90</b> | <b>(105.67)</b>            | <b>19,828.92</b>                  | <b>4,320.52</b>                  | <b>957.94</b> | <b>(84.35)</b>             | <b>5,194.11</b>                   | <b>14,634.81</b>                  |

# Net Block of PPE amounting to ₹ Nil (Previous Year ₹ 444.80 crore) is pledged as security against the secured borrowings.

### 2.1.1 Capital-Work-in Progress (CWIP)

₹ in crore

|                                      | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|--------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Opening Balance</b>               | <b>2,919.09</b>                           | <b>1,740.14</b>                           |
| Add: Additions during the year       | 6,142.57                                  | 3,147.85                                  |
| Less: Capitalisation during the year | (1,873.41)                                | (1,968.90)                                |
| Less: Deductions during the year*    | (72.61)                                   | -                                         |
| <b>Closing Balance</b>               | <b>7,115.64</b>                           | <b>2,919.09</b>                           |

\* Primarily on account of sale and leaseback (Refer Note 2.2.I.C)



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## As at 31<sup>st</sup> March 2024

### A) CWIP ageing schedule:

₹ in crore

| CWIP                           | Amount in CWIP for a period of |                 |               |                   | Total           |
|--------------------------------|--------------------------------|-----------------|---------------|-------------------|-----------------|
|                                | Less than 1 year               | 1-2 years       | 2-3 years     | More than 3 years |                 |
| Projects in progress           | 5,359.34                       | 1,451.76        | 164.33        | 87.54             | 7,062.97        |
| Projects temporarily suspended | -                              | -               | -             | 52.67             | 52.67           |
| <b>Total</b>                   | <b>5,359.34</b>                | <b>1,451.76</b> | <b>164.33</b> | <b>140.21</b>     | <b>7,115.64</b> |

### B) Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

₹ in crore

| Projects                                        | To be completed in |               |           |                   | Total         |
|-------------------------------------------------|--------------------|---------------|-----------|-------------------|---------------|
|                                                 | Less than 1 year   | 1-2 years     | 2-3 years | More than 3 years |               |
| <b>i) Projects in Progress:</b>                 |                    |               |           |                   |               |
| Caustic Expansion 200 TPD                       | 159.25             | -             | -         | -                 | 159.25        |
| ECH (Epichlorohydrin) Project                   | -                  | 152.61        | -         | -                 | 152.61        |
| Caustic Soda - 400 TPD and Value Added Products | 119.76             | -             | -         | -                 | 119.76        |
| Wet Sulphuric Acid Plant                        | 109.69             | -             | -         | -                 | 109.69        |
| 70 TPD Polly Aluminium Chloride Powder          | 28.45              | -             | -         | -                 | 28.45         |
| Others                                          | 103.81             | 47.63         | -         | -                 | 151.44        |
| <b>Sub Total</b>                                | <b>520.96</b>      | <b>200.24</b> | <b>-</b>  | <b>-</b>          | <b>721.20</b> |
| <b>ii) Projects temporarily suspended:</b>      |                    |               |           |                   |               |
| Aditya Birla Tower                              | -                  | -             | -         | 52.67             | 52.67         |
|                                                 | -                  | -             | -         | <b>52.67</b>      | <b>52.67</b>  |

## As at 31<sup>st</sup> March 2023

### A) CWIP ageing schedule:

₹ in crore

| CWIP                           | Amount in CWIP for a period of |               |              |                   | Total           |
|--------------------------------|--------------------------------|---------------|--------------|-------------------|-----------------|
|                                | Less than 1 year               | 1-2 years     | 2-3 years    | More than 3 years |                 |
| Projects in progress           | 2,385.87                       | 312.02        | 85.17        | 83.36             | 2,866.42        |
| Projects temporarily suspended | -                              | -             | -            | 52.67             | 52.67           |
| <b>Total</b>                   | <b>2,385.87</b>                | <b>312.02</b> | <b>85.17</b> | <b>136.03</b>     | <b>2,919.09</b> |



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## B) Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

₹ in crore

| Projects                                                                 | To be completed in |           |           |                   | Total  |
|--------------------------------------------------------------------------|--------------------|-----------|-----------|-------------------|--------|
|                                                                          | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |        |
| i) Projects in Progress:                                                 |                    |           |           |                   |        |
| Ethylene Diamine Tetra-Acetic Acid (EDTA) and CS2 Absorption Plant (CAP) | 233.75             | -         | -         | -                 | 233.75 |
| Caustic Soda - 400 TPD and 3 Value Added Products                        | 163.06             | -         | -         | -                 | 163.06 |
| Wet Sulphuric Acid Plant                                                 | 86.53              | -         | -         | -                 | 86.53  |
| Sea Water Intake and Outfall System                                      | 83.30              | -         | -         | -                 | 83.30  |
| ECH (Epichlorohydrin) Project                                            | 47.86              | -         | -         | -                 | 47.86  |
| Others                                                                   | 272.43             | 10.70     | -         | -                 | 283.13 |
| Sub Total                                                                | 886.93             | 10.70     | -         | -                 | 897.63 |
| ii) Projects temporarily suspended:                                      |                    |           |           |                   |        |
| Aditya Birla Tower                                                       | -                  | -         | -         | 52.67             | 52.67  |
| Sub Total                                                                | -                  | -         | -         | 52.67             | 52.67  |

## 2.1.2

### Title deeds of Immovable Properties not held in name of the Company as on 31<sup>st</sup> March 2024

| Relevant line item in the Balance sheet | Description of item of Property, Plant and Equipment | Gross carrying value (₹ in crore) | Title deeds held in the name of                  | Whether title deed holder is promoter, director or relative thereof or employee thereof | Property held since | Reason for not being held in the name of the Company                                                                                                             |
|-----------------------------------------|------------------------------------------------------|-----------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property, Plant and Equipment           | Freehold Land (A)                                    | 286.26                            | Aditya Birla Nuvo Limited                        | No                                                                                      | Apr-2017            | The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/demerger are in process of being transferred in the name of the Company |
|                                         |                                                      | 143.92                            | Jayashree Textiles Limited                       | No                                                                                      | Apr-1972            |                                                                                                                                                                  |
|                                         |                                                      | 23.44                             | Indian Rayon Corporation Limited                 | No                                                                                      | Apr-1987            |                                                                                                                                                                  |
|                                         |                                                      | 3.61                              | Indian Rayon and Industries Limited              | No                                                                                      | Apr-1998            |                                                                                                                                                                  |
|                                         |                                                      | 47.50                             | Jayashree Textiles Limited                       | No                                                                                      | Apr-1972            |                                                                                                                                                                  |
|                                         |                                                      | 1.77                              | Solaris Chemtech Limited (SCIL)                  | No                                                                                      | Apr-2008            |                                                                                                                                                                  |
|                                         |                                                      | 58.39                             | Andhra Pradesh Industrial Investment Corporation | No                                                                                      | Apr-2019            | Transfer is in Process                                                                                                                                           |
|                                         |                                                      | 38.60                             | Bharat Commerce and Industries Limited           | No                                                                                      | Apr-2014            | Under Legal Proceeding                                                                                                                                           |
|                                         |                                                      | 0.51                              | Various individual parties                       | No                                                                                      | 1985-2015           |                                                                                                                                                                  |
|                                         |                                                      | 604.00                            |                                                  |                                                                                         |                     |                                                                                                                                                                  |
|                                         | Building (B)                                         | 214.73                            | Aditya Birla Nuvo Limited                        | No                                                                                      | Apr-2017            | The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/demerger are in process of being transferred in the name of the Company |
|                                         |                                                      | 96.94                             | Jayashree Textiles Limited                       | No                                                                                      | Apr-1972            |                                                                                                                                                                  |
|                                         |                                                      | 15.77                             | Indian Rayon Corporation Limited                 | No                                                                                      | Apr-1987            |                                                                                                                                                                  |
|                                         |                                                      | 2.43                              | Indian Rayon and Industries Limited              | No                                                                                      | Apr-1998            |                                                                                                                                                                  |
|                                         |                                                      | 26.75                             | Jayashree Textiles Limited                       | No                                                                                      | Apr-1972            | Under Legal Proceeding                                                                                                                                           |
|                                         |                                                      | 2.34                              | Solaris Chemtech Limited (SCIL)                  | No                                                                                      | Apr-2008            |                                                                                                                                                                  |
|                                         |                                                      | 358.96                            |                                                  |                                                                                         |                     |                                                                                                                                                                  |
|                                         |                                                      | Total (A+B)                       | 962.96                                           |                                                                                         |                     |                                                                                                                                                                  |



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## Title deeds of Immovable Properties not held in name of the Company as on 31<sup>st</sup> March 2023

| Relevant line item in the Balance sheet | Description of item of Property, Plant and Equipment | Gross carrying value (₹ in crore) | Title deeds held in the name of                  | Whether title deed holder is promoter, director or relative thereof or employee thereof | Property held since | Reason for not being held in the name of the Company                                                                                                             |
|-----------------------------------------|------------------------------------------------------|-----------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property, Plant and Equipment           | Freehold Land (A)                                    | 286.26                            | Aditya Birla Nuvo Limited                        | No                                                                                      | Apr-2017            | The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/demerger are in process of being transferred in the name of the Company |
|                                         |                                                      | 143.92                            | Jayashree Textiles Limited                       | No                                                                                      | Apr-1972            |                                                                                                                                                                  |
|                                         |                                                      | 23.44                             | Indian Rayon Corporation Limited                 | No                                                                                      | Apr-1987            |                                                                                                                                                                  |
|                                         |                                                      | 3.61                              | Indian Rayon and Industries Limited              | No                                                                                      | Apr-1998            |                                                                                                                                                                  |
|                                         |                                                      | 47.50                             | Jayashree Textiles Limited                       | No                                                                                      | Apr-1972            |                                                                                                                                                                  |
|                                         |                                                      | 1.77                              | Solaris Chemtech Limited (SCIL)                  | No                                                                                      | Apr-2008            |                                                                                                                                                                  |
|                                         |                                                      | 56.64                             | Andhra Pradesh Industrial Investment Corporation | No                                                                                      | Apr-2019            | Transfer is in Process                                                                                                                                           |
|                                         |                                                      | 38.60                             | Bharat Commerce and Industries Limited           | No                                                                                      | Apr-2014            | Under Legal Proceeding                                                                                                                                           |
|                                         |                                                      | 0.51                              | Various individual parties                       | No                                                                                      | 1985-2015           |                                                                                                                                                                  |
|                                         | <b>602.25</b>                                        |                                   |                                                  |                                                                                         |                     |                                                                                                                                                                  |
|                                         | Building (B)                                         | 190.43                            | Aditya Birla Nuvo Limited                        | No                                                                                      | Apr-2017            | The Title of asset transferred pursuant to the scheme of amalgamation/arrangement/merger/demerger are in process of being transferred in the name of the Company |
|                                         |                                                      | 96.82                             | Jayashree Textiles Limited                       | No                                                                                      | Apr-1972            |                                                                                                                                                                  |
|                                         |                                                      | 15.77                             | Indian Rayon Corporation Limited                 | No                                                                                      | Apr-1987            |                                                                                                                                                                  |
|                                         |                                                      | 2.43                              | Indian Rayon and Industries Limited              | No                                                                                      | Apr-1998            |                                                                                                                                                                  |
|                                         |                                                      | 25.39                             | Jayashree Textiles Limited                       | No                                                                                      | Apr-1972            | Under Legal Proceeding                                                                                                                                           |
|                                         |                                                      | 7.62                              | Jiyajeerao Cotton Mills                          | No                                                                                      | Apr-2015            |                                                                                                                                                                  |
| 2.34                                    |                                                      | Solaris Chemtech Limited (SCIL)   | No                                               | Apr-2008                                                                                |                     |                                                                                                                                                                  |
| <b>340.80</b>                           |                                                      |                                   |                                                  |                                                                                         |                     |                                                                                                                                                                  |
| <b>Total (A+B)</b>                      |                                                      | <b>943.05</b>                     |                                                  |                                                                                         |                     |                                                                                                                                                                  |

₹ in crore

|                                                                                                                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>2.1.3 Property Plant and Equipment (PPE) held on Co-ownership with other companies (Company's share):</b>                                               |                                      |                                      |
| Buildings                                                                                                                                                  | 127.15                               | 72.76                                |
| Plant and Equipment                                                                                                                                        | 1.25                                 | 0.40                                 |
| Furniture and Fixtures                                                                                                                                     | 6.71                                 | 5.19                                 |
| Vehicles                                                                                                                                                   | 0.07                                 | 0.07                                 |
| Office Equipment                                                                                                                                           | 16.73                                | 8.26                                 |
| <b>Gross Block</b>                                                                                                                                         | <b>151.91</b>                        | <b>86.68</b>                         |
| Net Block                                                                                                                                                  | 101.88                               | 44.67                                |
| <b>2.1.4 Property Plant and Equipment (PPE) includes Capital Expenditure for Research and Development activities by approved in-house R&amp;D Centres:</b> |                                      |                                      |
| Gross Block                                                                                                                                                | 204.47                               | 197.27                               |
| Net Block                                                                                                                                                  | 107.00                               | 108.59                               |
| Additions during the Year                                                                                                                                  | 16.34                                | 14.39                                |
| Capital Work-in-Progress                                                                                                                                   | 20.56                                | 8.08                                 |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>2.1.5 Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:</b> |                                      |                                      |
| Expenditure incurred during the year:                                                        |                                      |                                      |
| Raw Materials Consumed                                                                       | 129.02                               | -                                    |
| Salaries, Wages and Bonus                                                                    | 183.77                               | 53.75                                |
| Contribution to Provident and Other Funds                                                    | 6.35                                 | 1.62                                 |
| Contribution to Gratuity Fund                                                                | 0.66                                 | 0.20                                 |
| Expenses on Employee Stock Option Scheme                                                     | 8.30                                 | 0.19                                 |
| Borrowing Costs                                                                              | 187.07                               | 26.28                                |
| Power and Fuel                                                                               | 4.81                                 | 0.03                                 |
| Consumption of Stores, Spare Parts and Components, Packing Materials and Incidental Expenses | 17.88                                | 0.01                                 |
| Repairs and Maintenance                                                                      | 0.10                                 | 0.23                                 |
| Insurance                                                                                    | 0.07                                 | 0.85                                 |
| Rent                                                                                         | 1.20                                 | 0.04                                 |
| Miscellaneous Expenses                                                                       | 64.29                                | 23.78                                |
|                                                                                              | <b>603.52</b>                        | <b>106.98</b>                        |
| Less: Income Earned during the year                                                          |                                      |                                      |
| Sale of Trial Run Production                                                                 | 6.80                                 | 0.03                                 |
| Stock of Trial Run Production                                                                | 141.12                               | 0.13                                 |
|                                                                                              | <b>147.92</b>                        | <b>0.16</b>                          |
| <b>Total Pre-Operative Expenses incurred during the year</b>                                 | <b>455.60</b>                        | <b>106.82</b>                        |
| Add: Pre-Operative Expenditure Incurred upto Previous Year                                   | 198.51                               | 130.39                               |
| Less: Pre-Operative Expenditure Allocated to PPE during the Year                             | 44.82                                | 38.70                                |
| <b>Total Pre-Operative Expenses Pending Allocation</b>                                       | <b>609.29</b>                        | <b>198.51</b>                        |

## 2.2 LEASES

### I. AS A LESSEE

#### A. Right of Use Assets

Carrying value of right of use assets as at 31<sup>st</sup> March 2024

₹ in crore

| Description         | Gross Block                            |                                |                                | Accumulated Depreciation                |                                        |                              |                                | Net Block                               |                                         |
|---------------------|----------------------------------------|--------------------------------|--------------------------------|-----------------------------------------|----------------------------------------|------------------------------|--------------------------------|-----------------------------------------|-----------------------------------------|
|                     | As at<br>1 <sup>st</sup> April<br>2023 | Addition<br>during<br>the Year | Deletion<br>during the<br>Year | As at<br>31 <sup>st</sup> March<br>2024 | As at<br>1 <sup>st</sup> April<br>2023 | Depreciation<br>for the Year | Deletion<br>during<br>the Year | As at<br>31 <sup>st</sup> March<br>2024 | As at<br>31 <sup>st</sup> March<br>2024 |
| Land #              | 725.99                                 | 0.04                           | (7.08)                         | 718.95                                  | 48.40                                  | 10.23                        | (7.08)                         | 51.55                                   | 667.40                                  |
| Building            | 144.09                                 | 130.18                         | (16.89)                        | 257.38                                  | 66.54                                  | 55.43                        | (15.43)                        | 106.54                                  | 150.84                                  |
| Plant and Machinery | 8.29                                   | 79.97                          | (7.07)                         | 81.19                                   | 7.96                                   | 0.54                         | (7.07)                         | 1.43                                    | 79.76                                   |
| Software Platform   | 10.81                                  | 6.88                           | (0.30)                         | 17.39                                   | 1.99                                   | 4.02                         | (0.30)                         | 5.71                                    | 11.68                                   |
| <b>Total</b>        | <b>889.18</b>                          | <b>217.07</b>                  | <b>(31.34)</b>                 | <b>1,074.91</b>                         | <b>124.89</b>                          | <b>70.22</b>                 | <b>(29.88)</b>                 | <b>165.23</b>                           | <b>909.68</b>                           |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## Carrying value of right of use assets as at 31<sup>st</sup> March 2023

₹ in crore

| Description         | Gross Block                      |                          |                          | Accumulated Depreciation          |                                  |                           |                          | Net Block                         |                                   |
|---------------------|----------------------------------|--------------------------|--------------------------|-----------------------------------|----------------------------------|---------------------------|--------------------------|-----------------------------------|-----------------------------------|
|                     | As at 1 <sup>st</sup> April 2022 | Addition during the Year | Deletion during the Year | As at 31 <sup>st</sup> March 2023 | As at 1 <sup>st</sup> April 2022 | Depreciation for the year | Deletion during the year | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 |
| Land #              | 269.94                           | 456.30                   | (0.25)                   | 725.99                            | 25.78                            | 22.67                     | (0.05)                   | 48.40                             | 677.59                            |
| Building            | 117.08                           | 39.20                    | (12.19)                  | 144.09                            | 49.30                            | 24.86                     | (7.62)                   | 66.54                             | 77.55                             |
| Plant and Machinery | 8.29                             | -                        | -                        | 8.29                              | 6.66                             | 1.30                      | -                        | 7.96                              | 0.33                              |
| Software Platform   | -                                | 10.81                    | -                        | 10.81                             | -                                | 1.99                      | -                        | 1.99                              | 8.82                              |
| <b>Total</b>        | <b>395.31</b>                    | <b>506.31</b>            | <b>(12.44)</b>           | <b>889.18</b>                     | <b>81.74</b>                     | <b>50.82</b>              | <b>(7.67)</b>            | <b>124.89</b>                     | <b>764.29</b>                     |

# Includes Leasehold land of ₹ 133.86 crore (previous year ₹ 133.86 crore) of co-ownership with other companies.

## Title deeds of lease deed not held in name of the Company as on 31<sup>st</sup> March 2024

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value (₹ in crore) | Title deeds held in the name of          | Whether title deed holder is promoter, director or relative thereof or employee thereof | Property held since which date | Reason for not being held in the name of the Company                                                                                                                |
|-----------------------------------------|---------------------------------|-----------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Right of Use Assets                     | Lease Hold Land (A)             | 1.10                              | Bihar Caustics And Chemicals Limited     | No                                                                                      | April-1980                     | The Title of asset transferred pursuant to the scheme of amalgamation/ arrangement/merger/ demerger are in process of being transferred in the name of the Company. |
|                                         |                                 | 1.01                              | Aditya Birla Chemical Industries Limited | No                                                                                      | May-2011                       |                                                                                                                                                                     |
|                                         |                                 | 0.20                              | Welspun India Limited                    | No                                                                                      | May-2009                       |                                                                                                                                                                     |
|                                         | Lease Hold Building (B)         | 4.70                              | Aditya Birla Nuvo Limited                | No                                                                                      | April-2017                     | The Title of asset transferred pursuant to the scheme of amalgamation/ arrangement/merger/ demerger are in process of being transferred in the name of the Company. |
|                                         | <b>Total (A+B)</b>              | <b>7.01</b>                       |                                          |                                                                                         |                                |                                                                                                                                                                     |

## Title deeds of lease deed not held in name of the Company as on 31<sup>st</sup> March 2023

| Relevant line item in the Balance sheet | Description of item of property | Gross carrying value (₹ in crore) | Title deeds held in the name of          | Whether title deed holder is promoter, director or relative thereof or employee thereof | Property held since which date | Reason for not being held in the name of the Company                                                                                                                |
|-----------------------------------------|---------------------------------|-----------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Right of Use Assets                     | Lease Hold Land (A)             | 1.10                              | Bihar Caustics And Chemicals Limited     | No                                                                                      | Apr-1980                       | The Title of asset transferred pursuant to the scheme of amalgamation/ arrangement/merger/ demerger are in process of being transferred in the name of the Company. |
|                                         |                                 | 1.01                              | Aditya Birla Chemical Industries Limited | No                                                                                      | May-2011                       |                                                                                                                                                                     |
|                                         |                                 | 0.20                              | Welspun India Limited                    | No                                                                                      | May-2009                       |                                                                                                                                                                     |
|                                         | Lease Hold Building (B)         | 4.70                              | Aditya Birla Nuvo Limited                | No                                                                                      | Apr-2017                       | The Title of asset transferred pursuant to the scheme of amalgamation/ arrangement/merger/ demerger are in process of being transferred in the name of the Company. |
|                                         | <b>Total (A+B)</b>              | <b>7.01</b>                       |                                          |                                                                                         |                                |                                                                                                                                                                     |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## B. The following is the movement in lease liabilities during the year ended:

| ₹ in crore                               |                             |                             |
|------------------------------------------|-----------------------------|-----------------------------|
| Particulars                              | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Opening Lease Liabilities                | 97.37                       | 79.76                       |
| Addition during the year                 | 216.48                      | 49.12                       |
| Cancellation of lease contracts          | (1.57)                      | (6.21)                      |
| Finance Cost accrued during the period   | 11.74                       | 6.84                        |
| Payment of Lease Liabilities - Principal | (35.99)                     | (25.30)                     |
| Payment of Lease Liabilities - Interest  | (11.74)                     | (6.84)                      |
| <b>Closing Lease Liabilities</b>         | <b>276.29</b>               | <b>97.37</b>                |

## Maturity profile of Lease Liabilities

| ₹ in crore                                             |                             |                             |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Maturity profile – contractual undiscounted cash flows | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Less than one year                                     | 85.61                       | 28.16                       |
| One to five years                                      | 211.95                      | 69.55                       |
| More than five years                                   | 69.11                       | 30.58                       |
| <b>Total Undiscounted Lease Liabilities</b>            | <b>366.67</b>               | <b>128.29</b>               |

## Lease Liabilities included in the Statement of Financial Position

| ₹ in crore  |                             |                             |
|-------------|-----------------------------|-----------------------------|
| Particulars | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Current     | 65.84                       | 23.00                       |
| Non-Current | 210.45                      | 74.37                       |

## Amounts recognised in the Statement of Profit and Loss

| ₹ in crore                                                                                       |                             |                             |
|--------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Particulars                                                                                      | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Interest on lease liabilities                                                                    | 11.74                       | 6.84                        |
| Variable lease payments not included in the measurement of lease liabilities                     | -                           | -                           |
| Expenses relating to short-term leases                                                           | 22.65                       | 16.87                       |
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets | 1.79                        | 1.04                        |

## Amounts recognised in the statement of cash flows

| ₹ in crore                    |                             |                             |
|-------------------------------|-----------------------------|-----------------------------|
| Particulars                   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Total cash outflow for leases | 47.73                       | 32.14                       |

The Company has entered in to leasing arrangements for various assets referred in Right of Use table. These leases generally have lease terms between 2 to 99 years.

The weighted average incremental borrowing rate applied to these leases ranges between 5.17% to 8.70% (Previous Year 5.17% to 8.70%)

## C. Sale and Leaseback

During the year, the Company entered into sale and leaseback arrangements for cash proceeds. Certain equipment worth ₹ 68.92 crore (₹ 81.33 crore including taxes) are sold under the arrangement for a tenure of 5 to 7 years. Interest rate on these arrangements ranges between 6% to 8.56% p.a. Profit on sale and leaseback transactions during the year is ₹ Nil. Out of the sale proceeds, the Company has collected ₹ 5.34 crore (₹ 6.30 crore including taxes) during the year.



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.3 OTHER INTANGIBLE ASSETS

₹ in crore

| Description                                          | Gross Block                            |              |                            | Accumulated Amortisation                |                                        |                 |                            | Net Block                               |                                         |
|------------------------------------------------------|----------------------------------------|--------------|----------------------------|-----------------------------------------|----------------------------------------|-----------------|----------------------------|-----------------------------------------|-----------------------------------------|
|                                                      | As at<br>1 <sup>st</sup> April<br>2023 | Additions    | Adjustments/<br>Deductions | As at<br>31 <sup>st</sup> March<br>2024 | As at<br>1 <sup>st</sup> April<br>2023 | For the<br>Year | Adjustments/<br>Deductions | As at<br>31 <sup>st</sup> March<br>2024 | As at<br>31 <sup>st</sup> March<br>2024 |
| <b>INTANGIBLE ASSETS</b>                             |                                        |              |                            |                                         |                                        |                 |                            |                                         |                                         |
| Computer Software                                    | 40.15                                  | 17.35        | (0.69)                     | 56.81                                   | 26.50                                  | 9.22            | (0.47)                     | 35.25                                   | 21.56                                   |
| Value of License/Right to Use                        | 97.01                                  | 8.42         | -                          | 105.43                                  | 51.83                                  | 7.65            | -                          | 59.48                                   | 45.95                                   |
| Customer Relationship                                | 369.90                                 | -            | -                          | 369.90                                  | 93.85                                  | 16.84           | -                          | 110.69                                  | 259.21                                  |
| Distribution Network                                 | 20.03                                  | -            | -                          | 20.03                                   | 16.07                                  | 3.96            | -                          | 20.03                                   | -                                       |
| Order Backlog                                        | 16.70                                  | -            | -                          | 16.70                                   | 16.70                                  | -               | -                          | 16.70                                   | -                                       |
| Technical Know-how                                   | 27.24                                  | -            | -                          | 27.24                                   | 12.24                                  | 2.44            | -                          | 14.68                                   | 12.56                                   |
| Trade Mark and Brand                                 | 67.96                                  | -            | -                          | 67.96                                   | 41.51                                  | 5.15            | -                          | 46.66                                   | 21.30                                   |
| Right to Manage and Operate Manufacturing Facilities | 666.50                                 | -            | -                          | 666.50                                  | 229.04                                 | 44.49           | -                          | 273.53                                  | 392.97                                  |
| Non-Compete                                          | 21.50                                  | -            | -                          | 21.50                                   | 21.50                                  | -               | -                          | 21.50                                   | -                                       |
| <b>Total Intangible Assets</b>                       | <b>1,326.99</b>                        | <b>25.77</b> | <b>(0.69)</b>              | <b>1,352.07</b>                         | <b>509.24</b>                          | <b>89.75</b>    | <b>(0.47)</b>              | <b>598.52</b>                           | <b>753.55</b>                           |

₹ in crore

| Description                                          | Gross Block                            |              |                            | Accumulated Amortisation                |                                        |                 |                            | Net Block                               |                                         |
|------------------------------------------------------|----------------------------------------|--------------|----------------------------|-----------------------------------------|----------------------------------------|-----------------|----------------------------|-----------------------------------------|-----------------------------------------|
|                                                      | As at<br>1 <sup>st</sup> April<br>2022 | Additions    | Adjustments/<br>Deductions | As at<br>31 <sup>st</sup> March<br>2023 | As at<br>1 <sup>st</sup> April<br>2022 | For the<br>Year | Adjustments/<br>Deductions | As at<br>31 <sup>st</sup> March<br>2023 | As at<br>31 <sup>st</sup> March<br>2023 |
| <b>INTANGIBLE ASSETS</b>                             |                                        |              |                            |                                         |                                        |                 |                            |                                         |                                         |
| Computer Software                                    | 32.35                                  | 10.24        | (2.44)                     | 40.15                                   | 24.26                                  | 4.54            | (2.30)                     | 26.50                                   | 13.65                                   |
| Value of License/Right to Use                        | 97.01                                  | -            | -                          | 97.01                                   | 43.42                                  | 8.41            | -                          | 51.83                                   | 45.18                                   |
| Customer Relationship                                | 369.90                                 | -            | -                          | 369.90                                  | 77.01                                  | 16.84           | -                          | 93.85                                   | 276.05                                  |
| Distribution Network                                 | 20.03                                  | -            | -                          | 20.03                                   | 12.06                                  | 4.01            | -                          | 16.07                                   | 3.96                                    |
| Order Backlog                                        | 16.70                                  | -            | -                          | 16.70                                   | 16.70                                  | -               | -                          | 16.70                                   | -                                       |
| Technical Know-how                                   | 27.24                                  | -            | -                          | 27.24                                   | 9.82                                   | 2.42            | -                          | 12.24                                   | 15.00                                   |
| Trade Mark and Brand                                 | 67.96                                  | -            | -                          | 67.96                                   | 33.69                                  | 7.82            | -                          | 41.51                                   | 26.45                                   |
| Right to Manage and Operate Manufacturing Facilities | 666.50                                 | -            | -                          | 666.50                                  | 184.55                                 | 44.49           | -                          | 229.04                                  | 437.46                                  |
| Non-Compete                                          | 21.50                                  | -            | -                          | 21.50                                   | 21.50                                  | -               | -                          | 21.50                                   | -                                       |
| <b>Total Intangible Assets</b>                       | <b>1,319.19</b>                        | <b>10.24</b> | <b>(2.44)</b>              | <b>1,326.99</b>                         | <b>423.01</b>                          | <b>88.53</b>    | <b>(2.30)</b>              | <b>509.24</b>                           | <b>817.75</b>                           |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.3.1 Intangible Assets Under Development (IAUD):

₹ in crore

| Particulars                          | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
|--------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Opening Balance</b>               | <b>6.60</b>                               | <b>2.65</b>                               |
| Add: Additions during the year       | 34.48                                     | 14.19                                     |
| Less: Capitalisation during the year | (25.77)                                   | (10.24)                                   |
| <b>Closing Balance</b>               | <b>15.31</b>                              | <b>6.60</b>                               |

### As at 31<sup>st</sup> March 2024

#### A) Ageing schedule:

₹ in crore

| IAUD                           | Amount in IAUD for a period of |           |           |                   | Total        |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--------------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |              |
| Projects in progress           | 15.31                          | -         | -         | -                 | 15.31        |
| Projects temporarily suspended | -                              | -         | -         | -                 | -            |
| <b>Total</b>                   | <b>15.31</b>                   | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>15.31</b> |

B) Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan: Nil

### As at 31<sup>st</sup> March 2023

#### A) Ageing schedule:

₹ in crore

| IAUD                           | Amount in IAUD for a period of |             |           |                   | Total       |
|--------------------------------|--------------------------------|-------------|-----------|-------------------|-------------|
|                                | Less than 1 year               | 1-2 years   | 2-3 years | More than 3 years |             |
| Projects in progress           | 3.95                           | 2.65        | -         | -                 | 6.60        |
| Projects temporarily suspended | -                              | -           | -         | -                 | -           |
| <b>Total</b>                   | <b>3.95</b>                    | <b>2.65</b> | <b>-</b>  | <b>-</b>          | <b>6.60</b> |

B) Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan: Nil



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.4 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES - NON-CURRENT

(Fully paid-up)

₹ in crore

| Particulars                                                                            | Place of Incorporation | Face Value | Number of Shares | Grasim's Ownership % | As at 31 <sup>st</sup> March 2024 | Number of Shares | Grasim's Ownership % | As at 31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------|------------------------|------------|------------------|----------------------|-----------------------------------|------------------|----------------------|-----------------------------------|
| <b>Equity Shares</b>                                                                   |                        |            |                  |                      |                                   |                  |                      |                                   |
| <b>Quoted:</b>                                                                         |                        |            |                  |                      |                                   |                  |                      |                                   |
| <b>Subsidiaries: Carried at Cost</b>                                                   |                        |            |                  |                      |                                   |                  |                      |                                   |
| UltraTech Cement Limited                                                               | India                  | ₹ 10       | 16,53,35,150     | 57.27%               | 2,636.25                          | 16,53,35,150     | 57.27%               | 2,636.25                          |
| Aditya Birla Capital Limited                                                           | India                  | ₹ 10       | 1,36,98,09,351   | 52.68%               | 18,846.95                         | 1,30,92,40,000   | 54.15%               | 17,846.95                         |
|                                                                                        |                        |            |                  |                      | <b>21,483.20</b>                  |                  |                      | <b>20,483.20</b>                  |
| <b>Unquoted:</b>                                                                       |                        |            |                  |                      |                                   |                  |                      |                                   |
| <b>Subsidiaries: Carried at Cost</b>                                                   |                        |            |                  |                      |                                   |                  |                      |                                   |
| ABNL Investment Limited                                                                | India                  | ₹ 10       | 2,81,40,000      | 100.00%              | 108.79                            | 2,81,40,000      | 100.00%              | 108.79                            |
| Samruddhi Swastik Trading and Investments Limited                                      | India                  | ₹ 10       | 65,00,000        | 100.00%              | 6.50                              | 65,00,000        | 100.00%              | 6.50                              |
| Aditya Birla Renewables Limited*                                                       | India                  | ₹ 10       | 83,30,51,406     | 100.00%              | 826.75                            | 75,30,15,872     | 100.00%              | 759.92                            |
| Aditya Birla Solar Limited*                                                            | India                  | ₹ 10       | -                | -                    | -                                 | 6,65,85,354      | 100.00%              | 66.83                             |
| ABReL Solar Power Limited                                                              | India                  | ₹ 10       | 7,10,83,886      | 26.00%               | 71.09                             | 4,59,06,432      | 26.00%               | 45.91                             |
| Grasim Business Services Private Limited                                               | India                  | ₹ 10       | 1,00,000         | 100.00%              | 0.10                              | 1,00,000         | 100.00%              | 0.10                              |
|                                                                                        |                        |            |                  |                      | <b>1,013.23</b>                   |                  |                      | <b>988.05</b>                     |
| <b>Joint Ventures: Carried at Cost</b>                                                 |                        |            |                  |                      |                                   |                  |                      |                                   |
| AV Group NB Inc., Class 'A' Shares of aggregate value of Canadian Dollar 38.25 million | Canada                 | WPV        | 2,04,750         | 45.00%               | 153.04                            | 2,04,750         | 45.00%               | 153.04                            |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi                                    | Turkey                 | TL 10      | 16,665           | 33.33%               | 0.47                              | 16,665           | 33.33%               | 0.47                              |
| AV Terrace Bay Inc.                                                                    | Canada                 | CAD 1      | 3,80,00,000      | 40.00%               | 218.24                            | 2,80,00,000      | 40.00%               | 156.36                            |
| Less: Provision for impairment in the value of Investment (Note 3.10 (i))              |                        |            |                  |                      | (218.24)                          |                  |                      | -                                 |
| Aditya Group AB                                                                        | Sweden                 | SEK 1000   | 50               | 33.33%               | 274.89                            | 50               | 33.33%               | 274.89                            |
| Bhubaneswari Coal Mining Limited                                                       | India                  | ₹ 10       | 3,35,40,000      | 26.00%               | 33.54                             | 3,35,40,000      | 26.00%               | 33.54                             |
| Aditya Birla Power Composites Limited                                                  | India                  | ₹ 10       | 2,27,32,740      | 51.00%               | 22.73                             | 2,27,32,740      | 51.00%               | 22.73                             |
| Birla Jingwei Fibres Company Limited, Shares of aggregate value of RMB 174.53 million  | China                  | WPV        | -                | 26.63%               | 117.40                            | -                | 26.63%               | 117.40                            |
| Birla Advanced Knits Private Limited                                                   | India                  | ₹ 10       | 2,50,00,000      | 50.00%               | 25.00                             | 2,50,00,000      | 50.00%               | 25.00                             |
|                                                                                        |                        |            |                  |                      | <b>627.07</b>                     |                  |                      | <b>783.43</b>                     |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                 | Place of Incorporation | Face Value | Number of Shares | Grasim's Ownership % | As at 31 <sup>st</sup> March 2024 | Number of Shares | Grasim's Ownership % | As at 31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------|------------------------|------------|------------------|----------------------|-----------------------------------|------------------|----------------------|-----------------------------------|
| <b>Associates: Carried at Cost</b>                          |                        |            |                  |                      |                                   |                  |                      |                                   |
| Aditya Birla Science and Technology Company Private Limited | India                  | ₹ 10       | 98,99,500        | 49.50%               | 11.35                             | 98,99,500        | 49.50%               | 11.35                             |
| Greenyana Sunstream Private Limited                         | India                  | ₹ 10       | 32,17,970        | 17.34%               | 4.18                              | 32,17,970        | 17.34%               | 4.18                              |
| Renew Surya Uday Private Limited                            | India                  | ₹ 10       | 97,85,162        | 26.00%               | 29.82                             | 97,85,162        | 26.00%               | 29.82                             |
|                                                             |                        |            |                  |                      | <b>45.35</b>                      |                  |                      | <b>45.35</b>                      |
|                                                             |                        |            |                  |                      | <b>1,685.65</b>                   |                  |                      | <b>1,816.83</b>                   |
|                                                             |                        |            |                  |                      | <b>23,168.85</b>                  |                  |                      | <b>22,300.03</b>                  |

WPV - Without Par Value

\* Aditya Birla Solar Limited has been merged into Aditya Birla Renewables Limited w.e.f. 24<sup>th</sup> July 2023.

## 2.4.1 Aggregate Book Value of:

₹ in crore

| Particulars                                                            | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Quoted Investments                                                     | 21,483.20                         | 20,483.20                         |
| Unquoted Investments                                                   | 1,685.65                          | 1,816.83                          |
|                                                                        | <b>23,168.85</b>                  | <b>22,300.03</b>                  |
| Aggregate Market Value of Quoted Investments                           | 1,85,214.18                       | 1,46,124.31                       |
| Aggregate Amount of Impairment in Value of Investments (Note 3.10 (i)) | 218.24                            | -                                 |

## 2.4.2 Impairment Testing of Investments:

The Company values its investments in certain joint venture entities using discounted cash flow (DCF) method and are tested for impairment annually or more frequently if indicators of impairment exist. DCF method uses cash flow projections based on financial budgets covering three to five years period approved by these entities management.

The Key assumptions used in the estimation of these investments recoverable amount are set out below. The values assigned to the key assumptions represent their management's assessment of future trends in the relevant industries and economic environment and have been based on historical data from both external and internal sources.

The Company has performed sensitivity analysis around the key assumptions and has concluded that no reasonable change in the key assumption would result in the recoverable amount of investments in joint ventures to be less than the carrying value of investment and accordingly, no impairment charges were recognised during the year for these investments.

| Particulars          | Aditya Group AB | Birla Jingwei Fibres Company Limited | Aditya Birla Power Composites Limited |
|----------------------|-----------------|--------------------------------------|---------------------------------------|
| Discount Rate        | 12.25%          | 12.50%                               | 12.74%                                |
| Annual Growth Rate   | 13.00%          | 3.50%                                | *                                     |
| Terminal Growth Rate | 1.00%           | 1.50%                                | 3.00%                                 |

\* The Company has recently started the business operations and so the Annual Growth Rate is not presented.



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.5 OTHER INVESTMENTS - NON-CURRENT

₹ in crore

| Particulars                                                                                                                                         | Place of Incorporation | Face Value  | Number of Shares | Grasim's Ownership % | As at 31 <sup>st</sup> March 2024 | Number of Shares | Grasim's Ownership % | As at 31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------|------------------|----------------------|-----------------------------------|------------------|----------------------|-----------------------------------|
| <b>Quoted:</b>                                                                                                                                      |                        |             |                  |                      |                                   |                  |                      |                                   |
| <b>Investments in Equity Shares:</b>                                                                                                                |                        |             |                  |                      |                                   |                  |                      |                                   |
| <b>Carried at Fair Value through Other Comprehensive Income (FVTOCI) (Note 4.9 A)</b>                                                               |                        |             |                  |                      |                                   |                  |                      |                                   |
| Thai Rayon Public Company Limited, Thailand                                                                                                         | Thailand               | Thai Baht 1 | 1,39,88,570      | 6.94%                | 131.05                            | 1,39,88,570      | 6.94%                | 156.28                            |
| Hindalco Industries Limited                                                                                                                         | India                  | ₹ 1         | 8,80,48,812      | 3.92%                | 4,932.93                          | 8,80,48,812      | 3.92%                | 3,569.06                          |
| Vodafone Idea Limited                                                                                                                               | India                  | ₹ 10        | 3,31,75,66,167   | 4.99%                | 4,395.78                          | 3,31,75,66,167   | 6.88%                | 1,924.19                          |
| Aditya Birla Fashion and Retail Limited                                                                                                             | India                  | ₹ 10        | 9,75,93,931      | 9.62%                | 2,006.04                          | 9,75,93,931      | 10.40%               | 2,091.93                          |
|                                                                                                                                                     |                        |             |                  |                      | <b>11,465.80</b>                  |                  |                      | <b>7,741.46</b>                   |
| <b>Unquoted:</b>                                                                                                                                    |                        |             |                  |                      |                                   |                  |                      |                                   |
| <b>Investments in Equity Shares:</b>                                                                                                                |                        |             |                  |                      |                                   |                  |                      |                                   |
| <b>Carried at Fair Value through Other Comprehensive Income (FVTOCI) (Note 4.9 A)</b>                                                               |                        |             |                  |                      |                                   |                  |                      |                                   |
| P.T. Indo Bharat Rayon Co. Limited                                                                                                                  | Indonesia              | USD 100     | 5,000            | 4.93%                | 1,407.54                          | 5,000            | 4.93%                | 676.46                            |
| Indo Phil Textile Mills Inc.                                                                                                                        | Philippines            | Peso 10     | 4,22,496         | 2.82%                | 2.10                              | 4,22,496         | 2.82%                | 2.40                              |
| Birla International Limited                                                                                                                         | British Virgin Islands | USD 100     | 2,500            | 10.00%               | 5.90                              | 2,500            | 10.00%               | 5.46                              |
|                                                                                                                                                     |                        |             |                  |                      | <b>1,415.54</b>                   |                  |                      | <b>684.32</b>                     |
| <b>Investments in Preference Shares:</b>                                                                                                            |                        |             |                  |                      |                                   |                  |                      |                                   |
| <b>Carried at Fair Value through Profit or Loss (FVTPL)</b>                                                                                         |                        |             |                  |                      |                                   |                  |                      |                                   |
| <b>Joint Ventures</b>                                                                                                                               |                        |             |                  |                      |                                   |                  |                      |                                   |
| 6% Non-Cumulative Redeemable Retractable Non-voting Preferred Shares of AV Group NB Inc., Canada of aggregate value of Canadian Dollar 6.75 million | Canada                 | WPV         | 67,50,000        |                      | 39.01                             | 67,50,000        |                      | 36.45                             |
| 1% Redeemable Preference Shares of Aditya Group AB, Sweden of aggregate value of USD 8 million                                                      | Sweden                 | WPV         | 1,60,000         |                      | 48.66                             | 1,60,000         |                      | 49.11                             |
| <b>Others</b>                                                                                                                                       |                        |             |                  |                      |                                   |                  |                      |                                   |
| 8% Cumulative and Redeemable Preference Shares of Aditya Birla Fashion and Retail Limited                                                           | India                  | ₹ 10        | -                |                      | -                                 | 5,00,000         |                      | 1.02                              |
|                                                                                                                                                     |                        |             |                  |                      | <b>87.67</b>                      |                  |                      | <b>86.58</b>                      |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                                                                         | Place of Incorporation | Face Value | Number of Shares | Grasim's Ownership % | As at 31 <sup>st</sup> March 2024 | Number of Shares | Grasim's Ownership % | As at 31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------------------------------------|------------------------|------------|------------------|----------------------|-----------------------------------|------------------|----------------------|-----------------------------------|
| <b>Investment in Limited Liability Partnership Carried at Fair Value through Profit or Loss (FVTPL)</b>             |                        |            |                  |                      |                                   |                  |                      |                                   |
| Clean Max Power 3 LLP                                                                                               | India                  |            |                  |                      | 26.60                             |                  |                      | 26.60                             |
| <b>Investments in various Mutual Funds units: Carried at Fair Value through Profit or Loss (FVTPL) (Note 4.9 A)</b> |                        |            |                  |                      |                                   |                  |                      |                                   |
| Investment in Mutual Funds                                                                                          |                        |            |                  |                      | 2.32                              |                  |                      | 2.16                              |
| <b>Other Investments carried at Amortised Cost</b>                                                                  |                        |            |                  |                      |                                   |                  |                      |                                   |
| Certificate of Deposits                                                                                             |                        |            |                  |                      | 125.00                            |                  |                      | -                                 |
|                                                                                                                     |                        |            |                  |                      | <b>153.92</b>                     |                  |                      | <b>28.76</b>                      |
|                                                                                                                     |                        |            |                  |                      | <b>1,657.13</b>                   |                  |                      | <b>799.66</b>                     |
|                                                                                                                     |                        |            |                  |                      | <b>13,122.93</b>                  |                  |                      | <b>8,541.12</b>                   |

All shares are fully paid-up, unless otherwise stated

WPV - Without Par Value

## 2.5.1 Aggregate Book Value of:

₹ in crore

| Particulars                                  | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|----------------------------------------------|-----------------------------------|-----------------------------------|
| Quoted Investments                           | 11,465.80                         | 7,741.46                          |
| Unquoted Investments                         | 1,657.13                          | 799.66                            |
|                                              | <b>13,122.93</b>                  | <b>8,541.12</b>                   |
| Aggregate Market Value of Quoted Investments | 11,465.80                         | 7,741.46                          |

## 2.6 LOANS - NON-CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

| Particulars                                              | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|----------------------------------------------------------|-----------------------------------|-----------------------------------|
| Loans to Employees                                       | 11.02                             | 7.56                              |
| Loans to Related Parties (Note 4.5.3, 2.14.1 and 2.14.2) | 79.92                             | 92.75                             |
|                                                          | <b>90.94</b>                      | <b>100.31</b>                     |



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forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.7 OTHER FINANCIAL ASSETS - NON-CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

| Particulars                                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Fixed Deposits with Banks with maturity more than 12 months <sup>#</sup> | 25.56                                | 0.34                                 |
| Security Deposits to Related Parties (Note 4.5.3)                        | 7.37                                 | 35.90                                |
| Receivable towards divested businesses*                                  | 42.13                                | 44.24                                |
| Less: Provision towards divested businesses                              | (7.00)                               | (9.11)                               |
| Security Deposits                                                        | 242.93                               | 229.13                               |
| Less: Provision on deposits                                              | (3.29)                               | (0.44)                               |
| Advance against Equity (Note 4.5.3)                                      | 61.36                                | -                                    |
| Less: Provision against Advance against Equity (Note 3.10 (i))           | (61.36)                              | -                                    |
| Government Grant and Incentives Receivable                               | 45.86                                | 45.86                                |
| Less: Provision towards Government Incentives                            | (9.62)                               | (6.70)                               |
|                                                                          | <b>343.94</b>                        | <b>339.21</b>                        |

\*The Company has to receive from purchaser towards tax refunds

35.13 35.13

<sup>#</sup> Lodged as security with Government Departments

0.18 0.34

## 2.8 OTHER NON-CURRENT ASSETS

₹ in crore

| Particulars                                                    | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Capital Advances for Purchase of Property, Plant and Equipment | 447.72                               | 757.83                               |
| Other Advances (Deposits with Government Authorities, etc.)    | 13.58                                | 82.30                                |
|                                                                | <b>461.30</b>                        | <b>840.13</b>                        |

## 2.9 INVENTORIES

(Valued at lower of cost and net realisable value)

₹ in crore

| Particulars                                  | As at 31 <sup>st</sup> March 2024 |                 |                 | As at 31 <sup>st</sup> March 2023 |                 |                 |
|----------------------------------------------|-----------------------------------|-----------------|-----------------|-----------------------------------|-----------------|-----------------|
|                                              | In Hand                           | In Transit      | Total           | In Hand                           | In Transit      | Total           |
| Raw Materials                                | 1,493.89                          | 1,385.14        | 2,879.03        | 1,174.79                          | 1,169.77        | 2,344.56        |
| Work-in-Progress                             | 277.46                            | -               | 277.46          | 261.90                            | -               | 261.90          |
| Finished Goods                               | 1,037.08                          | 272.40          | 1,309.48        | 967.94                            | 181.84          | 1,149.78        |
| Stock-in-trade                               | 82.13                             | -               | 82.13           | 42.54                             | -               | 42.54           |
| Stores and Spare Parts (including Fuel)      | 473.80                            | 176.11          | 649.91          | 444.98                            | 242.07          | 687.05          |
| Waste/Scrap (valued at Net Realisable Value) | 17.03                             | -               | 17.03           | 6.95                              | -               | 6.95            |
|                                              | <b>3,381.39</b>                   | <b>1,833.65</b> | <b>5,215.04</b> | <b>2,899.10</b>                   | <b>1,593.68</b> | <b>4,492.78</b> |

2.9.1 The Company follows adequate provisioning policy for writing down the value of Inventories towards slow moving, non-moving and surplus inventories. Write down of Inventories (Net of reversals) for the year ₹ 32.58 crore (Previous year ₹ 16.50 crore).

This is included as part of cost of materials consumed and changes in inventory of finished goods, work in progress and stock in trade in statement of profit and loss. Inventory values shown above are net of the write down.

2.9.2 Working Capital Borrowings are secured by hypothecation of inventories of the Company (Note 2.24).



# NOTES

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## 2.10 INVESTMENTS - CURRENT

₹ in crore

| Particulars                                                           | Face Value | Number of Shares/ Securities | As at 31 <sup>st</sup> March 2024 | Number of Shares/ Securities | As at 31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------|------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| <b>Quoted:</b>                                                        |            |                              |                                   |                              |                                   |
| <b>Investment in Equity Share: Carried at FVTOCI</b>                  |            |                              |                                   |                              |                                   |
| Larsen and Toubro Limited                                             | ₹2         | -                            | -                                 | 14,95,993                    | 323.76                            |
| <b>Investments in Debentures and Bonds: Carried at FVTOCI</b>         |            |                              |                                   |                              |                                   |
| 7.83% NABARD 2026                                                     | ₹1,00,000  | 1,500                        | 15.03                             | -                            | -                                 |
| 7.34% Indian Railway Finance Corporation Limited - Tax-Free Bond 2028 | ₹1,000     | 6,00,000                     | 64.35                             | 6,00,000                     | 65.33                             |
| 7.83% SIDBI 2028                                                      | ₹1,00,000  | 1,500                        | 15.10                             | -                            | -                                 |
| 8.85% Axis Bank 2024                                                  | ₹10,00,000 | 250                          | 25.13                             | -                            | -                                 |
| 8.29% State Bank of India 2025                                        | ₹10,00,000 | 100                          | 10.00                             | -                            | -                                 |
| 5.90% HDFC 2025                                                       | ₹10,00,000 | 200                          | 19.65                             | -                            | -                                 |
| 7.99% State Bank of India 2029                                        | ₹10,00,000 | 200                          | 19.92                             | -                            | -                                 |
|                                                                       |            |                              | <b>169.18</b>                     |                              | <b>389.09</b>                     |
| <b>Unquoted:</b>                                                      |            |                              |                                   |                              |                                   |
| Investment in various Mutual Funds Units: Carried at FVTPL            |            |                              | 2,701.21                          |                              | 2,476.54                          |
| Investment in Certificate of Deposits Carried at FVTPL                |            |                              | 50.00                             |                              | 190.00                            |
|                                                                       |            |                              | <b>2,751.21</b>                   |                              | <b>2,666.54</b>                   |
|                                                                       |            |                              | <b>2,920.39</b>                   |                              | <b>3,055.63</b>                   |

All shares are fully paid-up, unless otherwise stated.

### 2.10.1 Aggregate Book Value of:

₹ in crore

| Particulars                                  | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|----------------------------------------------|-----------------------------------|-----------------------------------|
| Quoted Investments                           | 169.18                            | 389.09                            |
| Unquoted Investments                         | 2,751.21                          | 2,666.54                          |
|                                              | <b>2,920.39</b>                   | <b>3,055.63</b>                   |
| Aggregate Market Value of Quoted Investments | 169.18                            | 389.09                            |
| Aggregate Impairment in Value of Investments | -                                 | -                                 |



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forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.11 TRADE RECEIVABLES \*

(Unsecured, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

| Particulars                                                                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Considered Good @ [Secured ₹ 34.69 crore, Previous Year ₹ 50.77 crore]                                   | 1,974.31                             | 1,597.26                             |
| Trade Receivables which have significant increase in credit risk                                         | 8.11                                 | 13.18                                |
| Trade Receivables - credit impaired                                                                      | 33.44                                | 33.18                                |
|                                                                                                          | <b>2,015.86</b>                      | <b>1,643.62</b>                      |
| Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired     | 41.55                                | 46.36                                |
|                                                                                                          | <b>1,974.31</b>                      | <b>1,597.26</b>                      |
| Trade receivables are interest and non-interest bearing and are generally upto 120 days terms.           |                                      |                                      |
| @ Includes amount due from related parties (Note 4.5.3)                                                  | 16.51                                | 11.44                                |
| * Includes amount in respect of which the Company holds Deposits/Letters of Credit/Guarantees from Banks | 428.27                               | 129.05                               |

- 2.11.1 (a) Working Capital Borrowings are secured by hypothecation of Book debts of the Company (Note 2.24).
- (b) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

### 2.11.2 Trade Receivables ageing schedule

₹ in crore

| Particulars                                                                                                     | Outstanding for following periods from due date of payment |                   |           |           |                   | Total           |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------|-----------|-----------|-------------------|-----------------|
|                                                                                                                 | Less than 6 months                                         | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |                 |
| <b>As at 31<sup>st</sup> March 2024</b>                                                                         |                                                            |                   |           |           |                   |                 |
| Undisputed Trade receivables - considered good                                                                  | 304.65                                                     | 8.62              | 0.98      | 0.04      | -                 | 314.29          |
| Undisputed Trade receivables - which have significant increase in credit risk                                   | 0.35                                                       | 1.66              | 3.33      | 0.21      | 0.45              | 6.00            |
| Undisputed Trade receivables - credit impaired                                                                  | 0.14                                                       | 1.09              | 0.34      | 2.69      | 12.61             | 16.87           |
| Disputed Trade receivables - considered good                                                                    | -                                                          | -                 | 0.06      | -         | 0.01              | 0.07            |
| Disputed Trade receivables - which have significant increase in credit risk                                     | -                                                          | 0.05              | 0.01      | -         | 2.05              | 2.11            |
| Disputed Trade receivables - credit impaired                                                                    | 0.09                                                       | 0.08              | 0.37      | 0.73      | 15.30             | 16.57           |
| <b>Total (A)</b>                                                                                                |                                                            |                   |           |           |                   | <b>355.91</b>   |
| <b>Not Due - Undisputed (B)</b>                                                                                 |                                                            |                   |           |           |                   | <b>1,659.95</b> |
| <b>Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired (C)</b> |                                                            |                   |           |           |                   | 41.55           |
| <b>Net Total (A+B-C)</b>                                                                                        |                                                            |                   |           |           |                   | <b>1,974.31</b> |
| <b>Add: Unbilled Revenue</b>                                                                                    |                                                            |                   |           |           |                   | -               |
| <b>Grand Total</b>                                                                                              |                                                            |                   |           |           |                   | <b>1,974.31</b> |

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₹ in crore

| Particulars                                                                                              | Outstanding for following periods from due date of payment |                   |           |           |                   | Total    |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------|-----------|-----------|-------------------|----------|
|                                                                                                          | Less than 6 months                                         | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| As at 31 <sup>st</sup> March 2023                                                                        |                                                            |                   |           |           |                   |          |
| Undisputed Trade receivables - considered good                                                           | 253.08                                                     | 6.11              | 2.80      | 0.05      | -                 | 262.04   |
| Undisputed Trade receivables - which have significant increase in credit risk                            | 0.52                                                       | 5.12              | 3.04      | 0.10      | 0.05              | 8.83     |
| Undisputed Trade receivables - credit impaired                                                           | -                                                          | -                 | -         | 1.15      | 14.33             | 15.48    |
| Disputed Trade receivables - considered good                                                             | 0.16                                                       | 0.14              | 0.17      | -         | -                 | 0.47     |
| Disputed Trade receivables - which have significant increase in credit risk                              | -                                                          | 0.03              | 0.45      | 1.38      | 2.49              | 4.35     |
| Disputed Trade receivables - credit impaired                                                             | 0.08                                                       | 0.08              | 0.17      | 2.16      | 15.21             | 17.70    |
| Total (A)                                                                                                |                                                            |                   |           |           |                   | 308.87   |
| Not Due - Undisputed (B)                                                                                 |                                                            |                   |           |           |                   | 1,334.75 |
| Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired (C) |                                                            |                   |           |           |                   | 46.36    |
| Net Total (A+B-C)                                                                                        |                                                            |                   |           |           |                   | 1,597.26 |
| Add: Unbilled Revenue                                                                                    |                                                            |                   |           |           |                   | -        |
| Grand Total                                                                                              |                                                            |                   |           |           |                   | 1,597.26 |

## 2.12 CASH AND CASH EQUIVALENTS

₹ in crore

| Particulars                                                | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Balances with Banks                                        |                                   |                                   |
| In Current Account                                         | 33.93                             | 6.27                              |
| In Deposit Account - Original Maturity of 3 Months or Less | -                                 | 5.90                              |
| In EEFC Account                                            | 12.45                             | 0.61                              |
| Cheques in Hand                                            | 1.00                              | 2.88                              |
| Cash on Hand                                               | 0.79                              | 0.82                              |
|                                                            | <b>48.17</b>                      | <b>16.48</b>                      |

There are no restrictions with regard to cash and cash equivalents as at the end of reporting period and prior period.



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## 2.13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crore

| Particulars                                                                         | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Earmarked Balance with Banks                                                        |                                      |                                      |
| In Government Treasury Saving Account                                               | 0.03                                 | 0.03                                 |
| In Escrow Account                                                                   | 0.25                                 | -                                    |
| Rights Issue Account #                                                              | 10.15                                | -                                    |
| Unclaimed Dividend (including Unclaimed Fractional Warrants)                        | 18.05                                | 18.50                                |
| Bank Deposits (with original maturity more than 3 months but less than 12 months) * | 232.94                               | 439.36                               |
|                                                                                     | <b>261.42</b>                        | <b>457.89</b>                        |

- There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.

# Represents balance pending for utilisation of Rights Issue proceeds kept in separate bank account {Refer Note 2.17.5(a)}

\* Includes:

|                                                                                                            |       |       |
|------------------------------------------------------------------------------------------------------------|-------|-------|
| - Lodged as Security with Government Departments                                                           | 34.38 | 32.27 |
| - Of this the Company is in the process of transferring Fixed Deposits, including interest in its own name | 4.74  | 4.50  |

## 2.14 LOANS - CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

| Particulars                           | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Loans to Related Parties (Note 4.5.3) | 159.91                               | -                                    |
| Loan to Employees                     | 3.60                                 | 3.68                                 |
|                                       | <b>163.51</b>                        | <b>3.68</b>                          |

### 2.14.1 Disclosure as per Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(a) Loans given to Subsidiaries, Joint Ventures and Associates (Current and Non-current) (Note 2.6 and 2.14):

₹ in crore

| Name of Companies               | Terms                                                             | Maximum Balance Outstanding during the |               | Amount Outstanding |               |
|---------------------------------|-------------------------------------------------------------------|----------------------------------------|---------------|--------------------|---------------|
|                                 |                                                                   | Current Year                           | Previous Year | Current Year       | Previous Year |
| Subsidiaries:                   |                                                                   |                                        |               |                    |               |
| ABReL SPV 2 Limited             | Interest rate 6.60% to 8.21% p.a., repayment in 3 years           | 79.92                                  | 79.92         | 79.92              | 79.92         |
| Aditya Birla Solar Limited      | Interest rate 8.25% p.a., repayment in 360 days                   | -                                      | 3.00          | -                  | -             |
| ABREL Century Energy Limited    | Interest rate 8.90% p.a., repayment in 30 days                    | -                                      | 26.00         | -                  | -             |
| Aditya Birla Renewables Limited | Interest Rate 9.1% p.a., repayment in 365 days                    | 202.00                                 | 3.00          | 65.00              | -             |
| ABREL Green Energy Limited      | Interest rate 9% p.a., repayment in 45 days                       | -                                      | 25.00         | -                  | -             |
| ABREL Solar Power Limited       | Interest rate 8.25% and 8.30% - 60 days with option of prepayment | -                                      | 23.89         | -                  | -             |
| Aditya Birla Finance Ltd.       | Interest rate 8.28% p.a., repayment in 3 months                   | 50.00                                  | -             | 50.00              | -             |



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₹ in crore

| Name of Companies                                           | Terms                                                                      | Maximum Balance Outstanding during the |               | Amount Outstanding |               |
|-------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------|---------------|--------------------|---------------|
|                                                             |                                                                            | Current Year                           | Previous Year | Current Year       | Previous Year |
| Joint Venture:                                              |                                                                            |                                        |               |                    |               |
| Birla Advanced Knits Private Limited                        | Interest rate 8.50% - 9.15% p.a. for 365 days                              | 34.50                                  | 5.00          | 34.50              | -             |
| Aditya Birla Power Composites Limited                       | Interest rate 9.2% p.a., repayment in 90 days                              | 10.00                                  | -             | -                  | -             |
| Associate:                                                  |                                                                            |                                        |               |                    |               |
| Aditya Birla Science and Technology Company Private Limited | Interest rate 7.10% p.a., repayment in 3 years with early repayment option | 12.83                                  | 16.13         | 10.41              | 12.83         |
| Total                                                       |                                                                            |                                        |               | 239.83             | 92.75         |

The Loans have been utilised for meeting the business requirements by respective companies.

(b) Refer Note 2.4 for Investments in Subsidiaries, Associates and Joint Ventures.

## 2.14.2 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties-

₹ in crore

| S. No. | Type of Borrower | 31 <sup>st</sup> March 2024                                 |                                                                   | 31 <sup>st</sup> March 2023                                 |                                                                   |
|--------|------------------|-------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------|
|        |                  | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| 1      | Related Parties  | 239.83                                                      | 94%                                                               | 92.75                                                       | 89%                                                               |

## 2.15 OTHER FINANCIAL ASSETS - CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

| Particulars                                         | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|-----------------------------------------------------|-----------------------------------|-----------------------------------|
| Interest Accrued on Investments                     | 22.33                             | 28.45                             |
| Other Receivables from Related Parties (Note 4.5.3) | 26.78                             | 7.69                              |
| Derivative Assets - Carried at FVTPL                | 1.68                              | 20.85                             |
| Government Incentive Receivable                     | 19.08                             | 9.53                              |
| Security Deposits                                   | 36.12                             | 33.10                             |
| Receivable under Sale and Leaseback Arrangement     | 75.02                             | -                                 |
| Others (includes Insurance Claim Receivable, etc.)  | 55.20                             | 34.29                             |
|                                                     | <b>236.21</b>                     | <b>133.91</b>                     |



# NOTES

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## 2.16 OTHER CURRENT ASSETS

(Unsecured, considered good, unless otherwise stated)

₹ in crore

| Particulars                                         | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
| Balances with Government Authorities                | 936.07                               | 493.26                               |
| Less: Provision towards doubtful dues               | (12.82)                              | (11.33)                              |
| Other Receivables from Related Parties (Note 4.5.3) | 1.88                                 | 6.63                                 |
| Advances to Suppliers                               | 401.18                               | 333.73                               |
| Less: Loss Allowance                                | (4.83)                               | (4.48)                               |
| Others (includes Prepayments)                       | 145.41                               | 144.12                               |
|                                                     | <b>1,466.89</b>                      | <b>961.93</b>                        |

## 2.17 EQUITY SHARE CAPITAL

### 2.17.1 Authorised

₹ in crore

| Particulars                                                                                                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| 2,06,25,00,000 Equity Shares of ₹ 2 each<br>(Previous Year 2,06,25,00,000 Equity Shares of ₹ 2 each)              | 412.50                               | 412.50                               |
| 11,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each<br>(Previous Year 11,00,000 shares of ₹ 100 each) | 11.00                                | 11.00                                |
|                                                                                                                   | <b>423.50</b>                        | <b>423.50</b>                        |

### 2.17.2 Issued, Subscribed and Fully Paid-up

₹ in crore

| Particulars                                                                                                                                                                                                                                                         | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(a) Issued</b>                                                                                                                                                                                                                                                   |                                      |                                      |
| 68,05,53,161 Equity Shares of Face Value ₹ 2 each<br>(Previous Year 65,84,32,126 Equity Shares of ₹ 2 each) (Note 2.17.5(a))                                                                                                                                        | 136.11                               | 131.69                               |
|                                                                                                                                                                                                                                                                     | <b>136.11</b>                        | <b>131.69</b>                        |
| <b>(b) Subscribed and Paid-up</b>                                                                                                                                                                                                                                   |                                      |                                      |
| 65,84,79,226 Equity Shares of Face Value ₹ 2 each<br>(Previous Year 65,84,32,126 Equity Shares of ₹ 2 each) (fully paid-up)                                                                                                                                         | 131.69                               | 131.68                               |
| 2,20,70,910 Right Equity Shares of Face Value ₹ 2 each<br>(Previous Year Nil Equity Shares of ₹ 2 each) (₹ 0.5 paid-up)                                                                                                                                             | 1.10                                 | -                                    |
| <b>Share Capital Suspense</b>                                                                                                                                                                                                                                       |                                      |                                      |
| 28,295 Equity Shares of ₹ 2 each (Previous Year 28,295 Equity Shares of ₹ 2 each)<br>to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya<br>Birla Nuvo Limited under Scheme of Arrangement without payment being received<br>in cash | 0.01                                 | 0.01                                 |
|                                                                                                                                                                                                                                                                     | <b>132.80</b>                        | <b>131.69</b>                        |

### Shares kept in Abeyance

Pursuant to provisions of section 126 of the Companies Act 2013, the issue of 61,985 Fully Paid Equity Shares (Previous Year 61,985 Equity Shares) are kept in abeyance.

2,077 Right Equity Shares were issued and kept in abeyance against 61,985 fully paid equity shares of Face Value ₹ 2 each and 948 Right Equity Shares were issued and kept in abeyance against 28,295 fully paid equity shares of Face Value ₹ 2 each which aggregates to 3,025 Right Equity Shares kept in abeyance.

# NOTES

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## 2.17.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

| Particulars                       | Number of Shares            |                             | ₹ in crore                  |                             |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| As at the beginning of the year   | 65,84,60,421                | 65,83,23,721                | 131.69                      | 131.67                      |
| Increase during the year towards: |                             |                             |                             |                             |
| Equity shares under Rights Issue  | 2,20,70,910                 | -                           | 1.10                        | -                           |
| Exercise of Options               | 47,100                      | 1,36,700                    | 0.01                        | 0.02                        |
| <b>As at the end of the year</b>  | <b>68,05,78,431</b>         | <b>65,84,60,421</b>         | <b>132.80</b>               | <b>131.69</b>               |

## 2.17.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2 per share. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company.

## 2.17.5 Rights Issue

- (a) On 4<sup>th</sup> January 2024, the Board of Directors of the Company approved issue of 2,20,73,935 equity shares of face value of ₹ 2 each (the "Rights Equity Shares") at a price of ₹ 1,812 per Rights Equity Share (including premium of ₹ 1,810 per Rights Equity Share), in the ratio of 6 Rights Equity Shares for every 179 existing fully-paid equity shares held by the eligible equity shareholders as on 10<sup>th</sup> January 2024, the record date.

On 2<sup>nd</sup> February 2024, the Rights Issue Committee 2023 of the Company approved allotment of 2,20,67,231 partly paid-up Equity Shares at an issue price of ₹ 1,812 per Equity Share [(including a premium of ₹ 1,810 per Equity Share) of which ₹ 453 per Equity Share has been received on application (₹ 0.50 has been paid-up on application as share capital and ₹ 452.50 as a premium per equity share)], to eligible equity shareholders. Further, allotment of 6,704 Rights Equity Shares was kept in abeyance pending regulatory/other clearances, out of which the Committee approved allotment of 3,679 partly paid-up equity shares to eligible equity shareholders on 7<sup>th</sup> March 2024 and balance 3,025 shares have been kept in abeyance.

The object of the Rights issue is to enlarge the capital base of the Company. The net proceeds to be utilised for Repayment or prepayment, in full or in part, of certain borrowings availed by the Company and for other General corporate purposes.

The Company has raised ₹ 999.81 crore on application. The total expense on Rights Issue aggregates to ₹ 16.08 crore (excluding taxes of ₹ 2.32 crore) has been adjusted against securities premium. During the year ended 31<sup>st</sup> March 2024, the Company has utilised ₹ 975 crore for repayment of borrowings as mentioned above. Further ₹ 10.15 crore pending utilisation have been kept in a separate bank account, which includes issue related expenses of ₹ 1.65 crore paid by the Company from its own account (other than monitoring account) and also includes interest of ₹ 2.09 crore received on FDs placed from the unutilised proceeds during the year (Note 2.13).

- (b) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the Offer document.

## 2.17.6 The Company does not have any Holding Company.



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## 2.17.7 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

| Particulars                                                                                                                                                              | As at 31 <sup>st</sup> March 2024 |           | As at 31 <sup>st</sup> March 2023 |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------|-----------------------------------|-----------|
|                                                                                                                                                                          | No. of shares*                    | % Holding | No. of Shares                     | % Holding |
| Birla Group Holdings Private Limited                                                                                                                                     | 12,99,73,507                      | 19.10%    | 12,50,04,398                      | 18.99%    |
| Life Insurance Corporation of India                                                                                                                                      | 5,50,02,589                       | 8.08%     | 6,15,47,074                       | 9.35%     |
| IGH Holdings Private Limited                                                                                                                                             | 4,51,95,313                       | 6.64%     | 4,24,36,393                       | 6.45%     |
| * Includes partly paid-up shares                                                                                                                                         |                                   |           |                                   |           |
| 2.17.8 Equity Shares of ₹ 2 each (Previous Year ₹ 2 each) represented by Global Depository Receipts (GDRs) (GDR holders have voting rights as per the Deposit Agreement) | 5,70,88,831                       | 8.39%     | 5,68,53,028                       | 8.63%     |

## 2.17.9 Shareholding of Promoters and Promoters group:

| Sr. No.      | Promoter Name                                                             | As at 31 <sup>st</sup> March 2024 |               |                          | As at 31 <sup>st</sup> March 2023 |               |                          |
|--------------|---------------------------------------------------------------------------|-----------------------------------|---------------|--------------------------|-----------------------------------|---------------|--------------------------|
|              |                                                                           | No. of Shares <sup>#</sup>        | % Holding     | % Change during the year | No. of Shares                     | % Holding     | % Change during the year |
| 1            | Birla Group Holdings Private Limited                                      | 12,99,73,507                      | 19.10%        | 0.11%                    | 12,50,04,398                      | 18.99%        | 0.00%                    |
| 2            | IGH Holdings Private Limited                                              | 4,51,95,313                       | 6.64%         | 0.19%                    | 4,24,36,393                       | 6.45%         | 0.00%                    |
| 3            | Hindalco Industries Limited                                               | 2,91,68,472                       | 4.29%         | 0.00%                    | 2,82,22,468                       | 4.29%         | 0.00%                    |
| 4            | Umang Commercial Company Private Limited                                  | 2,78,09,466                       | 4.09%         | 0.03%                    | 2,67,46,262                       | 4.06%         | 0.00%                    |
| 5            | Pilani Investment and Industries Corporation Ltd.                         | 2,64,49,922                       | 3.89%         | 0.14%                    | 2,47,14,527                       | 3.75%         | 0.00%                    |
| 6            | P.T. Indo Bharat Rayon*                                                   | 2,00,04,020                       | 2.94%         | -0.10%                   | 2,00,04,020                       | 3.04%         | 0.00%                    |
| 7            | Thai Rayon Public Company Limited*                                        | 47,74,666                         | 0.70%         | -0.03%                   | 47,74,666                         | 0.73%         | 0.00%                    |
| 8            | Anatole Investments Pte Ltd.*                                             | 44,59,323                         | 0.66%         | -0.02%                   | 44,59,323                         | 0.68%         | 0.00%                    |
| 9            | P T Sunrise Bumi Textiles*                                                | 12,68,750                         | 0.19%         | 0.00%                    | 12,68,750                         | 0.19%         | 0.00%                    |
| 10           | Kumar Mangalam Birla                                                      | 11,30,202                         | 0.17%         | 0.00%                    | 10,86,993                         | 0.17%         | 0.00%                    |
| 11           | P T Elegant Textile Industry*                                             | 8,08,750                          | 0.12%         | 0.00%                    | 8,08,750                          | 0.12%         | 0.00%                    |
| 12           | Birla Institute of Technology and Science                                 | 6,61,205                          | 0.10%         | 0.00%                    | 6,61,205                          | 0.10%         | 0.00%                    |
| 13           | Rajashree Birla                                                           | 5,74,829                          | 0.08%         | 0.00%                    | 5,52,850                          | 0.08%         | 0.00%                    |
| 14           | Renuka Investments and Finance Limited                                    | 2,50,302                          | 0.04%         | 0.00%                    | 2,42,185                          | 0.04%         | 0.00%                    |
| 15           | Vasavadatta Bajaj                                                         | 1,23,249                          | 0.02%         | 0.00%                    | 1,18,537                          | 0.02%         | 0.00%                    |
| 16           | Aditya Vikram Kumar Mangalam Birla HUF (Karta - Mr. Kumar Mangalam Birla) | 93,287                            | 0.01%         | 0.00%                    | 89,720                            | 0.01%         | 0.00%                    |
| 17           | Birla Industrial Finance (India) Limited                                  | 90,962                            | 0.01%         | 0.00%                    | 87,485                            | 0.01%         | 0.00%                    |
| 18           | Birla Consultants Limited                                                 | 90,856                            | 0.01%         | 0.00%                    | 87,382                            | 0.01%         | 0.00%                    |
| 19           | Neerja Birla                                                              | 75,967                            | 0.01%         | 0.00%                    | 73,062                            | 0.01%         | 0.00%                    |
| 20           | Birla Industrial Investments (India) Limited                              | 19,400                            | 0.00%         | 0.00%                    | 18,657                            | 0.00%         | 0.00%                    |
| 21           | Surya Kiran Investments Pte Limited*                                      | 5,000                             | 0.00%         | 0.00%                    | 5,000                             | 0.00%         | 0.00%                    |
| 22           | Vikram Holdings Pvt. Ltd.                                                 | 781                               | 0.00%         | 0.00%                    | 750                               | 0.00%         | 0.00%                    |
| 23           | Rajratna Holdings Private Limited                                         | 697                               | 0.00%         | 0.00%                    | 670                               | 0.00%         | 0.00%                    |
| 24           | Vaibhav Holdings Private Limited                                          | 697                               | 0.00%         | 0.00%                    | 670                               | 0.00%         | 0.00%                    |
| <b>Total</b> |                                                                           | <b>29,30,29,623</b>               | <b>43.06%</b> | <b>0.32%</b>             | <b>28,14,64,723</b>               | <b>42.75%</b> | <b>0.00%</b>             |

\* GDRs held by Promoter Group

# Includes partly paid-up shares



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|                                                                                                                                                                                                                             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                                                                                                                                                             | No. of Shares                        | No. of Shares                        |
| <b>2.17.10</b> Shares reserved for issue under options and contracts, including the terms and amounts:<br>For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company (Note 4.8.1) | 20,34,148                            | 20,36,941                            |
| <b>2.17.11</b> Aggregate number of Equity Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date                                                          |                                      |                                      |
| Equity Shares of ₹ 2 each issued in the financial year 2017-2018 as fully paid up to the shareholders of Aditya Birla Nuvo Limited (ABNL), pursuant to the Composite Scheme of Arrangement                                  | -                                    | 19,04,62,665                         |

## 2.18 OTHER EQUITY

|                                                                                                        | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                                            |                                      |                                      |
| <b>a) Securities Premium</b>                                                                           |                                      |                                      |
| Balance at the beginning of the year                                                                   | 23,741.42                            | 23,731.50                            |
| <b>Add:</b> ESOP Exercised                                                                             | 2.08                                 | 7.68                                 |
| <b>Add:</b> Transferred from Employee Stock Option Reserve                                             | 1.59                                 | 2.24                                 |
| <b>Add:</b> Proceeds from Rights Issue (Note 2.17.5 (a))                                               | 998.71                               | -                                    |
| <b>Less:</b> Share Issue Expenses                                                                      | (16.08)                              | -                                    |
| Balance at the end of the year                                                                         | <b>24,727.72</b>                     | <b>23,741.42</b>                     |
| <b>b) General Reserve</b>                                                                              |                                      |                                      |
| Balance at the beginning of the year                                                                   | 11,584.56                            | 11,584.56                            |
| Balance at the end of the year                                                                         | <b>11,584.56</b>                     | <b>11,584.56</b>                     |
| <b>c) Capital Reserve</b>                                                                              |                                      |                                      |
| Balance at the beginning of the year                                                                   | 3,670.17                             | 3,670.17                             |
| Balance at the end of the year                                                                         | <b>3,670.17</b>                      | <b>3,670.17</b>                      |
| <b>d) Treasury Shares</b>                                                                              |                                      |                                      |
| Balance at the beginning of the year                                                                   | (240.21)                             | (150.93)                             |
| <b>Add:</b> Purchase of Treasury Shares                                                                | (70.27)                              | (108.04)                             |
| <b>Less:</b> Issue of Treasury Shares                                                                  | 35.25                                | 18.76                                |
| Balance at the end of the year                                                                         | <b>(275.23)</b>                      | <b>(240.21)</b>                      |
| <b>e) Employee Stock Option Reserve</b>                                                                |                                      |                                      |
| Balance at the beginning of the year                                                                   | 97.23                                | 70.82                                |
| <b>Add:</b> Employee Stock Options Granted (net of lapses)                                             | 37.63                                | 37.15                                |
| <b>Less:</b> Loss on Treasury Shares issued to employees                                               | (13.25)                              | (8.50)                               |
| <b>Less:</b> Transfer to Securities Premium on Exercise of Options                                     | (1.59)                               | (2.24)                               |
| Balance at the end of the year                                                                         | <b>120.02</b>                        | <b>97.23</b>                         |
| <b>f) Retained Earnings</b>                                                                            |                                      |                                      |
| Balance at the beginning of the year                                                                   | 9,476.76                             | 8,013.25                             |
| <b>Add:</b> Profit for the year                                                                        | 945.39                               | 2,123.73                             |
| <b>Add:</b> Realised Gain/(Loss) on Sale of Equity Instruments FVTOCI transferred to Retained Earnings | 334.20                               | -                                    |
| <b>Add:</b> Gain on remeasurement of Defined Benefit Plan (Net of Tax)                                 | 14.21                                | (2.57)                               |
| <b>Less:</b> Dividends paid                                                                            | (657.21)                             | (657.65)                             |
| Balance at the end of the year                                                                         | <b>10,113.35</b>                     | <b>9,476.76</b>                      |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                                                             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>g) Other Comprehensive Income</b>                                                                    |                                      |                                      |
| <b>(i) Debt Instruments through Other Comprehensive Income</b>                                          |                                      |                                      |
| Balance at the beginning of the year                                                                    | 4.12                                 | 6.51                                 |
| <b>Add:</b> Gain/(Loss) during the year (Net of Tax)                                                    | (0.67)                               | (2.39)                               |
| Balance at the end of the year                                                                          | <b>3.45</b>                          | <b>4.12</b>                          |
| <b>(ii) Equity Instruments through Other Comprehensive Income</b>                                       |                                      |                                      |
| Balance at the beginning of the year                                                                    | (1,522.21)                           | 1,557.69                             |
| <b>Add:</b> Gain/(Loss) during the year (Net of Tax)                                                    | 3,895.14                             | (3,079.90)                           |
| <b>Less:</b> Realised Gain/(Loss) on Sale of Equity Instruments FVTOCI transferred to Retained Earnings | (334.20)                             | -                                    |
| Balance at the end of the year                                                                          | <b>2,038.73</b>                      | <b>(1,522.21)</b>                    |
| <b>(iii) Hedging Reserve</b>                                                                            |                                      |                                      |
| Balance at the beginning of the year                                                                    | 11.40                                | 0.55                                 |
| <b>Add:</b> Gain/(Loss) during the year (Net of Tax)                                                    | (12.38)                              | 10.85                                |
| Balance at the end of the year                                                                          | <b>(0.98)</b>                        | <b>11.40</b>                         |
| <b>Total</b>                                                                                            | <b>51,981.79</b>                     | <b>46,823.24</b>                     |

## The Description of the nature and purpose of each reserve within equity is as follows:

- Securities Premium:** Securities Premium is credited when shares are issued at premium. It can be used to issue bonus shares, write-off equity related expenses like underwriting costs, etc.
- General Reserve:** Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.
- Capital Reserve:** Capital Reserve is mainly the reserve created during business combination of erstwhile Aditya Birla Chemicals (India) Limited and Aditya Birla Nuvo Limited with the Company.
- Treasury Shares:** The reserve for shares of the Company held by the Grasim Employees Welfare Trust (ESOP Trust). The Company has issued employees stock option scheme for its employees. The shares of the Company have been purchased and held by ESOP Trust to issue and allot to employees at the time of exercise of ESOP by Employees.
- Employee Share Option Outstanding:** The Company has stock option schemes under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.
- Retained Earnings:** Amount of retained earnings represents accumulated profit and losses of the Company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI. Actuarial Gain/(Loss) arising out of Actuarial valuation is immediately transferred to Retained Earnings.
- Debt Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of debt instruments measured at fair value through OCI, net of amount reclassified to Profit or Loss on disposal of such instruments.
- Equity Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of Equity Shares (other than investments in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI, net of amounts reclassified to Retained Earnings on disposal of such instruments.
- Hedging Reserve:** It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.19 BORROWINGS - NON-CURRENT

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

| Particulars                             | Non-current Portion as at   |                             | Current Maturities as at*   |                             | Total as at                 |                             |
|-----------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                         | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| <b>Secured</b>                          |                             |                             |                             |                             |                             |                             |
| Subsidised Government Loan              | -                           | -                           | -                           | 56.59                       | -                           | 56.59                       |
| <b>Unsecured</b>                        |                             |                             |                             |                             |                             |                             |
| Rupee Term Loans from Banks             | 2,111.90                    | -                           | 8.10                        | -                           | 2,120.00                    | -                           |
| Rupee Term Loans from Others            | 0.66                        | -                           | 3.81                        | -                           | 4.47                        | -                           |
| Non-Convertible Debentures #            | 5,242.07                    | 4,241.15                    | 1,249.36                    | 699.97                      | 6,491.43                    | 4,941.12                    |
| Deferred Sales Tax Loan<br>(Note 4.7.2) | 37.61                       | 32.08                       | 7.39                        | 11.71                       | 45.00                       | 43.79                       |
|                                         | <b>7,392.24</b>             | <b>4,273.23</b>             | <b>1,268.66</b>             | <b>768.27</b>               | <b>8,660.90</b>             | <b>5,041.50</b>             |

\*Current Maturities of non-current borrowings have been disclosed under "2.24 Borrowings - Current"

#Includes non-convertible debentures issued to related parties (Note 4.5.3)

### 2.19.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

#### I: Secured Borrowings:

₹ in crore

|                                   | Note | Rate of Interest<br>Current Year/<br>(Previous Year) | End of tenure | 31 <sup>st</sup> March 2024 |                | 31 <sup>st</sup> March 2023 |                |
|-----------------------------------|------|------------------------------------------------------|---------------|-----------------------------|----------------|-----------------------------|----------------|
|                                   |      |                                                      |               | Gross                       | Carrying Value | Gross                       | Carrying Value |
| <b>Subsidised Government Loan</b> |      |                                                      |               |                             |                |                             |                |
| Technology Development Board      | (i)  | 5% / (5%)                                            | 29-Mar-24     | -                           | -              | 55.60                       | 56.59          |

- (i) Term loan (Subsidised Government Loan) secured by way of first pari passu charge created by hypothecation of the entire movable Property Plant and Equipment of the Company's Excel Fibre Division Plant at Kharach. Repayment Terms is 9 half yearly instalments from 1<sup>st</sup> April 2020.

Effective cost for the above loans is at 5% per annum (Previous Year: 5% per annum).

#### II: Unsecured Borrowings:

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

The other bank loans do not carry any financial debt covenant.



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## (a) Non - Convertible Debentures

₹ in crore

|                                                                                                        | End of tenure | As at 31 <sup>st</sup> March 2024 |                 | As at 31 <sup>st</sup> March 2023 |                 |
|--------------------------------------------------------------------------------------------------------|---------------|-----------------------------------|-----------------|-----------------------------------|-----------------|
|                                                                                                        |               | Gross                             | Carrying Value  | Gross                             | Carrying Value  |
| (i) 7.25% Series 23-24/II Non - Convertible Debentures<br>Repayment Terms: Redeemable at par           | 22-Mar-34     | 1,250.00                          | 1,249.51        | -                                 | -               |
| (ii) 6.99% Series 21-22/I Non - Convertible Debentures<br>Repayment Terms: Redeemable at par           | 04-Apr-31     | 1,000.00                          | 997.72          | 1,000.00                          | 997.45          |
| (iii) 7.63% Series 22-23/II Non - Convertible Debentures<br>Repayment Terms: Redeemable at par         | 01-Dec-27     | 1,000.00                          | 998.55          | 1,000.00                          | 998.50          |
| (iv) 7.50% Series 22-23/I Non - Convertible Debentures<br>Repayment Terms: Redeemable at par           | 10-Jun-27     | 1,000.00                          | 997.69          | 1,000.00                          | 997.50          |
| (v) 7.35% Series 23-24/I Non - Convertible Debentures<br>Repayment Terms: Redeemable at par            | 31-Jul-26     | 1,000.00                          | 998.61          | -                                 | -               |
| (vi) 7.60% Series 19-20/II Non - Convertible Debentures<br>Repayment Terms: Redeemable at par          | 04-Jun-24     | 750.00                            | 749.49          | 750.00                            | 748.33          |
| (vii) 7.85% Series 19-20/I Non - Convertible Debentures<br>Repayment Terms: Redeemable at par          | 15-Apr-24     | 500.00                            | 499.87          | 500.00                            | 499.37          |
| (viii) 5.90% 1 <sup>st</sup> Series Non - Convertible Debentures<br>Repayment Terms: Redeemable at par | 16-Jun-23     | -                                 | -               | 500.00                            | 499.85          |
| (ix) 9.00% 30 <sup>th</sup> Series Non - Convertible Debentures<br>Repayment Terms: Redeemable at par  | 10-May-23     | -                                 | -               | 200.00                            | 200.12          |
| <b>Total</b>                                                                                           |               | <b>6,500.00</b>                   | <b>6,491.44</b> | <b>4,950.00</b>                   | <b>4,941.12</b> |

## (b) Deferred Sales Tax Loan

₹ in crore

|                               | Rate of Interest | End of tenure | As at 31 <sup>st</sup> March 2024 |                | As at 31 <sup>st</sup> March 2023 |                |
|-------------------------------|------------------|---------------|-----------------------------------|----------------|-----------------------------------|----------------|
|                               |                  |               | Gross                             | Carrying Value | Gross                             | Carrying Value |
| Government of Uttar Pradesh   | 0%               | 01-Aug-30     | 9.05                              | 5.65           | -                                 | -              |
| Government of Karnataka       | 0%               | 24-Jan-30     | 7.31                              | 4.73           | -                                 | -              |
| Government of Karnataka       | 0%               | 25-Mar-28     | 8.94                              | 7.08           | 8.94                              | 6.54           |
| Government of Karnataka       | 0%               | 17-Jun-27     | 15.87                             | 12.56          | 15.87                             | 11.68          |
| Government of Uttar Pradesh   | 0%               | 17-Nov-25     | 2.95                              | 2.57           | 2.95                              | 2.36           |
| Government of Uttar Pradesh   | 0%               | 17-May-25     | 5.45                              | 5.02           | 5.45                              | 4.65           |
| Government of Uttar Pradesh   | 0%               | 29-Oct-24     | 7.68                              | 7.39           | 7.68                              | 6.85           |
| Government of Uttar Pradesh * | 0%               | 25-Dec-23     | -                                 | -              | 6.36                              | 6.04           |
| Government of Uttar Pradesh * | 0%               | 07-Aug-23     | -                                 | -              | 5.84                              | 5.67           |
| <b>Total</b>                  |                  |               | <b>57.25</b>                      | <b>45.00</b>   | <b>53.09</b>                      | <b>43.79</b>   |

\* Repaid during the year



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## c) Rupee Term Loan from Bank

₹ in crore

|                          | Rate of Interest             | End of tenure | As at 31 <sup>st</sup> March 2024 |                 | As at 31 <sup>st</sup> March 2023 |                |
|--------------------------|------------------------------|---------------|-----------------------------------|-----------------|-----------------------------------|----------------|
|                          |                              |               | Gross                             | Carrying Value  | Gross                             | Carrying Value |
| Term Loan from Axis Bank | 3 months<br>T Bill + 130 bps | 01-Apr-33     | 1,300.00                          | 1,300.00        | -                                 | -              |
| Term Loan from Axis Bank | 3 months<br>T Bill + 130 bps | 01-Apr-33     | 70.00                             | 70.00           | -                                 | -              |
| Term Loan from HDFC Bank | 1 month<br>T Bill + 125 bps  | 28-Jun-33     | 500.00                            | 500.00          | -                                 | -              |
| Term Loan from HDFC Bank | 1 month<br>T Bill + 125 bps  | 28-Sep-33     | 250.00                            | 250.00          | -                                 | -              |
| <b>Total</b>             |                              |               | <b>2,120.00</b>                   | <b>2,120.00</b> |                                   |                |

## d) Rupee Term Loan from Others

₹ in crore

|                      | Rate of Interest | End of tenure | As at 31 <sup>st</sup> March 2024 |                | As at 31 <sup>st</sup> March 2023 |                |
|----------------------|------------------|---------------|-----------------------------------|----------------|-----------------------------------|----------------|
|                      |                  |               | Gross                             | Carrying Value | Gross                             | Carrying Value |
| Term Loan from CISCO | 6%               | 30-Oct-28     | 4.47                              | 4.47           | -                                 | -              |

## 2.19.2 Maturity Profile of Non-Current Borrowings (including Current Maturities) is as set out below:

₹ in crore

| Particulars                                                                  | Maturity Profile @    |                 |                    |
|------------------------------------------------------------------------------|-----------------------|-----------------|--------------------|
|                                                                              | Not later than 1 year | 1 to 5 years    | Later than 5 years |
| <b>Unsecured</b>                                                             |                       |                 |                    |
| Non-Convertible Debentures                                                   | 1,250.00              | 3,000.00        | 2,250.00           |
| Rupee Term Loans from Banks                                                  | 8.10                  | 312.08          | 1,799.82           |
| Rupee Term Loans from Others                                                 | 3.81                  | 0.66            | -                  |
| Deferred Sales Tax Loans (includes amount recognised in Notes 2.23 and 2.28) | 7.68                  | 33.21           | 16.36              |
| <b>Total</b>                                                                 | <b>Current Year</b>   | <b>1,269.59</b> | <b>3,345.95</b>    |
|                                                                              | <b>Previous Year</b>  | <b>767.80</b>   | <b>3,290.89</b>    |
|                                                                              |                       | <b>4,066.18</b> | <b>1,000.00</b>    |

@ The above figures are as per contractual cashflows.

## 2.20 OTHER FINANCIAL LIABILITIES - NON-CURRENT

₹ in crore

| Particulars                                               | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------|-----------------------------------|-----------------------------------|
| Security and Other Deposits                               | 18.59                             | 9.87                              |
| Other Liabilities payable to Related Parties (Note 4.5.3) | 0.06                              | 0.06                              |
| Other Liabilities                                         | 5.41                              | 0.68                              |
|                                                           | <b>24.06</b>                      | <b>10.61</b>                      |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.21 PROVISIONS - NON-CURRENT

₹ in crore

| Particulars                                                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| For Employee Benefits (Contractor Workmen Gratuity, Pension and other employee benefits) | 74.06                                | 64.23                                |
|                                                                                          | <b>74.06</b>                         | <b>64.23</b>                         |

## 2.22 DEFERRED TAX LIABILITIES (NET)

₹ in crore

|                                                     | As at<br>1 <sup>st</sup> April 2023 | Recognised in<br>Statement of Profit<br>and Loss | Recognised<br>in Other<br>Comprehensive<br>Income | As at<br>31 <sup>st</sup> March 2024 |
|-----------------------------------------------------|-------------------------------------|--------------------------------------------------|---------------------------------------------------|--------------------------------------|
| <b>Deferred Tax Liabilities:</b>                    |                                     |                                                  |                                                   |                                      |
| Property, Plant and Equipment and Intangible Assets | 1,640.59                            | 127.64                                           | -                                                 | 1,768.23                             |
| Fair Valuation of Investments                       | 47.54                               | (40.92)                                          | 580.81                                            | 587.43                               |
| Income taxable on receipt basis                     | -                                   | 36.65                                            | -                                                 | 36.65                                |
| Others                                              | 1.16                                | (6.23)                                           | -                                                 | (5.07)                               |
|                                                     | <b>1,689.29</b>                     | <b>117.14</b>                                    | <b>580.81</b>                                     | <b>2,387.24</b>                      |
| <b>Deferred Tax Assets:</b>                         |                                     |                                                  |                                                   |                                      |
| Provision allowed under tax on payment basis        | 92.27                               | (25.58)                                          | -                                                 | 66.69                                |
| Expenses Allowable in Instalments in Income Tax     | 3.56                                | 1.27                                             | -                                                 | 4.83                                 |
| Income offered for tax, to be excluded in future    | 21.11                               | 0.22                                             | -                                                 | 21.33                                |
| Short Term Capital Loss                             | 38.57                               | (38.57)                                          | -                                                 | 0.00                                 |
| Others                                              | (1.02)                              | (1.68)                                           | -                                                 | (2.70)                               |
|                                                     | <b>154.49</b>                       | <b>(64.34)</b>                                   | <b>-</b>                                          | <b>90.15</b>                         |
| <b>Deferred Tax Liabilities (Net)</b>               | <b>1,534.80</b>                     | <b>181.48</b>                                    | <b>580.81</b>                                     | <b>2,297.09</b>                      |

₹ in crore

|                                                                     | As at<br>1 <sup>st</sup> April 2022 | Recognised in<br>Statement of Profit<br>and Loss | Recognised<br>in Other<br>Comprehensive<br>Income | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------|-------------------------------------|--------------------------------------------------|---------------------------------------------------|--------------------------------------|
| <b>Deferred Tax Liabilities:</b>                                    |                                     |                                                  |                                                   |                                      |
| Property, Plant and Equipment and Intangible Assets                 | 1,609.21                            | 31.38                                            | -                                                 | 1,640.59                             |
| Fair Valuation of Investments, Cash flow hedge, Contractor Gratuity | 438.84                              | 3.08                                             | (394.38)                                          | 47.54                                |
| Others                                                              | 4.64                                | (3.48)                                           | -                                                 | 1.16                                 |
|                                                                     | <b>2,052.69</b>                     | <b>30.98</b>                                     | <b>(394.38)</b>                                   | <b>1,689.29</b>                      |
| <b>Deferred Tax Assets:</b>                                         |                                     |                                                  |                                                   |                                      |
| Provision allowed under tax on payment basis                        | 126.87                              | (34.60)                                          | -                                                 | 92.27                                |
| Expenses Allowable in Instalments in Income Tax                     | 6.84                                | (3.28)                                           | -                                                 | 3.56                                 |
| Income offered for tax, to be excluded in future                    | 29.31                               | (8.20)                                           | -                                                 | 21.11                                |
| Short Term Capital Loss                                             | 48.62                               | (10.05)                                          | -                                                 | 38.57                                |
| Others                                                              | (0.33)                              | (0.69)                                           | -                                                 | (1.02)                               |
|                                                                     | <b>211.31</b>                       | <b>(56.82)</b>                                   | <b>-</b>                                          | <b>154.49</b>                        |
| <b>(i) Deferred Tax Liabilities (Net)</b>                           | <b>1,841.38</b>                     | <b>87.80</b>                                     | <b>(394.38)</b>                                   | <b>1,534.80</b>                      |

(ii) The Company has opted for lower tax regime in terms of provision of Section 115BAA of Income Tax Act, 1961. Provision for current and deferred tax expenses has been recognized accordingly.

(iii) The Company has not recognized deferred tax asset on losses of ₹ 715.60 crore reported under the head Exceptional Items, as presently it is not probable of recovery. Such losses will expire after a period of eight years from the end of the year in which actual transfer of shares will take place.

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.23 OTHER NON-CURRENT LIABILITIES

₹ in crore

| Particulars                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------|--------------------------------------|--------------------------------------|
| Deferred Government Subsidy (Note 4.7.2) | 14.99                                | 7.08                                 |
|                                          | <b>14.99</b>                         | <b>7.08</b>                          |

## 2.24 BORROWINGS - CURRENT

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

| Particulars                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Loans Repayable on Demand from Banks</b>              |                                      |                                      |
| <b>Secured:</b>                                          |                                      |                                      |
| Working Capital Borrowings- Rupee Loans                  | 17.77                                | 212.73                               |
| Short Term Borrowings                                    | 34.34                                | -                                    |
| <b>Other Loans</b>                                       |                                      |                                      |
| <b>Unsecured:</b>                                        |                                      |                                      |
| Commercial Papers*                                       | 739.90                               | -                                    |
| <b>Current Maturities of Long-Term Debts (Note 2.19)</b> | 1,268.66                             | 768.27                               |
|                                                          | <b>2,060.67</b>                      | <b>981.00</b>                        |
| * Maximum balance outstanding during the year            | 2,100.00                             | 500.00                               |

**2.24.1** Working Capital Borrowings are secured by hypothecation of inventories and book debts of the Company, and quarterly Stock statements filed by the Company with banks or financial institutions are in agreement with the books of account.

**2.24.2** The Company had Undrawn Facility of ₹ 1,500 crore as on 31<sup>st</sup> March 2024 and ₹ 900 crore as on 31<sup>st</sup> March 2023.

**2.24.3** Rate of interest on these borrowings during the year was in the range of 6% to 10.50%

**2.24.4** The Company has not been declared willful defaulter by any bank or financial institution or other lender.

## 2.25 TRADE PAYABLES

(Carried at Amortised Cost, unless otherwise stated)

₹ in crore

| Particulars                                                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Total Outstanding due of Micro and Small Enterprises (Note 4.7.1) | 146.75                               | 121.41                               |
| Due to Related Parties (Note 4.5.3)                               | 139.66                               | 72.18                                |
| Acceptances                                                       | 1,410.12                             | 1,274.75                             |
| Others                                                            | 3,786.10                             | 3,242.86                             |
|                                                                   | <b>5,482.63</b>                      | <b>4,711.20</b>                      |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.25.1 Trade Payables ageing schedule

₹ in crore

| Particulars                                 | Unbilled (A)  | Not Due (B)     | Outstanding for following periods from due date of payment |              |             |                   | Total (C)     | Grand Total (A+B+C) |
|---------------------------------------------|---------------|-----------------|------------------------------------------------------------|--------------|-------------|-------------------|---------------|---------------------|
|                                             |               |                 | Less than 1 year                                           | 1-2 years    | 2-3 years   | More than 3 years |               |                     |
| <b>As at 31<sup>st</sup> March 2024</b>     |               |                 |                                                            |              |             |                   |               |                     |
| Micro and Small Enterprises                 | -             | 140.17          | 6.49                                                       | -            | -           | -                 | 6.49          | 146.66              |
| Other than Micro and Small Enterprises      | 687.40        | 3,978.84        | 651.01                                                     | -            | -           | -                 | 651.01        | 5,317.25            |
| Disputed dues – Micro and Small Enterprises | -             | -               | 0.09                                                       | -            | -           | -                 | 0.09          | 0.09                |
| Disputed dues – Others                      | -             | -               | -                                                          | 13.88        | 0.67        | 4.08              | 18.63         | 18.63               |
| <b>Total</b>                                | <b>687.40</b> | <b>4,119.01</b> | <b>657.59</b>                                              | <b>13.88</b> | <b>0.67</b> | <b>4.08</b>       | <b>676.22</b> | <b>5,482.63</b>     |
| <b>As at 31<sup>st</sup> March 2023</b>     |               |                 |                                                            |              |             |                   |               |                     |
| Micro and Small Enterprises                 | -             | 115.10          | 5.22                                                       | -            | -           | -                 | 5.22          | 120.32              |
| Other than Micro and Small Enterprises      | 683.27        | 2,990.18        | 854.35                                                     | -            | -           | -                 | 854.35        | 4,527.80            |
| Disputed dues – Micro and Small Enterprises | -             | -               | 1.01                                                       | 0.08         | -           | -                 | 1.09          | 1.09                |
| Disputed dues – Others                      | 2.61          | -               | 21.97                                                      | 11.78        | 6.89        | 18.74             | 59.38         | 61.99               |
| <b>Total</b>                                | <b>685.88</b> | <b>3,105.28</b> | <b>882.55</b>                                              | <b>11.86</b> | <b>6.89</b> | <b>18.74</b>      | <b>920.04</b> | <b>4,711.20</b>     |

## 2.26 OTHER FINANCIAL LIABILITIES - CURRENT

(Carried at Amortised Cost, Unless otherwise stated)

₹ in crore

| Particulars                                                                 | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Interest Accrued but not Due on Borrowings <sup>#</sup>                     | 296.54                            | 278.57                            |
| Unclaimed Dividends (including Unclaimed Fractional Warrants) <sup>\$</sup> | 18.05                             | 18.50                             |
| Security and Other Deposits (Trade Deposits)                                | 94.89                             | 103.83                            |
| Liability for Capital Goods <sup>*</sup>                                    | 660.76                            | 576.02                            |
| Accrued Expenses Related to Employees                                       | 407.46                            | 360.74                            |
| Derivative Liability-Carried at FVTPL                                       | 12.61                             | 8.14                              |
| Other Liabilities payable to Related Parties (Note 4.5.3)                   | 3.33                              | 30.78                             |
| Other Payables (including Retention money, Liquidated damages, etc.)        | 523.24                            | 241.24                            |
|                                                                             | <b>2,016.88</b>                   | <b>1,617.82</b>                   |

<sup>#</sup> Includes amount due to related parties (Note 4.5.3)

<sup>\*</sup> Includes

Payable related to Micro and Small Enterprises

Acceptances towards Capital Goods

2.00 1.99

59.02 105.22

75.79 0.33

<sup>\$</sup> It does not include any amount due and outstanding to be credited to the Investor Education and Protection Fund.

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forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.27 OTHER CURRENT LIABILITIES

₹ in crore

| Particulars                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| Statutory Liabilities                                  | 270.68                               | 330.93                               |
| Contract Liability                                     | 311.50                               | 264.55                               |
| Deferred Government Subsidy                            | 31.46                                | 31.09                                |
| Other Current Liabilities Related Parties (Note 4.5.3) | 3.97                                 | 3.63                                 |
| Other Payables (including Legal Claims)                | 354.41                               | 357.84                               |
|                                                        | <b>972.02</b>                        | <b>988.04</b>                        |

## 2.28 PROVISIONS - CURRENT

₹ in crore

| Particulars                                                                           | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| For Employee Benefits (Contractor Workmen Gratuity, Compensated Absences and Pension) | 283.35                               | 249.40                               |
| For Assets Transfer Cost (Note 2.28.1 (a))                                            | 29.53                                | 29.53                                |
| For Provision against Contingent Liability (Note 2.28.1 (b))                          | 14.47                                | 42.47                                |
| For Warranty Provision (Note 2.28.1 (c))                                              | 1.05                                 | 0.99                                 |
| For Estimated Exposure in Joint Venture (Note 2.28.1 (d) and Note 3.10 (i))           | 436.00                               | -                                    |
|                                                                                       | <b>764.40</b>                        | <b>322.39</b>                        |

### 2.28.1 Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset"

#### a. Provision for Cost of Transfer of Assets:

₹ in crore

| Particulars                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Opening Balance                   | 29.53                                | 29.53                                |
| Add: Provision during the year    | -                                    | -                                    |
| Less: Utilisation during the year | -                                    | -                                    |
| <b>Closing Balance</b>            | <b>29.53</b>                         | <b>29.53</b>                         |

During earlier year, provision for asset transfer cost relates to merger of Aditya Birla Nuvo Limited (ABNL) and Aditya Birla Chemical Limited (ABCL) which has been made based on substantial degree of estimation. Outflow against the same is expected at the time of regulatory process of registration of assets owned by ABNL in the name of the Company.

#### b. Provision against Contingent Liability:

₹ in crore

| Particulars                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Opening Balance                   | 42.47                                | 42.70                                |
| Add: Provision during the year    | -                                    | -                                    |
| Less: Utilisation during the year | 27.84                                | -                                    |
| Less: Unused amount reversed      | 0.16                                 | 0.23                                 |
| <b>Closing Balance</b>            | <b>14.47</b>                         | <b>42.47</b>                         |

During earlier year, as per Ind AS 103 (business combination) the Company had to recognise on the acquisition date the contingent liability assumed in a business combination if it was a present obligation that had arisen from past events and its fair value could be measured reliably, even if it was not probable that an outflow of resources would be required to settle the obligation.





# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## c. Warranty Provision:

| Particulars                       | ₹ in crore                           |                                      |
|-----------------------------------|--------------------------------------|--------------------------------------|
|                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Opening Balance                   | 0.99                                 | 1.82                                 |
| Add: Provision during the year    | 0.23                                 | -                                    |
| Less: Utilisation during the year | -                                    | -                                    |
| Less: Unused amount reversed      | 0.17                                 | 0.83                                 |
| <b>Closing Balance</b>            | <b>1.05</b>                          | <b>0.99</b>                          |

Considering the past experience of returns and replacements claims, provision is recognised for expected warranty claims on Insulators product during the period of sale. Provision is generally expected to settle (or reverse) within 1 - 5 years, based on the claim received.

## d. Provision for Estimated Exposure in Joint Venture

AV Terrace Bay Inc., Canada (AVTB), a joint venture of the Company, operating in paper-grade pulp business, temporarily idled its business operations due to prevailing market conditions. Based on observable evidence, the Company has created a provision of ₹ 436 crore towards its estimated exposure (Note 3.10 (i)).

## 3.1 REVENUE FROM OPERATIONS

### Revenue from Contracts with Customers Disaggregated based on Nature of Product or Services

| Particulars                                                                             | ₹ in crore                                |                                           |
|-----------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                                         | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Revenue from Sale of Products</b>                                                    |                                           |                                           |
| a. Manufactured goods                                                                   | 24,130.19                                 | 26,203.96                                 |
| b. Traded goods                                                                         | 1,399.79                                  | 370.25                                    |
| <b>(i)</b>                                                                              | <b>25,529.98</b>                          | <b>26,574.21</b>                          |
| <b>Revenue from Sale of Services</b>                                                    | <b>(ii)</b>                               | 15.38                                     |
|                                                                                         |                                           | 11.38                                     |
| <b>Revenue from Contract with Customers</b>                                             | <b>(iii) (i+ii)</b>                       | <b>25,545.36</b>                          |
| <b>Other Operating Revenue</b>                                                          |                                           | <b>26,585.59</b>                          |
| Export Incentives                                                                       | 82.64                                     | 74.07                                     |
| Scrap Sales (net)                                                                       | 100.33                                    | 106.65                                    |
| Other Miscellaneous Income (Insurance Claims, Sundry Balances Written Back (net), etc.) | 119.00                                    | 73.40                                     |
| <b>(iv)</b>                                                                             | <b>301.97</b>                             | <b>254.12</b>                             |
| <b>REVENUE FROM OPERATIONS</b>                                                          | <b>(v) (iii+iv)</b>                       | <b>25,847.33</b>                          |
|                                                                                         |                                           | <b>26,839.71</b>                          |

### Revenue from Contracts with Customers Disaggregated based on Geography

| Particulars                                 | ₹ in crore                                |                                           |
|---------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                             | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| a. Domestic                                 | 22,553.55                                 | 23,036.88                                 |
| b. Exports                                  | 2,991.81                                  | 3,548.71                                  |
| <b>Revenue from Contract with Customers</b> | <b>25,545.36</b>                          | <b>26,585.59</b>                          |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## Reconciliation of Gross Revenue from Contracts with Customers

₹ in crore

| Particulars                                                 | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Gross Revenue                                               | 26,625.06                                 | 27,290.40                                 |
| Less: Discount, incentives, price concession, etc.          | 1,053.53                                  | 695.60                                    |
| Less: Returns                                               | 26.17                                     | 9.21                                      |
| <b>Net Revenue recognised from Contracts with Customers</b> | <b>25,545.36</b>                          | <b>26,585.59</b>                          |

### Notes:

- The amounts receivable from customers become due after expiry of credit period which on an average upto 120 days. There is no significant financing component in any transaction with the customers.
- The Company provides agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.
- The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.
- Revenue recognised from Contract liability (Advances from Customers):

The Contract liability outstanding at the beginning of the year was ₹ 264.55 crore (Previous year ₹ 379.92 crore), out of which ₹ 239.28 crore (Previous year ₹ 327.32 crore) has been recognised as revenue during the year ended 31<sup>st</sup> March 2024 and balance amount are refunded during the year.

## 3.2 OTHER INCOME

₹ in crore

| Particulars                                                        | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Interest Income on:</b>                                         |                                           |                                           |
| Non-Current Investments - Debentures or Bonds (measured at FVTOCI) | 19.52                                     | 30.18                                     |
| Interest on Income Tax Refund                                      | 210.74                                    | 14.27                                     |
| Bank Accounts and Others                                           | 69.29                                     | 61.94                                     |
| Unwinding up of Loans and Deposits                                 | 11.22                                     | 10.99                                     |
| <b>Dividend Income from:</b>                                       |                                           |                                           |
| Subsidiary Companies (carried at cost)                             | 628.27                                    | 628.27                                    |
| Non-Current Investments - Others (measured at FVTOCI)              | 27.33                                     | 37.11                                     |
| Current- Investments Others (measured at FVTOCI)                   | -                                         | 3.29                                      |
| <b>Profit on Sale of:</b>                                          |                                           |                                           |
| Investment - Mutual Funds' Units (measured at FVTPL)               | 41.17                                     | 45.47                                     |
| Property, Plant and Equipment and Intangible Assets (Net)          | 3.14                                      | -                                         |
| <b>Gain on Fair Valuation of:</b>                                  |                                           |                                           |
| Preference Shares (measured at FVTPL)                              | 2.20                                      | 1.43                                      |
| Mutual Funds' Units (measured at FVTPL)                            | 171.64                                    | 116.96                                    |
| Miscellaneous Income                                               | 72.08                                     | 68.43                                     |
|                                                                    | <b>1,256.60</b>                           | <b>1,018.34</b>                           |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 3.3 COST OF MATERIALS CONSUMED

| Particulars                            | ₹ in crore                                |                                           |
|----------------------------------------|-------------------------------------------|-------------------------------------------|
|                                        | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Opening Stock                          | 2,344.55                                  | 2,234.98                                  |
| Add: Purchases and Incidental Expenses | 12,734.15                                 | 12,821.31                                 |
| Less: Sale of Raw Materials            | 14.22                                     | 16.67                                     |
| Less: Closing Stock                    | 2,879.03                                  | 2,344.55                                  |
|                                        | <b>12,185.45</b>                          | <b>12,695.07</b>                          |

## 3.4 PURCHASES OF STOCK-IN-TRADE

| Particulars                | ₹ in crore                                |                                           |
|----------------------------|-------------------------------------------|-------------------------------------------|
|                            | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Purchase of stock-in-trade | 1,425.67                                  | 466.22                                    |
|                            | <b>1,425.67</b>                           | <b>466.22</b>                             |

## 3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| Particulars                               | ₹ in crore                                |                                           |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                           | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Opening Stock</b>                      |                                           |                                           |
| Finished Goods                            | 1,149.78                                  | 931.96                                    |
| Stock-in-Trade                            | 42.54                                     | 25.04                                     |
| Work-in-Progress                          | 261.90                                    | 233.99                                    |
| Waste/Scrap                               | 6.95                                      | 8.14                                      |
|                                           | <b>1,461.17</b>                           | <b>1,199.13</b>                           |
| <b>Less: Closing Stock</b>                |                                           |                                           |
| Finished Goods                            | 1,309.48                                  | 1,149.78                                  |
| Stock-in-Trade                            | 82.13                                     | 42.54                                     |
| Work-in-Progress                          | 277.46                                    | 261.90                                    |
| Waste/Scrap                               | 17.03                                     | 6.95                                      |
|                                           | <b>1,686.10</b>                           | <b>1,461.17</b>                           |
| Add/(Less): Stock of trial run production | 141.12                                    | 0.13                                      |
| <b>(Increase)/Decrease in Stocks</b>      | <b>(83.81)</b>                            | <b>(261.91)</b>                           |

## 3.6 EMPLOYEE BENEFITS EXPENSE

| Particulars                                                         | ₹ in crore                                |                                           |
|---------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                     | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Salaries, Wages and Bonus                                           | 1,832.50                                  | 1,722.62                                  |
| Contribution to Provident and Other Funds (Notes 4.6.1.3 and 4.6.2) | 113.51                                    | 105.62                                    |
| Contribution to Gratuity Fund (Note 4.6.1.1)                        | 48.71                                     | 41.61                                     |
| Staff Welfare Expenses                                              | 113.56                                    | 115.52                                    |
| Expenses on Employee Stock Option Scheme including SAR (Note 4.8.6) | 36.73                                     | 38.12                                     |
|                                                                     | <b>2,145.01</b>                           | <b>2,023.49</b>                           |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 3.7 FINANCE COSTS

| Particulars                                         | ₹ in crore                                |                                           |
|-----------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                     | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Interest on Borrowings                              | 603.10                                    | 357.02                                    |
| Finance Cost of Lease Liability                     | 11.74                                     | 6.84                                      |
| Interest on Income Tax                              | 0.19                                      | 4.11                                      |
| Interest on Subsidised Government Loan (Note 4.7.2) | 3.36                                      | 3.34                                      |
| Interest - Others                                   | 9.10                                      | 22.64                                     |
|                                                     | <b>627.49</b>                             | <b>393.95</b>                             |
| Less: Capitalised                                   | 187.07                                    | 26.28                                     |
|                                                     | <b>440.42</b>                             | <b>367.67</b>                             |

Borrowing costs are capitalised using rates based on specific borrowings ranging from 6.99% to 7.85% per annum (Previous Year: 6.99% to 7.50% per annum)

## 3.8 DEPRECIATION AND AMORTISATION EXPENSE

| Particulars                                   | ₹ in crore                                |                                           |
|-----------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                               | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Depreciation on Property, Plant and Equipment | 1,055.09                                  | 957.94                                    |
| Depreciation of Right of Use Assets           | 70.22                                     | 50.82                                     |
| Amortisation of Intangible Assets             | 89.75                                     | 88.53                                     |
|                                               | <b>1,215.06</b>                           | <b>1,097.29</b>                           |

## 3.9 OTHER EXPENSES

| Particulars                                                               | ₹ in crore                                |                                           |
|---------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                           | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Consumption of Stores, Spare Parts and Components and Incidental Expenses | 495.91                                    | 523.17                                    |
| Consumption of Packing Materials                                          | 300.46                                    | 308.48                                    |
| Processing and Other Charges                                              | 276.20                                    | 484.91                                    |
| Repairs to Buildings                                                      | 88.14                                     | 83.63                                     |
| Repairs to Machinery                                                      | 361.64                                    | 336.53                                    |
| Repairs to Other Assets                                                   | 98.34                                     | 93.29                                     |
| Advertisement                                                             | 60.89                                     | 56.62                                     |
| Sales Promotion and Other Selling Expenses                                | 214.05                                    | 182.97                                    |
| Freight and Handling Expenses                                             | 942.66                                    | 1,015.77                                  |
| Allowance for Doubtful Debts and Advances (Net)                           | (0.30)                                    | 5.13                                      |
| Insurance                                                                 | 65.88                                     | 63.91                                     |
| Rent                                                                      | 24.44                                     | 17.91                                     |
| Rates and Taxes                                                           | 20.05                                     | 26.91                                     |
| Research Contribution and Expenses                                        | 30.19                                     | 32.40                                     |
| Directors' Fees                                                           | 0.50                                      | 0.50                                      |
| Directors' Commission                                                     | 3.70                                      | 3.70                                      |
| Exchange Rate Difference (Net)                                            | 63.16                                     | 85.15                                     |
| Loss on Sale of Property, Plant and Equipment (Net)                       | -                                         | 10.33                                     |
| Business Support Expenses                                                 | 227.53                                    | 208.10                                    |
| Miscellaneous Expenses                                                    | 569.89                                    | 452.53                                    |
|                                                                           | <b>3,843.33</b>                           | <b>3,991.94</b>                           |



# NOTES

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## 3.9.1 Auditors' Remuneration (excluding GST)

**Charged to the Standalone Statement of Profit and Loss (included under Miscellaneous Expenses)**

| ₹ in crore                             |                                           |                                           |
|----------------------------------------|-------------------------------------------|-------------------------------------------|
| Particulars                            | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Payments to Statutory Auditors:</b> |                                           |                                           |
| Audit Fee                              | 3.94                                      | 3.29                                      |
| Fees for Other Services                | 0.04                                      | 0.02                                      |
| Reimbursement of Expenses              | 0.23                                      | 0.11                                      |
| <b>Payments to Cost Auditors:</b>      |                                           |                                           |
| Audit Fee                              | 0.22                                      | 0.19                                      |

**Charged to the Securities Premium (included under Other Equity)**

| ₹ in crore                             |                                           |                                           |
|----------------------------------------|-------------------------------------------|-------------------------------------------|
| Particulars                            | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Payments to Statutory Auditors:</b> |                                           |                                           |
| Fees for Rights Issue Services         | 2.54                                      | -                                         |

## 3.10 EXCEPTIONAL ITEMS

- (i) During the year ended 31<sup>st</sup> March 2024, AV Terrace Bay Inc., Canada ("AVTB"), a joint venture of the Company, operating in paper-grade pulp business, temporarily idled its business operations due to prevailing market conditions. Based on the observable evidence, the Company has recognised an impairment charge of ₹ 279.60 crore against the carrying value of equity investment (including advance against equity of ₹ 61.36 crore) in AVTB. Further, a provision has been created towards its estimated exposure of ₹ 436 crore. Total charge of ₹ 715.60 crore recognised as an Exceptional Item in the financial statement for the year ended 31<sup>st</sup> March 2024.
- (ii) During the previous year, the Company provided for Interest payable on custom duty on account of decision to pay custom duty on import of capital goods cleared at zero duty under EPCG scheme in earlier years.

## 3.11 TAX EXPENSE

**(a) Major components of Income Tax Expenses for the year**

| ₹ in crore                                |                                           |                                           |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| Particulars                               | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Current Tax</b>                        |                                           |                                           |
| Current Income Tax charge                 | 136.73                                    | 435.27                                    |
| Write back of tax relating to prior years | (62.04)                                   | (1.56)                                    |
|                                           | <b>74.69</b>                              | <b>433.71</b>                             |
| <b>Deferred Tax</b>                       |                                           |                                           |
| Deferred Tax Expense                      | 181.48                                    | 87.80                                     |
|                                           | <b>181.48</b>                             | <b>87.80</b>                              |
| <b>Total Tax Expense</b>                  | <b>256.17</b>                             | <b>521.51</b>                             |



# NOTES

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## (b) Reconciliation of Effective Tax Rate

| Particulars                                                       | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Applicable Tax Rate                                               | 25.17%                                    | 25.17%                                    |
| Income not considered for tax purpose                             | -2.65%                                    | -0.91%                                    |
| Expenses not allowed for tax purpose (including Exceptional Item) | 17.00%                                    | 0.88%                                     |
| Additional Allowances for tax purpose                             | -13.74%                                   | -6.28%                                    |
| Effect of change in Tax Rate (DTL reversal) (Note 2.22(ii))       | 0.00%                                     | 0.34%                                     |
| Tax paid at lower rate                                            | 0.18%                                     | 0.09%                                     |
| Others                                                            | 0.52%                                     | 0.48%                                     |
| <b>Effective Tax Rate</b>                                         | <b>26.48%</b>                             | <b>19.77%</b>                             |
| Provision for Tax of earlier years written back                   | -5.16%                                    | -0.06%                                    |
| <b>Effective Tax Rate after write back</b>                        | <b>21.32%</b>                             | <b>19.71%</b>                             |

## 3.12 OTHER COMPREHENSIVE INCOME

| ₹ in crore                                                                  |                                           |                                           |
|-----------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Particulars                                                                 | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Items that will not be reclassified to Profit and Loss</b>               |                                           |                                           |
| Equity Instrument through Other Comprehensive Income                        | 4,485.91                                  | (3,487.20)                                |
| Income Tax relating to Equity Instrument through Other Comprehensive Income | (590.77)                                  | 407.30                                    |
| Re-measurement of Defined Benefit Plan                                      | 11.57                                     | 4.61                                      |
| Income Tax relating to Re-measurement of Defined Benefit Plan               | 2.64                                      | (7.18)                                    |
| <b>Items that will be reclassified to Profit and Loss</b>                   |                                           |                                           |
| Debt Instruments through Other Comprehensive Income                         | (0.86)                                    | (3.16)                                    |
| Income Tax relating to Debt Instruments through Other Comprehensive Income  | 0.19                                      | 0.77                                      |
| Gain / (Loss) on cash flow hedge                                            | (19.51)                                   | 17.36                                     |
| Income Tax relating to Gain / (Loss) on cash flow hedge                     | 7.13                                      | (6.51)                                    |
|                                                                             | <b>3,896.30</b>                           | <b>(3,074.01)</b>                         |

## 3.13 EARNINGS PER EQUITY SHARE (EPS)

| ₹ in crore                                                                                                  |                                           |                                           |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                                                             | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Net Profit for the Year Attributable to Equity Shareholders</b>                                          | <b>945.39</b>                             | <b>2,123.73</b>                           |
| <b>Basic EPS:</b>                                                                                           |                                           |                                           |
| Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each                     | 66,15,68,570                              | 66,09,97,552                              |
| <b>Less:</b> Weighted-Average Number of Equity Shares held by ESOP Trust (Nos.) of Face Value of ₹ 2/- each | 21,19,017                                 | 17,80,174                                 |
| Weighted-Average Number of Equity Shares Outstanding (Nos.) for calculation of Basic EPS (Nos.)             | <b>65,94,49,553</b>                       | <b>65,92,17,378</b>                       |
| <b>Basic EPS (₹ Per Share)</b>                                                                              | <b>14.34</b>                              | <b>32.22</b>                              |
| <b>Diluted EPS:</b>                                                                                         |                                           |                                           |
| Weighted-Average Number of Equity Shares Outstanding (Nos.)                                                 | 65,94,49,553                              | 65,92,17,378                              |
| <b>Add:</b> Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)                | 10,56,194                                 | 5,55,999                                  |
| <b>Add:</b> Weighted-Average Number of Equity Shares kept in Abeyance (Nos.)                                | 65,010                                    | 61,985                                    |
| Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)                  | <b>66,05,70,757</b>                       | <b>65,98,35,362</b>                       |
| <b>Diluted EPS (₹ Per Share)</b>                                                                            | <b>14.31</b>                              | <b>32.19</b>                              |

Basic and Diluted earnings per share for the previous year have been retrospectively adjusted for the bonus element in respect of the Rights Issue made during the year ended 31<sup>st</sup> March 2024



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## 4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF CLAIMS/DISPUTED LIABILITIES NOT ACKNOWLEDGED AS DEBTS:

|         |                                                                       |                                                                                                                                                                                                                                                                                               | ₹ in crore                        |                                   |
|---------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Sr. No. | Nature of Statute                                                     | Brief Description of Contingent Liabilities                                                                                                                                                                                                                                                   | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
| I       | Customs Duty - The Customs Act, 1962                                  | – Demand of duty on import of Steam Coal during April 2012 to January 2013 classifying it as Bituminous Coal                                                                                                                                                                                  | 14.00                             | 13.58                             |
|         |                                                                       | – Demand of differential duty on import of Caustic Soda Flakes under project import category                                                                                                                                                                                                  | 1.70                              | 1.66                              |
|         |                                                                       | – Demand of duty on project import due to increase in rate of duty in Budget 1986-87                                                                                                                                                                                                          | 7.73                              | 7.52                              |
|         |                                                                       | – Various cases - Duty demanded on technical know-how by including it in the value of imported goods and levy of additional duty / countervailing duty etc.                                                                                                                                   | 6.89                              | 6.85                              |
| II      | Excise Duty - The Central Excise Act, 1944, CENVAT Credit Rules, 2002 | – Appeal before CESTAT against excise duty demand on freight recovery from customers                                                                                                                                                                                                          | 13.26                             | 12.42                             |
|         |                                                                       | – Department's appeal before CESTAT against order of Commissioner allowing exemption under notification 30/2004-CE dated 09.07.2004                                                                                                                                                           | 16.51                             | 15.62                             |
|         |                                                                       | – SCN demanding duty alleging that mixing of dyes amounted to manufacture                                                                                                                                                                                                                     | 10.44                             | 10.15                             |
|         |                                                                       | – Demand disputing classification of "Wipes"                                                                                                                                                                                                                                                  | 12.79                             | 11.98                             |
|         |                                                                       | – Duty demanded on clearance of waste and scrap of capital goods                                                                                                                                                                                                                              | 6.25                              | 5.98                              |
|         |                                                                       | – Duty demanded by including subsidy received from State Government in the assessable value of goods cleared                                                                                                                                                                                  | 2.80                              | 4.07                              |
|         |                                                                       | – SCN disputing CENVAT availed in respect of CVD paid under protest on imported coal pending classification issue                                                                                                                                                                             | 5.10                              | 4.87                              |
|         |                                                                       | – Demand of excise duty as original payment was made under incorrect registration number                                                                                                                                                                                                      | 2.40                              | 2.15                              |
|         |                                                                       | – Demand notice disputing availment of Cenvat credit on capital goods alleging that the capital goods were exclusively used for manufacture of exempted products                                                                                                                              | 3.67                              | 3.49                              |
|         |                                                                       | – Demand disputing quantum of Cenvat Credit reversed on clearance of used capital goods                                                                                                                                                                                                       | 2.88                              | 2.75                              |
|         |                                                                       | – Appeal before CESTAT against denial of cenvat credit taken suo-moto after reversing in response to Departmental audit objection                                                                                                                                                             | 2.51                              | 2.38                              |
|         |                                                                       | – Various cases - Demand of excise duty on removal of capital goods, removal of mercury, disallowance of cenvat credit on packaging material used for exempted goods, eligibility of CENVAT on different issues, etc.                                                                         | 2.50                              | 3.01                              |
| III     | Service Tax - The Finance Act, 1994                                   | – Denial of Cenvat credit on input services alleging not used for providing output services                                                                                                                                                                                                   | 53.05                             | 50.11                             |
|         |                                                                       | – Demand of service tax on goods transportation agency services through payment in cash/ PLA instead of payment made by the Company through cenvat balance                                                                                                                                    | 4.20                              | 3.99                              |
|         |                                                                       | – SCN disputing transfer of cenvat credit by Aditya Birla Minacs IT Services Ltd. and Birla Technologies Limited to Aditya Birla Minacs Worldwide Limited on merger                                                                                                                           | 7.13                              | 6.82                              |
|         |                                                                       | – Denial of cenvat credit on outward transportation charges                                                                                                                                                                                                                                   | 2.48                              | 2.31                              |
|         |                                                                       | – Appeal before CESTAT against denial of cenvat credit treating exports as exempt output services                                                                                                                                                                                             | 1.20                              | 1.20                              |
|         |                                                                       | – Various cases demanding service tax on scientific and technology service, Cenvat credit of services used for renovation and repairs, rejection of refund claims, reversal of credit under Rule 6 of Cenvat Credit Rules, 2004, Cenvat Credit on Rent a Cab services, outdoor catering, etc. | 4.53                              | 4.56                              |

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₹ in crore

| Sr. No.      | Nature of Statute                                   | Brief Description of Contingent Liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | As at 31 <sup>st</sup> March 2024                                                                                            | As at 31 <sup>st</sup> March 2023                                                                                                        |
|--------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| IV           | Entry Tax laws of various states                    | <ul style="list-style-type: none"> <li>– Department appeal before the Karnataka High Court in the matter of levy of Special Tax on Entry of Goods</li> <li>– Demand of entry tax in the State of Uttar Pradesh pending before The Allahabad High Court</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 15.19<br>2.32                                                                                                                | 14.04<br>2.96                                                                                                                            |
| V            | Sales Tax Act/ Commercial Tax Act of various states | <ul style="list-style-type: none"> <li>– APVAT demand pertaining to ITC claimed on purchase of business from KPR industries in Balabhadrapuram</li> <li>– Other matters including demand towards non submission of various forms, disallowance of input credit, short reversal of credit, valuation issues and others</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 8.29<br>6.32                                                                                                                 | 7.89<br>5.94                                                                                                                             |
| VI           | Income Tax - Income Tax Act, 1961                   | – Various disallowances/additions being contested in appeals (disallowance u/s 14A, disallowance of additional depreciation allowance, transfer pricing adjustments, penalty etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 16.30                                                                                                                        | 19.61                                                                                                                                    |
| VII          | Other Statutes/ Other Claims                        | <ul style="list-style-type: none"> <li>– CCI demand alleging abuse of dominant position in VSF market (Refer Note 4.2)</li> <li>– Demand of water drawl charges and water reservation charges by Irrigation Department</li> <li>– Proportionate cost of effluent pipelines charges demanded by GIDC</li> <li>– Fuel surcharge demand raised by Bihar State Electricity Board.</li> <li>– Levy of additional surcharge on the consumption of power from source other than distribution licensee of area</li> <li>– Differential Stamp duty demand on Solaris business takeover</li> <li>– Labour re-instatement, back wages, workmen compensation, minimum wages issue, increase in retirement age and salary structure cases</li> <li>– Demand towards contribution to Infrastructure Fund and charges for time limit extension for use of industrial plot</li> <li>– Demand of water reservation charges from irrigation department.</li> <li>– Claims by various suppliers and contractors on terms of contract, etc.</li> <li>– Lease rent demand at increased rate by Kandla Port Trust</li> <li>– Higher price demanded in respect of land acquired through State Government</li> <li>– Demand of liquidated damages by Bihar State Industrial Development Corporation</li> <li>– Demand by Competition Commission of India for supply of Poly Aluminium Chloride</li> <li>– Dispute on price for supply of bamboo by Government of Kerala</li> <li>– Various other cases pertaining to Claims by Railways, Electricity Board for lower electricity consumption, Stamp Duty dispute, Property Tax Arrears, Industrial Disputes, Railways license fee demand, Textile Cess on readymade garments, etc.</li> </ul> | 311.61<br>-<br>69.26<br>49.33<br>-<br>23.69<br>10.11<br>15.44<br>-<br>5.04<br>13.02<br>11.74<br>2.04<br>4.39<br>2.06<br>5.43 | 311.61<br>272.52<br>69.26<br>49.33<br>58.29<br>21.70<br>11.27<br>15.44<br>8.80<br>6.24<br>11.30<br>13.49<br>1.90<br>4.39<br>2.06<br>4.20 |
| <b>Total</b> |                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>755.60</b>                                                                                                                | <b>1,089.70</b>                                                                                                                          |

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows. It is not practicable to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.



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**4.2** Competition Commission of India (CCI) has passed an order dated 16<sup>th</sup> March 2020 under section 4 of the Competition Act, 2002, imposing a penalty of ₹ 301.61 crore in respect of the Viscose Staple Fibre turnover of the Company. The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT) and NCLAT, vide Order dated 4<sup>th</sup> November 2020, stayed the recovery of the penalty amount during the pendency of the Appeal and directed the Company to deposit 10% of the penalty amount by 19<sup>th</sup> November 2020, which the Company has complied. The Appeal is pending before the NCLAT.

Without considering that an Appeal is already pending against the aforesaid Order, the CCI passed another Order dated 3<sup>rd</sup> June 2021, levying a penalty of ₹ 3.49 crore for non-compliance with the Order passed on 16<sup>th</sup> March 2020. The Company filed Writ Petition before the Hon'ble Delhi High Court against the Order of the CCI. The CCI appeared before the Hon'ble Delhi High Court and assured that no precipitative steps shall be taken against the Company till the disposal of the matter.

The Company believes that it has strong grounds against both these said orders, on merit and accordingly no provision has been made in the accounts.

## 4.3 CAPITAL, FINANCIAL AND OTHER COMMITMENTS

### (i) Capital Commitments

|                                                                                                                           | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Estimated amount of contracts remaining to be executed on capital account towards:</b>                                 |                                      |                                      |
| a) Property, Plant and Equipment and not provided (Net of Advances paid of ₹ 446.91 crore (Previous Year ₹ 757.83 crore)) | 1,852.74                             | 3,784.95                             |
| b) Intangible Assets and not provided (Net of Advances paid of ₹ 0.81 crore (Previous Year ₹ 0 crore))                    | 31.93                                | 48.53                                |

### (ii) Financial and Other Commitments

|                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------|--------------------------------------|--------------------------------------|
| (a) Joint Ventures @ | 122.86                               | 223.78                               |

@ As per the agreement with the Joint Ventures, the Company is committed to make additional contribution in proportion to their interest in Joint Ventures, if required. These commitments have not been recognised in the financial statements.

## 4.4 OPERATING SEGMENTS

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Indian Accounting Standard on Segment Reporting (Ind AS 108), no disclosure related to the segment are presented in the Standalone Financial Statements.

## 4.5 RELATED PARTY DISCLOSURE

### 4.5.1 Parties where control exists

| Parties                                                                                                    | Relationship            |
|------------------------------------------------------------------------------------------------------------|-------------------------|
| ABNL Investment Limited                                                                                    | Wholly Owned Subsidiary |
| Aditya Birla Renewables Limited                                                                            | Wholly Owned Subsidiary |
| Aditya Birla Solar Limited (merged with Aditya Birla Renewables Limited w.e.f. 23 <sup>rd</sup> June 2023) | Wholly Owned Subsidiary |
| Samruddhi Swastik Trading and Investments Limited                                                          | Wholly Owned Subsidiary |
| Grasim Business Services Private Limited- w.e.f. 4 <sup>th</sup> January 2023                              | Wholly Owned Subsidiary |
| Aditya Birla Renewables Utkal Limited                                                                      | Subsidiary's Subsidiary |
| Aditya Birla Renewables SPV 1 Limited                                                                      | Subsidiary's Subsidiary |

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| Parties                                                                                                           | Relationship            |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|
| Aditya Birla Renewables Subsidiary Limited                                                                        | Subsidiary's Subsidiary |
| Aditya Birla Renewables Solar Limited                                                                             | Subsidiary's Subsidiary |
| Aditya Birla Renewables Energy Limited                                                                            | Subsidiary's Subsidiary |
| ABReL SPV 2 Limited                                                                                               | Subsidiary's Subsidiary |
| ABREL Solar Power Limited                                                                                         | Subsidiary's Subsidiary |
| Aditya Birla Renewables Green Power Private Limited (formerly known as Waacox Energy Private Limited)             | Subsidiary's Subsidiary |
| ABReL Renewables EPC Limited                                                                                      | Subsidiary's Subsidiary |
| ABReL Century Energy Limited                                                                                      | Subsidiary's Subsidiary |
| ABReL EPCCO Services Limited- w.e.f. 4 <sup>th</sup> April 2022                                                   | Subsidiary's Subsidiary |
| ABREL EPC Limited - w.e.f. 13 <sup>th</sup> June 2022                                                             | Subsidiary's Subsidiary |
| ABReL (Odisha) SPV Limited - w.e.f. 15 <sup>th</sup> June 2022                                                    | Subsidiary's Subsidiary |
| ABReL (MP) Renewables Limited - w.e.f. 16 <sup>th</sup> June 2022                                                 | Subsidiary's Subsidiary |
| ABReL Green Energy Limited - w.e.f. 22 <sup>nd</sup> June 2022                                                    | Subsidiary's Subsidiary |
| ABReL (RJ) Projects Limited - w.e.f. 11 <sup>th</sup> November 2022                                               | Subsidiary's Subsidiary |
| ABREL Hybrid Projects Limited - w.e.f. 31 <sup>st</sup> August 2023                                               | Subsidiary's Subsidiary |
| UltraTech Cement Limited                                                                                          | Subsidiary              |
| UltraTech Cement Lanka Private Limited                                                                            | Subsidiary's Subsidiary |
| Harish Cement Limited                                                                                             | Subsidiary's Subsidiary |
| UltraTech Cement Middle East Investments Limited                                                                  | Subsidiary's Subsidiary |
| Star Cement Co LLC, Dubai, UAE                                                                                    | Subsidiary's Subsidiary |
| Star Cement Co LLC, RAK, UAE                                                                                      | Subsidiary's Subsidiary |
| Al Nakhla Crusher, LLC, Fujairah, UAE                                                                             | Subsidiary's Subsidiary |
| Arabian Cement Industry LLC, Abu Dhabi, UAE                                                                       | Subsidiary's Subsidiary |
| UltraTech Cement Co W.L.L, Bahrain                                                                                | Subsidiary's Subsidiary |
| PT UltraTech Mining, Indonesia (liquidated w.e.f. 14 <sup>th</sup> June 2022)                                     | Subsidiary's Subsidiary |
| PT UltraTech Investments Indonesia (liquidated w.e.f. 14 <sup>th</sup> June 2022)                                 | Subsidiary's Subsidiary |
| PT UltraTech Cement, Indonesia (liquidated w.e.f. 14 <sup>th</sup> June 2022)                                     | Subsidiary's Subsidiary |
| PT UltraTech Mining Sumatera (liquidated w.e.f. 14 <sup>th</sup> June 2022)                                       | Subsidiary's Subsidiary |
| Gotan Lime Stone Khanji Udyog Private Limited                                                                     | Subsidiary's Subsidiary |
| Bhagwati Lime Stone Company Private Limited                                                                       | Subsidiary's Subsidiary |
| UltraTech Nathdwara Cement Limited (merged with UltraTech Cement Limited w.e.f 20 <sup>th</sup> April 2024)       | Subsidiary's Subsidiary |
| Letein Valley Cement Limited - w.e.f. 16 <sup>th</sup> January 2024                                               | Subsidiary's Subsidiary |
| Merit Plaza Limited (merged with UltraTech Cement Limited w.e.f 20 <sup>th</sup> April 2024)                      | Subsidiary's Subsidiary |
| Swiss Merchandise Infrastructure Limited (merged with UltraTech Cement Limited w.e.f 20 <sup>th</sup> April 2024) | Subsidiary's Subsidiary |
| Bhumi Resources PTE Ltd., Singapore                                                                               | Subsidiary's Subsidiary |
| Murari Holdings Ltd., British Virgin Islands - struck off w.e.f. 30 <sup>th</sup> September 2022                  | Subsidiary's Subsidiary |
| Star Super Cement Industry LLC, UAE                                                                               | Subsidiary's Subsidiary |
| Duqm Cement Project International, LLC, Oman - w.e.f. 29 <sup>th</sup> January 2023                               | Subsidiary's Subsidiary |
| Binani Cement (Uganda) Limited                                                                                    | Subsidiary's Subsidiary |
| Binani Cement Tanzania Ltd., Tanzania                                                                             | Subsidiary's Subsidiary |
| BC Tradelink Ltd., Tanzania                                                                                       | Subsidiary's Subsidiary |
| PT Anggana Energy Resources, Indonesia                                                                            | Subsidiary's Subsidiary |
| Krishna Holdings PTE Ltd., Singapore (liquidated from 24 <sup>th</sup> November 2022)                             | Subsidiary's Subsidiary |
| Mukundan Holdings Ltd., British Virgin Islands - struck off w.e.f. 27 <sup>th</sup> April 2022                    | Subsidiary's Subsidiary |
| Aditya Birla Capital Limited                                                                                      | Subsidiary              |
| Aditya Birla PE Advisors Private Limited                                                                          | Subsidiary's Subsidiary |
| Aditya Birla Capital Technology Services Limited                                                                  | Subsidiary's Subsidiary |





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| Parties                                                                                | Relationship            |
|----------------------------------------------------------------------------------------|-------------------------|
| Aditya Birla Trustee Company Private Limited                                           | Subsidiary's Subsidiary |
| Aditya Birla Money Limited                                                             | Subsidiary's Subsidiary |
| Aditya Birla Financial Shared Services Limited                                         | Subsidiary's Subsidiary |
| Aditya Birla Finance Limited                                                           | Subsidiary's Subsidiary |
| Aditya Birla Insurance Brokers Limited                                                 | Subsidiary's Subsidiary |
| Aditya Birla Housing Finance Limited                                                   | Subsidiary's Subsidiary |
| Aditya Birla Money Mart Limited                                                        | Subsidiary's Subsidiary |
| Aditya Birla Money Insurance Advisory Services Limited                                 | Subsidiary's Subsidiary |
| Aditya Birla Sun Life Insurance Company Limited                                        | Subsidiary's Subsidiary |
| Aditya Birla Sun Life Pension Management Limited                                       | Subsidiary's Subsidiary |
| ABCAP Trustee Company Private Limited - Struck off w.e.f 21 <sup>st</sup> January 2023 | Subsidiary's Subsidiary |
| Aditya Birla ARC Limited                                                               | Subsidiary's Subsidiary |
| Aditya Birla Stressed Asset AMC Private Limited                                        | Subsidiary's Subsidiary |
| Aditya Birla Health Insurance Co. Limited - upto 20 <sup>th</sup> October 2022         | Subsidiary's Subsidiary |
| Aditya Birla Capital Digital Limited - w.e.f. 23 <sup>rd</sup> March 2023              | Subsidiary's Subsidiary |

## 4.5.2 Other Related Parties where transactions have taken place during the year:

| Parties                                                                                 | Relationship                |
|-----------------------------------------------------------------------------------------|-----------------------------|
| Aditya Birla Sun Life AMC Limited                                                       | Subsidiary's Associate      |
| Aditya Birla Health Insurance Co. Limited - w.e.f. 21 <sup>st</sup> October 2022        | Subsidiary's Joint Ventures |
| Aditya Birla Wellness Private Limited                                                   | Subsidiary's Joint Ventures |
| Aditya Group AB, Sweden                                                                 | Joint Venture               |
| AV Group NB Inc., Canada                                                                | Joint Venture               |
| AV Terrace Bay Inc., Canada                                                             | Joint Venture               |
| Aditya Birla Power Composites Limited                                                   | Joint Venture               |
| Birla Advanced Knits Private Limited                                                    | Joint Venture               |
| Birla Jingwei Fibres Company Limited                                                    | Joint Venture               |
| Bhubaneswari Coal Mining Limited                                                        | Joint Venture               |
| Renew Surya Uday Private Limited                                                        | Associate                   |
| Greenyana Sunstream Private Limited - w.e.f. 26 <sup>th</sup> May 2022                  | Associate                   |
| Aditya Birla Science and Technology Company Private Limited                             | Associate                   |
| Dr. Santrupt Misra - Non-Executive Director - upto 28 <sup>th</sup> December 2023       | Key Management Personnel    |
| Shri Sushil Agrawal - Non-Executive Director - w.e.f. 8 <sup>th</sup> February 2024     | Key Management Personnel    |
| Dr. Thomas M. Connelly, Jr. - Independent Director                                      | Key Management Personnel    |
| Shri Adesh Kumar Gupta - Independent Director                                           | Key Management Personnel    |
| Shri Cyril Shroff - Independent Director                                                | Key Management Personnel    |
| Shri N. Mohan Raj - Independent Director                                                | Key Management Personnel    |
| Shri Raj Kumar - Non-Executive Director                                                 | Key Management Personnel    |
| Shri V. Chandrasekaran - Independent Director                                           | Key Management Personnel    |
| Smt. Anita Ramachandran - Independent Director                                          | Key Management Personnel    |
| Shri Ashish Adukia - CFO - upto 14 <sup>th</sup> August 2022                            | Key Management Personnel    |
| Shri Pavan Jain - CFO - w.e.f. 15 <sup>th</sup> August 2022                             | Key Management Personnel    |
| Smt. Rajashree Birla - Non-Executive Director                                           | Key Management Personnel    |
| Shri Kumar Mangalam Birla - Non-Executive Director                                      | Key Management Personnel    |
| Shri Shailendra K Jain - Non-Executive Director - upto 1 <sup>st</sup> February 2023    | Key Management Personnel    |
| Shri HariKrishna Agrawal - Managing Director                                            | Key Management Personnel    |
| Ms. Ananyashree Birla - Non-Executive Director - w.e.f. 6 <sup>th</sup> February 2023   | Key Management Personnel    |
| Shri Aryan Vikram Birla - Non-Executive Director - w.e.f. 6 <sup>th</sup> February 2023 | Key Management Personnel    |
| Shri Yazdi Piroj Dandiwal - Independent Director - w.e.f. 6 <sup>th</sup> February 2023 | Key Management Personnel    |

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| Parties                                                                                                                                                                            | Relationship                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Century Rayon Employees Provident Fund Trust 1 & 2                                                                                                                                 | Post-Employment Benefit Plan                            |
| Jayshree Provident Fund Institution                                                                                                                                                | Post-Employment Benefit Plan                            |
| Grasim Industries Limited - Employees Gratuity Fund                                                                                                                                | Post-Employment Benefit Plan                            |
| Grasim Industries Limited - Employees Provident Fund                                                                                                                               | Post-Employment Benefit Plan                            |
| Grasim (Senior Executive & Officers) Superannuation Scheme                                                                                                                         | Post-Employment Benefit Plan                            |
| Aditya Birla Management Corporation Private Limited*                                                                                                                               | Other Related Parties in which Directors are interested |
| Birla Carbon India Private Limited - upto 20 <sup>th</sup> December 2023                                                                                                           | Other Related Parties in which Directors are interested |
| Birla Management Centre Services Private Limited - w.e.f. 3 <sup>rd</sup> August 2022 (It is not related party from 28 <sup>th</sup> December 2023 to 14 <sup>th</sup> March 2024) | Other Related Parties in which Directors are interested |
| Birla Group Holdings Private Limited                                                                                                                                               | Other Related Parties in which Directors are interested |
| Cyril Amarchand Mangaldas & Co.                                                                                                                                                    | Other Related Parties in which Directors are interested |
| Shardul Amarchand Mangaldas & Co.                                                                                                                                                  | Other Related Parties in which Directors are interested |
| Aditya Birla New Age Private Limited                                                                                                                                               | Other Related Parties in which Directors are interested |
| Mulla & Mulla & Craigie Blunt & Caroe - w.e.f. 6 <sup>th</sup> February 2023                                                                                                       | Other Related Parties in which Directors are interested |
| M/s Shailendra K. Jain & Co. - upto 1 <sup>st</sup> February 2023                                                                                                                  | Other Related Parties in which Directors are interested |
| Shri Devrat Jain - upto 1 <sup>st</sup> February 2023                                                                                                                              | Close Member of KMP                                     |
| Shri Suvrat Jain - upto 1 <sup>st</sup> February 2023                                                                                                                              | Close Member of KMP                                     |

\* The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on an arm's length basis.

## 4.5.3 Disclosure of Related Party Transactions:

### Terms and Conditions of Transactions with Related Parties

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The below transactions are as per approval of Audit Committee.

The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

| A. Nature of Transactions                           | ₹ in crore                                |                                           |
|-----------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                     | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Revenue from Contracts with Customers:</b>       |                                           |                                           |
| UltraTech Cement Limited                            | 8.18                                      | 6.31                                      |
| Birla Jingwei Fibres Company Limited                | 31.93                                     | 35.72                                     |
| Aditya Birla Power Composites Limited               | 7.85                                      | 4.35                                      |
| Birla Management Centre Services Private Limited    | 0.01                                      | -                                         |
| Birla Carbon India Private Limited                  | 0.07                                      | 0.43                                      |
| Birla Advanced Knits Private Limited                | 0.37                                      | -                                         |
| Aditya Birla Management Corporation Private Limited | 3.24                                      | 1.91                                      |
| Aditya Birla Renewables Limited                     | -                                         | 1.56                                      |
| Aditya Birla Solar Limited                          | -                                         | 0.01                                      |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| A. Nature of Transactions                                   | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Aditya Birla Renewables SPV 1 Limited                       | -                                         | 0.08                                      |
| Aditya Birla Renewables Subsidiary Limited                  | -                                         | 0.02                                      |
| Aditya Birla Renewables Energy Limited                      | -                                         | 0.03                                      |
| Aditya Birla Renewables Utkal Limited                       | -                                         | 0.02                                      |
| Aditya Birla Renewables Solar Limited                       | -                                         | 0.05                                      |
| Aditya Birla Renewables Green Power Private Limited         | -                                         | 0.03                                      |
| <b>Total</b>                                                | <b>51.65</b>                              | <b>50.52</b>                              |
| <b>Interest and Other Income:</b>                           |                                           |                                           |
| UltraTech Cement Limited                                    | 0.18                                      | 0.17                                      |
| Aditya Birla Sun Life AMC Limited                           | -                                         | 0.04                                      |
| Aditya Birla Science and Technology Company Private Limited | 0.84                                      | 1.07                                      |
| Aditya Birla Solar Limited                                  | -                                         | 0.01                                      |
| ABReI Green Energy Limited                                  | -                                         | 0.27                                      |
| ABReL Solar Power Limited                                   | -                                         | 0.43                                      |
| Aditya Birla Renewables Limited                             | 8.17                                      | 0.11                                      |
| ABReL Century Energy Limited                                | -                                         | 0.22                                      |
| ABReL SPV 2 Limited                                         | 6.96                                      | 5.25                                      |
| Aditya Birla Management Corporation Private Limited         | 9.04                                      | 8.89                                      |
| AV Group NB Inc., Canada                                    | 0.33                                      | -                                         |
| AV Terrace Bay Inc., Canada                                 | 0.01                                      | 0.14                                      |
| Birla Carbon India Private Limited                          | 0.04                                      | 0.05                                      |
| Aditya Birla Finance Limited                                | 0.24                                      | -                                         |
| Aditya Birla Capital Limited                                | 0.02                                      | -                                         |
| Birla Advanced Knits Private Limited                        | 2.07                                      | 0.05                                      |
| Birla Jingwei Fibres Company Limited                        | 0.16                                      | -                                         |
| Aditya Birla Renewables SPV 1 Limited                       | 0.00                                      | -                                         |
| Aditya Birla Financial Shared Services Limited              | 0.00                                      | -                                         |
| Aditya Birla Power Composites Limited                       | 4.10                                      | 3.30                                      |
| <b>Total</b>                                                | <b>32.16</b>                              | <b>20.00</b>                              |
| <b>Reimbursement/ (Recovery) of expenses:</b>               |                                           |                                           |
| Aditya Birla Power Composites Limited                       | (0.11)                                    | (2.20)                                    |
| Aditya Birla Science and Technology Company Private Limited | 7.75                                      | 6.48                                      |
| Aditya Birla Management Corporation Private Limited         | (3.90)                                    | 1.14                                      |
| UltraTech Cement Limited                                    | 0.53                                      | 0.57                                      |
| Birla Advanced Knits Private Limited                        | (0.01)                                    | -                                         |
| Aditya Birla Health Insurance Co. Limited                   | 0.01                                      | -                                         |
| Aditya Group AB, Sweden                                     | -                                         | 0.20                                      |
| Birla Group Holdings Private Limited                        | 0.20                                      | 0.18                                      |
| Aditya Birla Sun Life AMC Limited                           | (0.02)                                    | (0.01)                                    |
| Birla Management Centre Services Private Limited            | 48.82                                     | 25.15                                     |
| Aditya Birla Capital Limited                                | (0.08)                                    | (0.04)                                    |
| Aditya Birla Finance Limited                                | -                                         | 0.04                                      |
| Aditya Birla Solar Limited                                  | -                                         | (0.02)                                    |
| Aditya Birla Renewables Limited                             | -                                         | 0.57                                      |
| Grasim Business Services Private Limited                    | -                                         | (0.02)                                    |
| Aditya Birla Renewables Subsidiary Limited                  | 0.04                                      | -                                         |
| Aditya Birla Renewables Energy Limited                      | (0.12)                                    | -                                         |
| Aditya Birla Renewables Solar Limited                       | (0.01)                                    | -                                         |
| ABNL Investment Limited                                     | (0.02)                                    | (0.58)                                    |
| AV Terrace Bay Inc., Canada                                 | 0.76                                      | -                                         |
| <b>Total</b>                                                | <b>53.84</b>                              | <b>31.46</b>                              |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| A. Nature of Transactions                                   | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Dividend Received:</b>                                   |                                           |                                           |
| UltraTech Cement Limited                                    | 628.27                                    | 628.27                                    |
| <b>Dividend Paid:</b>                                       |                                           |                                           |
| Birla Group Holdings Private Limited                        | 125.00                                    | 125.00                                    |
| <b>Finance Cost:</b>                                        |                                           |                                           |
| Aditya Birla Sun Life Insurance Company Limited             | 2.31                                      | 2.31                                      |
| <b>Purchases of Goods and Services</b>                      |                                           |                                           |
| UltraTech Cement Limited                                    | 28.33                                     | 14.59                                     |
| AV Group NB Inc., Canada                                    | 896.30                                    | 906.58                                    |
| Aditya Group AB, Sweden                                     | 579.16                                    | 857.11                                    |
| Aditya Birla Power Composites Limited                       | 0.22                                      | 0.09                                      |
| Aditya Birla Science and Technology Company Private Limited | 30.78                                     | 34.27                                     |
| Aditya Birla Sun Life Insurance Company Limited             | 4.16                                      | 3.73                                      |
| Aditya Birla Health Insurance Co. Limited                   | 0.90                                      | 0.50                                      |
| Aditya Birla Management Corporation Private Limited         | 230.92                                    | 208.86                                    |
| Birla Carbon India Private Limited                          | 0.03                                      | -                                         |
| Aditya Birla Sun Life Pension Management Limited            | 0.15                                      | 0.00                                      |
| Birla Jingwei Fibres Company Limited *                      | -                                         | (0.18)                                    |
| AV Terrace Bay Inc., Canada*                                | -                                         | (0.04)                                    |
| Aditya Birla Renewables Limited                             | 20.28                                     | 12.87                                     |
| Aditya Birla Renewables Energy Limited                      | -                                         | 6.97                                      |
| Aditya Birla Renewables Solar Limited                       | -                                         | 3.18                                      |
| ABNL Investment Limited                                     | 0.38                                      | 0.38                                      |
| Birla Group Holdings Private Limited                        | 0.06                                      | 0.05                                      |
| Birla Management Centre Services Private Limited            | 25.00                                     | 14.47                                     |
| Greenyana Sunstream Private Limited                         | 5.29                                      | 2.77                                      |
| Mulla & Mulla & Craigie Blunt & Caroe                       | 0.07                                      | 0.11                                      |
| Aditya Birla Wellness Private Limited                       | 0.37                                      | -                                         |
| ABREL Solar Power Limited                                   | 27.90                                     | -                                         |
| Grasim Business Services Private Limited                    | 16.58                                     | -                                         |
| Birla Advanced Knits Private Limited                        | 0.00                                      | -                                         |
| Aditya Birla Money Limited                                  | 0.28                                      | -                                         |
| Cyril Amarchand Mangaldas & Co.                             | 1.16                                      | 0.09                                      |
| Shardul Amarchand Mangaldas & Co.                           | -                                         | 0.02                                      |
| Mr. Suvrat Jain                                             | -                                         | 0.10                                      |
| Mr. Devrat Jain                                             | -                                         | 0.00                                      |
| Bhubaneswari Coal Mining Limited                            | 0.16                                      | -                                         |
| Aditya Birla New Age Private Limited                        | -                                         | 0.07                                      |
| Renew Surya Uday Private Limited                            | 39.56                                     | 20.67                                     |
| <b>Total</b>                                                | <b>1,908.04</b>                           | <b>2,087.27</b>                           |
| *Recovery of IT expenses                                    |                                           |                                           |
| <b>Payments to Key Management Personnel</b>                 |                                           |                                           |
| Managerial Remuneration Paid *                              | 15.83                                     | 17.82                                     |
| Commission to Non-Executive Directors (KMPS)                | 3.70                                      | 3.70                                      |
| Sitting Fees to Directors                                   | 0.50                                      | 0.50                                      |
| Dividend to Directors                                       | 1.82                                      | 1.29                                      |

\* Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| A. Nature of Transactions                                                                                                                                                                                     | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Compensation of Key Management Personnel of the Company*</b>                                                                                                                                               |                                           |                                           |
| Short-Term Employee Benefits                                                                                                                                                                                  | 10.17                                     | 14.01                                     |
| Post-Retirement Benefits                                                                                                                                                                                      | 0.38                                      | 2.16                                      |
| Share-Based Payments                                                                                                                                                                                          | 5.28                                      | 1.65                                      |
| <b>Total</b>                                                                                                                                                                                                  | <b>15.83</b>                              | <b>17.82</b>                              |
| * Expenses towards gratuity and leave encashment provisions are determined by actuary on an overall Company basis at the end of each year and, accordingly have not been considered in the above information. |                                           |                                           |
| <b>Loans Provided:</b>                                                                                                                                                                                        |                                           |                                           |
| ABReL SPV 2 Limited                                                                                                                                                                                           | -                                         | 79.92                                     |
| ABReL Century Energy Limited                                                                                                                                                                                  | -                                         | 26.00                                     |
| ABReL Solar Power Limited                                                                                                                                                                                     | -                                         | 38.89                                     |
| ABReL Green Energy Limited                                                                                                                                                                                    | -                                         | 25.00                                     |
| Aditya Birla Power Composites Limited                                                                                                                                                                         | 10.00                                     | -                                         |
| Aditya Birla Renewables Limited                                                                                                                                                                               | 202.00                                    | -                                         |
| Aditya Birla Finance Limited                                                                                                                                                                                  | 50.00                                     | -                                         |
| Birla Advanced Knits Private Limited                                                                                                                                                                          | 39.50                                     | 5.00                                      |
| <b>Total</b>                                                                                                                                                                                                  | <b>301.50</b>                             | <b>174.81</b>                             |
| <b>Repayments against Loans Provided:</b>                                                                                                                                                                     |                                           |                                           |
| Birla Advanced Knits Private Limited                                                                                                                                                                          | 5.00                                      | 5.00                                      |
| Aditya Birla Renewables Limited                                                                                                                                                                               | 137.00                                    | 3.00                                      |
| Aditya Birla Solar Limited                                                                                                                                                                                    | -                                         | 3.00                                      |
| ABReL Century Energy Limited                                                                                                                                                                                  | -                                         | 26.00                                     |
| ABReL Green Energy Limited                                                                                                                                                                                    | -                                         | 25.00                                     |
| ABReL Solar Power Limited                                                                                                                                                                                     | -                                         | 38.89                                     |
| Aditya Birla Power Composites Limited                                                                                                                                                                         | 10.00                                     | -                                         |
| Aditya Birla Science and Technology Company Private Limited                                                                                                                                                   | 2.42                                      | 3.30                                      |
| <b>Total</b>                                                                                                                                                                                                  | <b>154.42</b>                             | <b>104.19</b>                             |
| <b>Deposits Given/ (Refunded):</b>                                                                                                                                                                            |                                           |                                           |
| Aditya Birla Sun Life AMC Limited                                                                                                                                                                             | -                                         | (0.71)                                    |
| <b>Investments/(Sale) in Equity Shares (including Application Money Paid towards securities):</b>                                                                                                             |                                           |                                           |
| Aditya Birla Renewables Limited                                                                                                                                                                               | -                                         | 374.80                                    |
| ABREL Solar Power Limited                                                                                                                                                                                     | 25.18                                     | 40.88                                     |
| Greenyana Sunstream Private Limited                                                                                                                                                                           | -                                         | 4.18                                      |
| Renew Surya Uday Private Limited                                                                                                                                                                              | -                                         | 14.51                                     |
| Grasim Business Services Private Limited                                                                                                                                                                      | -                                         | 0.10                                      |
| Birla Advanced Knits Private Limited                                                                                                                                                                          | -                                         | 10.00                                     |
| Aditya Birla Capital Limited                                                                                                                                                                                  | 1,000.00                                  | -                                         |
| AV Terrace Bay Inc., Canada                                                                                                                                                                                   | 123.24                                    | -                                         |
| <b>Total</b>                                                                                                                                                                                                  | <b>1,148.42</b>                           | <b>444.47</b>                             |
| <b>Provision for diminution in value of Investment (including Application Money Paid):</b>                                                                                                                    |                                           |                                           |
| AV Terrace Bay Inc., Canada                                                                                                                                                                                   | 279.60                                    | -                                         |
| <b>Purchases/(Sales) of Property, Plant and Equipment/Intangible Assets:</b>                                                                                                                                  |                                           |                                           |
| UltraTech Cement Limited                                                                                                                                                                                      | 12.31                                     | 15.88                                     |
| Aditya Birla Management Corporation Private Limited                                                                                                                                                           | 0.01                                      | -                                         |
| <b>Total</b>                                                                                                                                                                                                  | <b>12.32</b>                              | <b>15.88</b>                              |
| <b>Contribution to Post Retirement Funds:</b>                                                                                                                                                                 |                                           |                                           |
| Grasim Industries Limited Employees' Provident Fund                                                                                                                                                           | 27.87                                     | 19.92                                     |
| Jayshree Provident Fund Institution                                                                                                                                                                           | 6.40                                      | 6.03                                      |
| Century Rayon Employees Provident Fund Trust 1 & 2                                                                                                                                                            | 10.58                                     | 10.01                                     |
| Grasim (Senior Executive & Officers) Superannuation Scheme                                                                                                                                                    | 1.18                                      | 1.11                                      |
| Grasim Industries Limited - Employees Gratuity Fund                                                                                                                                                           | 0.20                                      | 42.64                                     |
| <b>Total</b>                                                                                                                                                                                                  | <b>46.23</b>                              | <b>79.71</b>                              |



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| B. Outstanding Balances                                             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Other Non-Current Liabilities (Financial and Non-Financial):</b> |                                      |                                      |
| UltraTech Cement Limited                                            | 0.06                                 | 0.06                                 |
| <b>Trade Payables:</b>                                              |                                      |                                      |
| ABREL Solar Power Limited                                           | 5.67                                 | -                                    |
| Aditya Birla Renewables Energy Limited                              | -                                    | 1.76                                 |
| Aditya Birla Renewables Solar Limited                               | -                                    | 0.86                                 |
| Grasim Business Services Private Limited                            | 2.85                                 | -                                    |
| Greenyana Sunstream Private Limited                                 | -                                    | 0.16                                 |
| Aditya Birla Science and Technology Company Private Limited         | 0.27                                 | -                                    |
| Aditya Group AB, Sweden                                             | 35.82                                | 6.91                                 |
| AV Group NB Inc., Canada                                            | 49.95                                | 57.16                                |
| Birla Management Centre Services Private Limited                    | 3.79                                 | 0.60                                 |
| Renew Surya Uday Private Limited                                    | 35.84                                | 2.76                                 |
| UltraTech Cement Limited                                            | 2.64                                 | 1.36                                 |
| Aditya Birla Renewables Limited                                     | 2.83                                 | -                                    |
| Aditya Birla Health Insurance Co. Limited                           | -                                    | 0.59                                 |
| <b>Total</b>                                                        | <b>139.66</b>                        | <b>72.16</b>                         |
| <b>Other Current Liabilities (Financial and Non-Financial):</b>     |                                      |                                      |
| Aditya Birla Management Corporation Private Limited                 | 1.28                                 | 28.28                                |
| Aditya Birla Renewables Subsidiary Limited                          | 0.04                                 | 0.01                                 |
| Aditya Birla Solar Limited                                          | -                                    | 0.01                                 |
| Aditya Birla Sun Life Insurance Company Limited                     | 2.16                                 | 2.03                                 |
| Aditya Birla Sun Life Pension Management Limited                    | 0.12                                 | 0.13                                 |
| Aditya Group AB, Sweden                                             | -                                    | 0.02                                 |
| Century Rayon Employees Provident Fund Trust 1 & 2                  | 3.85                                 | 3.13                                 |
| Mulla & Mulla & Craigie Blunt & Caroe                               | -                                    | 0.03                                 |
| Jayshree Provident Fund Institution                                 | 0.99                                 | 2.13                                 |
| UltraTech Cement Limited                                            | 0.42                                 | 0.59                                 |
| Bhubaneswari Coal Mining Limited                                    | 0.19                                 | -                                    |
| Birla Management Centre Services Private Limited                    | 0.05                                 | -                                    |
| Aditya Birla Wellness Private Limited                               | 0.19                                 | -                                    |
| Aditya Birla Finance Limited                                        | -                                    | 0.04                                 |
| Aditya Birla Health Insurance Co. Limited                           | 0.01                                 | -                                    |
| <b>Total</b>                                                        | <b>9.30</b>                          | <b>36.40</b>                         |
| <b>Trade Receivables:</b>                                           |                                      |                                      |
| Aditya Birla Management Corporation Private Limited                 | 0.01                                 | 0.00                                 |
| Aditya Birla Power Composites Limited                               | 10.15                                | 3.05                                 |
| Aditya Birla Renewables Energy Limited                              | -                                    | 0.07                                 |
| Aditya Birla Renewables Limited                                     | -                                    | 1.83                                 |
| Aditya Birla Renewables Solar Limited                               | -                                    | 0.19                                 |
| Aditya Birla Renewables SPV 1 Limited                               | -                                    | 0.15                                 |
| Aditya Birla Renewables Subsidiary Limited                          | -                                    | 0.04                                 |
| Birla Advanced Knits Private Limited                                | 0.06                                 | -                                    |
| Birla Jingwei Fibres Company Limited                                | 4.45                                 | 5.67                                 |
| UltraTech Cement Limited                                            | 1.84                                 | 0.38                                 |
| Aditya Birla Renewables Green Power Private Limited                 | -                                    | 0.06                                 |
| <b>Total</b>                                                        | <b>16.51</b>                         | <b>11.44</b>                         |



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forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| B. Outstanding Balances                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Investments in Equity Shares (Note 2.4):</b>             |                                      |                                      |
| Subsidiaries                                                | 22,496.43                            | 21,471.25                            |
| Joint Ventures                                              | 627.07                               | 783.43                               |
| Associates                                                  | 45.35                                | 45.35                                |
| <b>Total</b>                                                | <b>23,168.85</b>                     | <b>22,300.03</b>                     |
| <b>Investments in Preference Shares (Note 2.5):</b>         |                                      |                                      |
| Joint Ventures                                              | 87.67                                | 85.56                                |
| <b>Non-Current Financial Assets - Deposits:</b>             |                                      |                                      |
| Birla Group Holdings Private Limited                        | 7.37                                 | 7.37                                 |
| Aditya Birla Management Corporation Private Limited         | -                                    | 28.53                                |
| <b>Total</b>                                                | <b>7.37</b>                          | <b>35.90</b>                         |
| <b>Non-Convertible Debentures Issued:</b>                   |                                      |                                      |
| Aditya Birla Sun Life Insurance Company Limited             | 30.00                                | 30.00                                |
| <b>Current and Non-Current Financial Assets- Loans:</b>     |                                      |                                      |
| Aditya Birla Science and Technology Company Private Limited | 10.41                                | 12.83                                |
| ABReL SPV 2 Limited                                         | 79.92                                | 79.92                                |
| Aditya Birla Finance Limited                                | 50.00                                | -                                    |
| Birla Advanced Knits Private Limited                        | 34.50                                | -                                    |
| Aditya Birla Renewables Limited                             | 65.00                                | -                                    |
| <b>Total</b>                                                | <b>239.83</b>                        | <b>92.75</b>                         |
| <b>Other Current Assets (Financial and Non-Financial):</b>  |                                      |                                      |
| Aditya Birla Health Insurance Co. Limited                   | 0.19                                 | 0.22                                 |
| Aditya Birla Management Corporation Private Limited         | 9.61                                 | 0.70                                 |
| Aditya Birla Power Composites Limited                       | -                                    | 5.29                                 |
| ABReL SPV 2 Limited                                         | 10.99                                | 5.25                                 |
| Aditya Birla Renewables Energy Limited                      | 0.06                                 | 0.40                                 |
| Aditya Birla Renewables Solar Limited                       | 0.01                                 | 0.00                                 |
| Aditya Birla Science and Technology Company Private Limited | -                                    | 0.27                                 |
| Aditya Birla Sun Life Insurance Company Limited             | 1.17                                 | 1.63                                 |
| AV Group NB Inc., Canada                                    | -                                    | 0.01                                 |
| AV Terrace Bay Inc., Canada                                 | 0.76                                 | 0.01                                 |
| Birla Management Centre Services Private Limited            | 0.67                                 | 0.27                                 |
| UltraTech Cement Limited                                    | 0.09                                 | 0.25                                 |
| Aditya Birla Finance Limited                                | 0.21                                 | -                                    |
| Aditya Birla Renewables Limited                             | 3.33                                 | 0.00                                 |
| Grasim Business Services Private Limited                    | -                                    | 0.02                                 |
| Aditya Birla Solar Limited                                  | -                                    | 0.00                                 |
| Birla Advanced Knits Private Limited                        | 1.57                                 | -                                    |
| <b>Total</b>                                                | <b>28.66</b>                         | <b>14.32</b>                         |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## 4.6. RETIREMENT BENEFITS:

### 4.6.1 Defined Benefit Plans as per Actuarial Valuation:

#### Gratuity (funded by the Company):

The Company operates a Gratuity plan through a trust for its all employees. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of service, whichever is earlier, of an amount equivalent to 15 to 30 days' salary for each completed year of service as per rules framed in this regard. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. In case of majority of employees, the Company's scheme is more favourable as compared to the obligation under payment of Gratuity Act, 1972.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Ind AS-19 - 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

#### Inherent Risk:

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

#### Pension:

The Company provides pension to few retired employees as approved by the Board of Directors of the Company.

#### Inherent Risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in salary increases for serving employees/ pension increase for pensioners or adverse demographic experience can result in an increase in cost of providing these benefits to employees in future. In this case the pension is paid directly by the Company (instead of pension being bought out from an insurance Company) during the lifetime of the pensioners/beneficiaries and hence the plan carries the longevity risks.

#### 4.6.1.1. Gratuity and Pension:

| ₹ in crore                                                    |                   |               |              |               |
|---------------------------------------------------------------|-------------------|---------------|--------------|---------------|
|                                                               | Gratuity (Funded) |               | Pension      |               |
|                                                               | Current Year      | Previous Year | Current Year | Previous Year |
| <b>(i) Reconciliation of Present Value of the Obligation:</b> |                   |               |              |               |
| Opening Defined Benefit Obligation                            | 663.56            | 627.63        | 28.69        | 29.55         |
| Adjustments of:                                               |                   |               |              |               |
| Current Service Cost                                          | 55.27             | 47.18         | -            | -             |
| Interest Cost                                                 | 48.22             | 42.00         | 2.08         | 1.98          |
| Actuarial Loss/(Gain)                                         | 18.81             | (10.07)       | 2.91         | 1.87          |
| Benefits Paid                                                 | (47.53)           | (43.18)       | (5.06)       | (4.71)        |
| Closing Defined Benefit Obligation                            | <b>738.33</b>     | <b>663.56</b> | <b>28.62</b> | <b>28.69</b>  |



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₹ in crore

|                                                                                                                        | Gratuity (Funded) |                | Pension      |               |
|------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|--------------|---------------|
|                                                                                                                        | Current Year      | Previous Year  | Current Year | Previous Year |
| <b>(ii) Reconciliation of Fair Value of the Plan Assets:</b>                                                           |                   |                |              |               |
| Opening Fair Value of the Plan Assets                                                                                  | 744.85            | 707.78         | -            | -             |
| Adjustments of:                                                                                                        |                   |                |              |               |
| Return on Plan Assets                                                                                                  | 54.12             | 47.39          | -            | -             |
| Actuarial Gain/(Loss)                                                                                                  | 35.01             | (9.78)         | -            | -             |
| Contributions by the Employer                                                                                          | 0.20              | 42.64          | -            | -             |
| Benefits Paid                                                                                                          | (47.53)           | (43.18)        | -            | -             |
| Closing Fair Value of the Plan Assets                                                                                  | <b>786.65</b>     | <b>744.85</b>  | -            | -             |
| <b>(iii) Net Liabilities/(Assets) recognised in the Balance Sheet:</b>                                                 |                   |                |              |               |
| Present Value of the Defined Benefit Obligation at the end of the year                                                 | 738.33            | 663.56         | 28.62        | 28.69         |
| Fair Value of the Plan Assets                                                                                          | 786.65            | 744.85         | -            | -             |
| Net Liabilities/(Assets) recognised in the Balance Sheet                                                               | <b>(48.32)</b>    | <b>(81.29)</b> | <b>28.62</b> | <b>28.69</b>  |
| <b>(iv) Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:</b> |                   |                |              |               |
| Current Service Cost                                                                                                   | 55.27             | 47.18          | -            | -             |
| Interest on Defined Benefit Obligations (Net)                                                                          | (5.90)            | (5.37)         | 2.08         | 1.98          |
| Net Cost                                                                                                               | 49.37             | 41.81          | 2.08         | 1.98          |
| Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments                                     | (0.66)            | (0.20)         | -            | -             |
| Net Charge to the Statement of Profit and Loss                                                                         | <b>48.71</b>      | <b>41.61</b>   | <b>2.08</b>  | <b>1.98</b>   |
| <b>(v) Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>                                         |                   |                |              |               |
| Changes in Financial Assumptions                                                                                       | 10.45             | (9.91)         | 0.19         | (0.72)        |
| Experience Adjustments                                                                                                 | 8.36              | (0.16)         | 2.72         | 2.59          |
| Actual return on Plan Assets less Interest on Plan Assets                                                              | (35.01)           | 9.78           | -            | -             |
| Recognised in OCI for the year                                                                                         | <b>(16.20)</b>    | <b>(0.29)</b>  | <b>2.91</b>  | <b>1.87</b>   |
| <b>(vi) Maturity profile of Defined Benefit Obligation:</b>                                                            |                   |                |              |               |
| Within next 12 months (next annual reporting period)                                                                   | 73.95             | 65.90          | 6.31         | 6.27          |
| Between 1 and 5 years                                                                                                  | 235.78            | 208.80         | 17.93        | 18.44         |
| Between 6 and 9 years                                                                                                  | 280.70            | 265.74         | 10.68        | 10.81         |
| 10 years and above                                                                                                     | 1,137.16          | 999.50         | 6.72         | 7.23          |
| <b>(vii) Quantitative sensitivity analysis for significant assumptions:</b>                                            |                   |                |              |               |
| Increase/(decrease) on present value of defined benefit obligation at the end of the year                              |                   |                |              |               |
| 50 bps increase in discount rate                                                                                       | (33.37)           | (29.26)        | (0.62)       | (0.62)        |
| 50 bps decrease in discount rate                                                                                       | 36.13             | 31.59          | 0.64         | 0.65          |
| 50 bps increase in salary escalation rate                                                                              | 33.97             | 31.19          | -            | -             |
| 50 bps decrease in salary escalation rate                                                                              | (31.01)           | (27.02)        | -            | -             |
| Increase in Life Expectancy by one year                                                                                | -                 | -              | 0.99         | 0.84          |
| Decrease in Life Expectancy by one year                                                                                | -                 | -              | (0.86)       | (0.74)        |

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₹ in crore

|                                                                         | Gratuity (Funded)                             |                                               | Pension                              |                                      |
|-------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                         | Current Year                                  | Previous Year                                 | Current Year                         | Previous Year                        |
| <b>(viii) The major categories of Plan Assets as a % of total plan:</b> |                                               |                                               |                                      |                                      |
| Government of India Securities                                          | 5.33%                                         | 6.93%                                         | N.A.                                 | N.A.                                 |
| Corporate Bonds                                                         | 0.54%                                         | 0.64%                                         | N.A.                                 | N.A.                                 |
| Insurer Managed Fund                                                    | 93.83%                                        | 92.31%                                        | N.A.                                 | N.A.                                 |
| Others                                                                  | 0.30%                                         | 0.12%                                         | N.A.                                 | N.A.                                 |
| <b>Total</b>                                                            | <b>100.00%</b>                                | <b>100.00%</b>                                | <b>N.A.</b>                          | <b>N.A.</b>                          |
| <b>(ix) Principal Actuarial Assumptions:</b>                            |                                               |                                               |                                      |                                      |
| Discount Rate                                                           | 7.10%                                         | 7.25%                                         | 7.10%                                | 7.25%                                |
| Salary Escalation Rate                                                  | 8.00%                                         | 8.00%                                         | -                                    | -                                    |
| Mortality Tables                                                        | Indian Assured Lives Mortality (2012-14) Ult. | Indian Assured Lives Mortality (2012-14) Ult. | S1PA annuity rates adjusted suitably | S1PA annuity rates adjusted suitably |
| Retirement Age:                                                         |                                               |                                               |                                      |                                      |
| Management                                                              | 60 Yrs.                                       | 60 Yrs.                                       |                                      |                                      |
| Non-Management                                                          | 58 Yrs.                                       | 58 Yrs.                                       |                                      |                                      |
| <b>(x) Weighted Average Duration of Defined Benefit obligation:</b>     | 10 Yrs.                                       | 10 Yrs.                                       | 4 Yrs.                               | 4 Yrs.                               |

## (xi) There are no amounts included in the Fair Value of Plan Assets for:

- Company's own financial instrument
- Property occupied by or other assets used by the Company

## (xii) Basis used to determine Discount Rate:

Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date, applicable to the period over which the obligation is to be settled.

## (xiii) Asset Liability matching Strategy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre-fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

## (xiv) Salary Escalation Rate:

The estimates of future salary increases are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

## (xv) Sensitivity Analysis:

Sensitivity Analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

## (xvi) The best estimate of the expected Contribution for the next year amounts to ₹ 3.51 crore (Previous Year ₹ Nil).





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## 4.6.1.2 Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 57.58 crore (Previous Year ₹ 51.58 crore).

## 4.6.1.3 The details of the Company's Defined Benefit Plans in respect of the Company managed Provident Fund Trust:

Contribution to the recognised provident fund are substantially defined contribution plan. The Company is liable for any shortfall in the fund assets based on the Government specified rate of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same. The Company does not expect any shortfall.

Amount recognised as expense and included in the Note 3.6 as 'Contribution- Company owned Provident Fund' is ₹ 39.39 crore (Previous Year ₹ 34.36 crore) and Amount recognized as preoperative expense and included in Note 2.1.5 as 'Contribution - Company owned Provident Fund' is ₹ 5.46 crore (Previous Year ₹ 1.60 crore).

₹ in crore

| Particulars                                                                                                            | Provident Fund (Funded) |                 |
|------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------|
|                                                                                                                        | Current Year            | Previous Year   |
| <b>(i) Reconciliation of Present Value of the Obligation:</b>                                                          |                         |                 |
| Opening Defined Benefit Obligation                                                                                     | 1,427.30                | 1,303.63        |
| Adjustments of:                                                                                                        |                         |                 |
| Current Service Cost                                                                                                   | 46.97                   | 37.70           |
| Interest Cost                                                                                                          | 105.06                  | 88.03           |
| Actuarial Loss/(Gain)                                                                                                  | 20.35                   | 15.11           |
| Contributions by the Employees                                                                                         | 89.50                   | 78.50           |
| Benefits Paid                                                                                                          | (91.13)                 | (66.20)         |
| Liabilities assumed /(settled)                                                                                         | (1.76)                  | (29.47)         |
| Closing Defined Benefit Obligation                                                                                     | <b>1,596.29</b>         | <b>1,427.30</b> |
| <b>(ii) Reconciliation of Fair Value of the Plan Assets:</b>                                                           |                         |                 |
| Opening Fair Value of the Plan Assets                                                                                  | 1,444.83                | 1,321.97        |
| Adjustments of:                                                                                                        |                         |                 |
| Expected Return on Plan Assets                                                                                         | 105.54                  | 88.03           |
| Actuarial Gain/(Loss)                                                                                                  | 37.87                   | 17.13           |
| Contributions by the Employer                                                                                          | 44.85                   | 35.96           |
| Contributions by the Employee                                                                                          | 89.49                   | 78.50           |
| Benefits Paid                                                                                                          | (91.13)                 | (66.20)         |
| Assets acquired/(settled)                                                                                              | (4.39)                  | (30.56)         |
| Closing Fair Value of the Plan Assets                                                                                  | <b>1,627.06</b>         | <b>1,444.83</b> |
| <b>(iii) Net Liabilities/(Assets) recognised in the Balance Sheet:</b>                                                 |                         |                 |
| Present Value of the Defined Benefit Obligation at the end of the period                                               | 1,596.29                | 1,427.30        |
| Fair Value of the Plan Assets                                                                                          | 1,627.06                | 1,444.83        |
| Surplus Available over Defined Benefit Obligation                                                                      | <b>(30.77)</b>          | <b>(17.53)</b>  |
| <b>(iv) Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:</b> |                         |                 |
| Current Service Cost                                                                                                   | 46.97                   | 37.70           |
| Interest on Defined Benefit Obligations (Net)                                                                          | 105.06                  | 88.03           |
| Net Cost                                                                                                               | 152.03                  | 125.73          |
| Expected return on plan assets                                                                                         | 105.54                  | 88.03           |
| Net Charge to the Statement of Profit and Loss                                                                         | <b>46.49</b>            | <b>37.70</b>    |

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₹ in crore

| Particulars                                        | Provident Fund (Funded) |                 |
|----------------------------------------------------|-------------------------|-----------------|
|                                                    | Current Year            | Previous Year   |
| <b>(v) Actual return on plan assets:</b>           |                         |                 |
| Expected return on plan assets                     | 105.06                  | 88.03           |
| Actuarial gain on plan assets                      | 37.87                   | 17.13           |
| Actual return on plan assets                       | <b>142.93</b>           | <b>105.16</b>   |
| <b>(vi) Asset information:</b>                     |                         |                 |
| Government Securities                              | 632.37                  | 632.37          |
| Private Sector Bonds                               | 642.93                  | 642.93          |
| Equity/insurer managed funds/mutual funds          | 99.92                   | 99.92           |
| Others                                             | 251.84                  | 69.61           |
| Total assets at the end of the year                | <b>1,627.06</b>         | <b>1,444.83</b> |
| <b>(vii) Principal actuarial assumptions used:</b> |                         |                 |
| Discounted rate (per annum)                        | 7.10%                   | 7.25%           |
| Expected rate of return on plan assets (per annum) | 7.22%-7.89%             | 7.23%-7.73%     |
| Average Historic Yield on Investment Portfolio     | 7.92%- 8.52%            | 7.76%- 8.29%    |
| Guaranteed Interest Rate                           | 8.25%                   | 8.15%           |

## 4.6.2 Defined Contribution Plans:

₹ in crore

| Particulars                                                                                                          | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Amount recognized as an expense and included in Note 3.6 as "Contribution to Provident and Other Funds"              | 74.12                                     | 71.26                                     |
| Amount recognized as pre-operative expense and included in Note 2.1.5 as "Contribution to Provident and Other Funds" | 0.89                                      | 0.02                                      |
| <b>Total Contribution to Provident and Other Funds</b>                                                               | <b>75.01</b>                              | <b>71.28</b>                              |

## 4.7 ADDITIONAL INFORMATION

### 4.7.1 Information relating to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006:

₹ in crore

| Particulars                                                                                                                                                                                                                                                                                                                       | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| (a) The principal amount overdue and the interest thereon ₹ 0.28 crore (Previous Year ₹ 1.61 crore) remaining unpaid to any supplier at the end of each accounting year;                                                                                                                                                          | 6.86                                      | 7.76                                      |
| (b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;                                                                             | 0.07                                      | 0.04                                      |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Development Act, 2006;                                                                           | 8.77                                      | 8.67                                      |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and                                                                                                                                                                                                                                   | 2.77                                      | 1.02                                      |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | 0.73                                      | -                                         |



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## 4.7.2 Government Grant (Ind AS 20)

As at 31<sup>st</sup> March 2024, the Company has outstanding interest-free loans of ₹ 45 crore (Contractual Value ₹ 57.25 crore) from a State Government, repayable in full in next one to five years. Company has done the initial recognition of loan at fair value Using prevailing market interest rate for an equivalent loan. As at 31<sup>st</sup> March 2024, the difference of ₹ 12.25 crore between contractual Value and fair value of loan is the government grant which will be recognised in the Statement of Profit and Loss over the remaining period of loan.

## 4.7.3 Corporate Social Responsibility

The Company has spent ₹ 58.39 crore on Corporate Social Responsibility Projects/initiatives during the year (Previous Year ₹ 54.19 crore) which are included in different heads of expenses in the Statement of Profit and Loss.

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2024 is ₹ 34.02 crore (Previous Year ₹ 29.95 crore) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

| Particulars                                                | ₹ in crore                                |                                           |
|------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                            | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Amount required to be spent by the Company during the year | 34.02                                     | 29.95                                     |
| Amount spent during the year on:                           |                                           |                                           |
| - Construction/acquisition of any asset                    | -                                         | -                                         |
| - On purposes other than above*                            | 58.39                                     | 54.19                                     |
| Balance carried forward                                    | -                                         | -                                         |
| Shortfall at the end of the year                           | -                                         | -                                         |
| <b>Total of previous years shortfall</b>                   | <b>-</b>                                  | <b>-</b>                                  |

\*The amount includes ₹ 4.5 crore relating to previous year was unspent and transferred to a separate bank account in April 2023. The same has been spent during the current year.

## Reason for shortfall: Not applicable

### Nature of CSR activities:

Education, Health Care, Sustainable Livelihoods, Infrastructure Development, Social Empowerment, Rural Development and COVID related CSR.

## 4.7.4 Distribution made and proposed (Ind AS 1):

| Particulars                                                                                                                                                                                                                                                                               | ₹ in crore                                |                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                                                                                                                                                                                                                                           | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| <b>Cash dividend declared and paid on equity shares:</b>                                                                                                                                                                                                                                  |                                           |                                           |
| Final dividend for the year ended on 31 <sup>st</sup> March 2023: ₹ 10 per share of face value of ₹ 2 each (31 <sup>st</sup> March 2022: ₹ 5 per share and ₹ 5 per share Special Dividend of face value of ₹ 2 each)                                                                      | 658.46                                    | 658.32                                    |
| <b>Proposed dividend on Equity shares:</b>                                                                                                                                                                                                                                                |                                           |                                           |
| Final dividend for the year ended on 31 <sup>st</sup> March 2024: ₹ 10 per share of face value of ₹ 2 each (31 <sup>st</sup> March 2023: ₹ 10 per share of face value of ₹ 2 each). For partly paid-up shares, dividend will be paid in the proportion of paid-up value per equity share. | 664.03                                    | 658.46                                    |

## 4.7.5 Other Matters - Audit Trail

The accounting softwares used by the Company have audit trail (edit log) feature at application level, except for two accounting software used at acquired business units, which contribute ~5% of revenue from operations. The accounting softwares used by the Company do not have Audit Trail feature at Database level.

The management ensures appropriate controls are in place with respect to Internal Financial Controls throughout the year.

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## 4.8 SHARE BASED PAYMENTS

4.8.1 20,34,148 Equity Shares of Face Value of ₹ 2 each (Previous Year 20,36,941 Equity Shares of Face Value of ₹ 2 each) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006), Employee Stock Option Scheme, 2013 (ESOS-2013), Employee Stock Option Scheme, 2018 (ESOS-2018) and Employee Stock Option Scheme, 2022 (ESOS-2022).

a. Under the ESOS-2006, the Company has granted 56,005 Options to its eligible employees, the details of which are given hereunder:

| Particulars                                             | Options                                                                                                                                  |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | Tranche V                                                                                                                                |
| No. of Options Granted                                  | 56,005                                                                                                                                   |
| Grant Date                                              | 18-Oct-2013                                                                                                                              |
| Grant Price (₹ Per Share)#                              | 532                                                                                                                                      |
| Market Price on the Date of Grant (₹)                   | 543                                                                                                                                      |
| Fair Value on the Date of Grant of Option (₹ Per Share) | 197                                                                                                                                      |
| Method of Settlement                                    | Equity                                                                                                                                   |
| Method of Accounting                                    | Intrinsic value for options vested before 1 <sup>st</sup> April 2015, and Fair Value for options vested after 1 <sup>st</sup> April 2015 |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant                                                                         |
| Normal Exercise Period                                  | 5 years from the date of vesting                                                                                                         |

# The Grant Price in respect of Tranche V has been revised in the earlier Financial Year post-demerger of Financial Service business of Grasim to ABCL, resulted in reduction of ₹ 14 per share from the earlier Exercise Price, i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).

b. Under the ESOS-2013, the Company has granted 9,64,960 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

| Particulars                                             | Options                                                                                                                                 |             |             | RSUs                                                            |             |             |             |             |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|
|                                                         | Tranche I                                                                                                                               | Tranche III | Tranche IV  | Tranche I                                                       | Tranche II  | Tranche III | Tranche IV  | Tranche V   |
| No. of Options / RSUs Granted                           | 6,27,015                                                                                                                                | 1,21,750    | 30,440      | 93,495                                                          | 40,420      | 31,010      | 16,665      | 4,165       |
| Grant Date                                              | 18-Oct-2013                                                                                                                             | 15-Jan-2016 | 02-Apr-2016 | 18-Oct-2013                                                     | 21-Nov-2013 | 29-Jan-2014 | 15-Jan-2016 | 02-Apr-2016 |
| Grant Price (₹ Per Share)#                              | 529                                                                                                                                     | 686         | 757         | 2                                                               | 2           | 2           | 2           | 2           |
| Market Price on the Date of Grant (₹)#                  | 529                                                                                                                                     | 686         | 757         | 529                                                             | 522         | 686         | 757         | 757         |
| Fair Value on the date of Grant of option (₹ per share) | 199                                                                                                                                     | 274         | 291         | 520                                                             | 498         | 495         | 687         | 750         |
| Method of Settlement                                    | Equity                                                                                                                                  | Equity      | Equity      | Equity                                                          | Equity      | Equity      | Equity      | Equity      |
| Method of Accounting                                    | Intrinsic value for options vested before 1 <sup>st</sup> April 2015 and Fair value for options vested after 1 <sup>st</sup> April 2015 |             |             | Fair Value                                                      | Fair Value  | Fair Value  | Fair Value  | Fair Value  |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant                                                                        |             |             | Bullet vesting at the end of three years from the date of grant |             |             |             |             |
| Normal Exercise Period                                  | 5 years from the date of vesting                                                                                                        |             |             | 5 years from the date of vesting                                |             |             |             |             |

# The Grant Price and Market Price in respect of Tranches I, III and IV has been revised in the previous Financial Year post- demerger of Financial Service business of Grasim to ABCL, resulting in reduction of ₹ 14 per share from the earlier Exercise Price i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).



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c. Under the ESOS-2018, the Company has granted 30,88,085 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company, the details of which are given hereunder:

| Particulars                                             | Options                                                          |             |             |                                                               |                                                                  |                                                                  |                                                                    |                                                                 |                                                                    |                                                                 |                                                                    |                                                                 |
|---------------------------------------------------------|------------------------------------------------------------------|-------------|-------------|---------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------|
|                                                         | Tranche I                                                        | Tranche II  | Tranche III | Tranche IV                                                    | Tranche V                                                        | Tranche VI                                                       | Tranche VII                                                        | Tranche VIII                                                    | Tranche IX                                                         | Tranche X                                                       | Tranche XI                                                         |                                                                 |
| No. of Options / RSUs Granted                           | 10,77,312                                                        | 26,456      | 53,480      | 2,54,141                                                      | 68,784                                                           | 296,220                                                          | 41,361                                                             | 65,025                                                          | 9,357                                                              | 3,71,520                                                        | 1,96,308                                                           |                                                                 |
| Grant Date                                              | 17-Dec-2018                                                      | 24-Dec-2019 | 13-Mar-2020 | 12-Feb-2021                                                   | 12-Feb-2021                                                      | 13-Aug-2021                                                      | 01-Sep-2021                                                        | 12-Nov-2021                                                     | 24-May-2022                                                        | 12-Aug-2022                                                     | 14-Nov-2022                                                        |                                                                 |
| Grant Price (₹ Per Share)                               | 847.20                                                           | 742.35      | 559.85      | 1,235.45                                                      | 1,235.45                                                         | 1,492.30                                                         | 1,500.40                                                           | 1,844.35                                                        | 1,457.40                                                           | 1,600.05                                                        | 1,708.45                                                           |                                                                 |
| Market Price on the Date of Grant (₹)                   | 847.20                                                           | 742.35      | 559.85      | 1,235.45                                                      | 1,235.45                                                         | 1,492.30                                                         | 1,500.40                                                           | 1,844.35                                                        | 1,457.40                                                           | 1,600.05                                                        | 1,708.45                                                           |                                                                 |
| Fair Value on the date of Grant of option (₹ per share) | 422.53                                                           | 347.48      | 266.70      | 524.74                                                        | 596.77                                                           | 618.78                                                           | 624.41                                                             | 763.33                                                          | 647.01                                                             | 747.44                                                          | 800.97                                                             |                                                                 |
| Method of Settlement                                    | Equity                                                           | Equity      | Equity      | Equity                                                        | Equity                                                           | Equity                                                           | Equity                                                             | Equity                                                          | Equity                                                             | Equity                                                          | Equity                                                             |                                                                 |
| Method of Accounting                                    | Fair Value                                                       | Fair Value  | Fair Value  | Fair Value                                                    | Fair Value                                                       | Fair Value                                                       | Fair Value                                                         | Fair Value                                                      | Fair Value                                                         | Fair Value                                                      | Fair Value                                                         |                                                                 |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant |             |             | Bullet vesting at the end of one years from the date of grant | 25% every year, commencing after one year from the date of grant | 33% every year, commencing after one year from the date of grant |                                                                    |                                                                 |                                                                    |                                                                 |                                                                    |                                                                 |
| Normal Exercise Period                                  | 5 years from the date of vesting                                 |             |             |                                                               |                                                                  |                                                                  |                                                                    |                                                                 |                                                                    |                                                                 |                                                                    |                                                                 |
|                                                         |                                                                  |             |             |                                                               |                                                                  |                                                                  |                                                                    |                                                                 |                                                                    |                                                                 |                                                                    |                                                                 |
| Particulars                                             | RSUs                                                             |             |             |                                                               |                                                                  |                                                                  |                                                                    |                                                                 |                                                                    |                                                                 |                                                                    |                                                                 |
|                                                         | Tranche I                                                        | Tranche II  | Tranche III | Tranche IV                                                    | Tranche V                                                        | Tranche VI                                                       | Tranche VII                                                        | Tranche VIII                                                    | Tranche IX                                                         | Tranche X                                                       | Tranche XI                                                         | Tranche XII                                                     |
| No. of Options / RSUs Granted                           | 2,06,320                                                         | 66,179      | 5,066       | 28,393                                                        | 13,172                                                           | 36,243                                                           | 54,674                                                             | 5,007                                                           | 8,344                                                              | 9,500                                                           | 13,030                                                             | 1,134                                                           |
| Grant Date                                              | 17-Dec-2018                                                      | 27-Mar-2019 | 24-Dec-2019 | 13-Mar-2020                                                   | 12-Feb-2021                                                      | 13-Aug-2021                                                      | 13-Aug-2021                                                        | 01-Sep-2021                                                     | 01-Sep-2021                                                        | 12-Nov-2021                                                     | 12-Nov-2021                                                        | 24-May-2022                                                     |
| Grant Price (₹ Per Share)                               | 2                                                                | 2           | 2           | 2                                                             | 2                                                                | 2                                                                | 2                                                                  | 2                                                               | 2                                                                  | 2                                                               | 2                                                                  | 2                                                               |
| Market Price on the Date of Grant (₹)                   | 847.20                                                           | 836.70      | 742.35      | 559.85                                                        | 1,235.45                                                         | 1,492.30                                                         | 1,492.30                                                           | 1,500.40                                                        | 1,500.40                                                           | 1,844.35                                                        | 1,844.35                                                           | 1,457.40                                                        |
| Fair Value on the date of Grant of option (₹ per share) | 832.64                                                           | 822.29      | 726.19      | 547.29                                                        | 1,210.08                                                         | 1,451.10                                                         | 1,457.59                                                           | 1,458.98                                                        | 1,478.63                                                           | 1,793.79                                                        | 1,817.99                                                           | 1,417.18                                                        |
| Method of Settlement                                    | Equity                                                           | Equity      | Equity      | Equity                                                        | Equity                                                           | Equity                                                           | Equity                                                             | Equity                                                          | Equity                                                             | Equity                                                          | Equity                                                             | Equity                                                          |
| Method of Accounting                                    | Fair Value                                                       | Fair Value  | Fair Value  | Fair Value                                                    | Fair Value                                                       | Fair Value                                                       | Fair Value                                                         | Fair Value                                                      | Fair Value                                                         | Fair Value                                                      | Fair Value                                                         | Fair Value                                                      |
| Graded Vesting Plan                                     | Bullet vesting at the end of three years from the date of grant  |             |             |                                                               |                                                                  |                                                                  | Graded 50% vesting each year over two years from the date of grant | Bullet vesting at the end of three years from the date of grant | Graded 50% vesting each year over two years from the date of grant | Bullet vesting at the end of three years from the date of grant | Graded 50% vesting each year over two years from the date of grant | Bullet vesting at the end of three years from the date of grant |
| Normal Exercise Period                                  | 5 years from the date of vesting                                 |             |             |                                                               |                                                                  |                                                                  |                                                                    |                                                                 |                                                                    |                                                                 |                                                                    |                                                                 |



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| Particulars                                             | RSUs                                                            |             |
|---------------------------------------------------------|-----------------------------------------------------------------|-------------|
|                                                         | Tranche XIII                                                    | Tranche XIV |
| No. of Options / RSUs Granted                           | 1,43,764                                                        | 37,295      |
| Grant Date                                              | 12-Aug-2022                                                     | 14-Nov-2022 |
| Grant Price (₹ Per Share)                               | 2                                                               | 2           |
| Market Price on the Date of Grant (₹)                   | 1,600.05                                                        | 1,708.45    |
| Fair Value on the date of Grant of option (₹ per share) | 1,572.04                                                        | 1,678.65    |
| Method of Settlement                                    | Equity                                                          | Equity      |
| Method of Accounting                                    | Fair Value                                                      | Fair Value  |
| Graded Vesting Plan                                     | Bullet vesting at the end of three years from the date of grant |             |
| Normal Exercise Period                                  | 5 years from the date of vesting                                |             |

d. Under the ESOS-2022, the Company has granted 5,69,412 Options and Performance Stock Units (PSUs) to the eligible employees of the Company, the details of which are given hereunder:

| Particulars                                             | Options                                                             |             |             | PSUs                                                            |             |             |
|---------------------------------------------------------|---------------------------------------------------------------------|-------------|-------------|-----------------------------------------------------------------|-------------|-------------|
|                                                         | Tranche I                                                           | Tranche II  | Tranche III | Tranche I                                                       | Tranche II  | Tranche III |
| No. of Options / PSUs Granted                           | 4,88,004                                                            | 6,383       | 4,700       | 68,943                                                          | 796         | 586         |
| Grant Date                                              | 10-Aug-2023                                                         | 01-Nov-2023 | 24-Jan-2024 | 10-Aug-2023                                                     | 01-Nov-2023 | 24-Jan-2024 |
| Grant Price (₹ Per Share)                               | 1,845.65                                                            | 1,886.70    | 2,049.60    | 2.00                                                            | 2.00        | 2.00        |
| Market Price on the Date of Grant (₹)                   | 1,845.65                                                            | 1,886.70    | 2,049.60    | 1,845.65                                                        | 1,886.70    | 2,049.60    |
| Fair Value on the date of Grant of option (₹ per share) | 846.56                                                              | 875.35      | 934.77      | 1,813.94                                                        | 1,854.34    | 2,014.56    |
| Method of Settlement                                    | Equity                                                              | Equity      | Equity      | Equity                                                          | Equity      | Equity      |
| Method of Accounting                                    | Fair Value                                                          | Fair Value  | Fair Value  | Fair Value                                                      | Fair Value  | Fair Value  |
| Graded Vesting Plan                                     | 33.33% every year, commencing after one year from the date of grant |             |             | Bullet vesting at the end of three years from the date of grant |             |             |
| Normal Exercise Period                                  | 5 years from the date of vesting                                    |             |             |                                                                 |             |             |



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## 4.8.2 Under the Employee Stock Options Scheme - 2018 (ESOS-2018), the Company has granted 2,03,603 SAR (Previous Year 1,55,492 SAR)

The details are as under:

| Particulars               | SARs (Linked with the Company's market price)                                           |                                                |                                               |                                             |                                             |                                                | SARs (Linked with Aditya Birla Capital Limited's market price)                          |
|---------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------|---------------------------------------------|---------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------|
|                           | Tranche - I Options                                                                     | Tranche - III Options                          | Tranche - V Options                           | Tranche - VI Options                        | Tranche - VII Options                       | Tranche - IV Options                           |                                                                                         |
| Number of SARs            | 1,01,754                                                                                | 26,378                                         | 10,164                                        | 12,947                                      | 4,348                                       | 13,065                                         |                                                                                         |
| Method of Accounting      | Fair Value                                                                              | Fair Value                                     | Fair Value                                    | Fair Value                                  | Fair Value                                  | Fair Value                                     |                                                                                         |
| Vesting Plan              | Graded Vesting - 25% every year                                                         | Bullet Vesting - 1 Year from the date of Grant | Bullet Vesting-end of 3 years from grant date | Graded Vesting-over 3 years from Grant date | Graded Vesting-over 3 years from Grant date | Bullet Vesting - 1 Year from the date of Grant |                                                                                         |
| Exercise Period           | 3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier |                                                |                                               |                                             |                                             |                                                | 3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier |
| Grant Date                | 17-Dec-2018                                                                             | 12-Feb-2021                                    | 17-Dec-2018                                   | 30-Apr-2023                                 | 10-Aug-2023                                 | 12-Feb-2021                                    |                                                                                         |
| Grant Price (₹ Per Share) | 847.20                                                                                  | 1,235.45                                       | 1,492.30                                      | 1,600.05                                    | 1,845.65                                    | 10                                             |                                                                                         |

| Particulars               | SARs (Linked with the Company's market price)                                           |                     |                     |                                             |                                               |                      |                       |
|---------------------------|-----------------------------------------------------------------------------------------|---------------------|---------------------|---------------------------------------------|-----------------------------------------------|----------------------|-----------------------|
|                           | Tranche - I<br>RSU                                                                      | Tranche - II<br>RSU | Tranche - IV<br>RSU | Tranche - V<br>RSU                          | Tranche - VI<br>RSU                           | Tranche - VII<br>RSU | Tranche - VIII<br>RSU |
| Number of SARs            | 20,657                                                                                  | 1,319               | 2,268               | 1,761                                       | 2,939                                         | 5,460                | 543                   |
| Method of Accounting      | Fair Value                                                                              | Fair Value          | Fair Value          | Fair Value                                  | Fair Value                                    | Fair Value           | Fair Value            |
| Vesting Plan              | Bullet Vesting-end of 3 years from grant date                                           |                     |                     | Graded Vesting-over 3 years from Grant date | Bullet Vesting-end of 3 years from grant date |                      |                       |
| Exercise Period           | 3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier |                     |                     |                                             |                                               |                      |                       |
| Grant Date                | 17-Dec-2018                                                                             | 27-Mar-2019         | 27-Mar-2019         | 27-Mar-2019                                 | 24-May-2022                                   | 30-Apr-2023          | 10-Aug-2023           |
| Grant Price (₹ Per Share) | 2                                                                                       | 2                   | 2                   | 2                                           | 2                                             | 2                    | 2                     |

## 4.8.3 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

### 4.8.3.1 For options referred to in 4.8.1 (a), (b), (c) and (d)

| Particulars                              | Number of Options and RSUs |          |               |          |
|------------------------------------------|----------------------------|----------|---------------|----------|
|                                          | Current Year               |          | Previous Year |          |
|                                          | Nos.                       | WAEP (₹) | Nos.          | WAEP (₹) |
| Outstanding at the beginning of the year | 20,36,941                  | 1,049    | 16,96,470     | 872      |
| Granted during the year                  | 5,69,412                   | 1,620    | 7,59,378      | 1,243    |
| Exercised during the year                | 3,10,453                   | 731      | 3,09,869      | 576      |
| Lapsed during the year                   | 2,61,752                   | 1,330    | 1,09,038      | 991      |
| Outstanding at the end of the year       | 20,34,148                  | 1,221    | 20,36,941     | 1,049    |
| Options unvested at the end of the year  | 12,25,324                  | 1,353    | 10,92,397     | 1,202    |
| Exercisable at the end of the year       | 8,08,824                   | 1,022    | 9,44,544      | 873      |

The weighted average share price at the date of exercise for options was ₹ 1,979.50 per share (31<sup>st</sup> March 2023 ₹ 1,564.09 per share) and weighted average remaining contractual life for the share options outstanding as at 31<sup>st</sup> March 2024 was 1.22 years (31<sup>st</sup> March 2023: 2.17 years).

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## 4.8.3.2 For options referred to in 4.8.2

| Particulars                              | Number of SARs |          |               |          |
|------------------------------------------|----------------|----------|---------------|----------|
|                                          | Current Year   |          | Previous Year |          |
|                                          | Nos.           | WAEP (₹) | Nos.          | WAEP (₹) |
| Outstanding at the beginning of the year | 1,24,393       | 718      | 1,47,401      | 742      |
| Granted during the year                  | 31,775         | 718      | 2,939         | 742      |
| Lapsed during the year                   | -              | -        | 203           | 742      |
| Exercised during the year                | 86,719         | 1,958    | 25,744        | 771      |
| Outstanding at the end of the year       | 69,449         | 1,034    | 1,24,393      | 718      |
| Options unvested at the end of the year  | 27,586         | 1,139    | 3,811         | 1,265    |
| Exercisable at the end of the year       | 41,863         | 964      | 1,20,582      | 719      |

## 4.8.4 Fair Valuation

The fair value of options has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model and Binomial Model.

The Key Assumptions in Black-Scholes Model and Binomial Model for calculating fair value as on the date of grant are:

### 4.8.4.1 For options referred to in 4.8.1 (a), (b), (c) and (d)

| ESOS-2006             | Options                                              |
|-----------------------|------------------------------------------------------|
|                       | Tranche V                                            |
| Method used           | Black - Scholes Model                                |
| Risk-Free Rate        | 8.58%                                                |
| Option Life (Years)   | Vesting Period (1 Year) + Average of Exercise Period |
| Expected Volatility * | 24.01%                                               |
| Dividend Yield        | 1.03%                                                |

The weighted-average fair value of the option, as on the date of grant, works out to ₹ 211 per stock option.

| ESOS-2013             | Options                                              |             |            | RSUs                  |            |             |            |           |
|-----------------------|------------------------------------------------------|-------------|------------|-----------------------|------------|-------------|------------|-----------|
|                       | Tranche I                                            | Tranche III | Tranche IV | Tranche I             | Tranche II | Tranche III | Tranche IV | Tranche V |
| Method used           | Black - Scholes Model                                |             |            | Black - Scholes Model |            |             |            |           |
| Risk-Free Rate        | 8.58%                                                | 7.87%       | 7.60%      | 8.66%                 | 8.90%      | 9.00%       | 7.96%      | 7.78%     |
| Option Life (Years)   | Vesting Period (1 Year) + Average of Exercise Period |             |            | 5.50                  | 5.50       | 5.50        | 5.50       | 5.50      |
| Expected Volatility * | 24.01%                                               | 28.26%      | 27.96%     | 24.01%                | 23.76%     | 23.47%      | 28.52%     | 28.41%    |
| Dividend Yield        | 1.03%                                                | 0.36%       | 0.52%      | 1.34%                 | 1.40%      | 1.43%       | 0.34%      | 0.51%     |

The weighted-average fair value of the option and PSU, as on the date of grant, works out to ₹ 215 per stock option and ₹ 539 per PSU.

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs upto the date of grant.



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| ESOS-2018             | Options                                              |                |                |                |                |                |                |                |                |                |                |
|-----------------------|------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                       | Tranche I                                            | Tranche II     | Tranche III    | Tranche IV     | Tranche V      | Tranche VI     | Tranche VII    | Tranche VIII   | Tranche IX     | Tranche X      | Tranche XI     |
| Method used           | Binomial Model                                       | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model |
| Risk-Free Rate        | 7.60%                                                | 6.74%          | 6.85%          | 5.59%          | 5.82%          | 6.06%          | 6.23%          | 6.31%          | 7.14%          | 7.05%          | 7.24%          |
| Option Life (Years)   | Vesting Period (1 year) + Average of Exercise Period |                |                |                |                |                |                |                |                |                |                |
| Expected Volatility * | 32.06%                                               | 32.35%         | 32.78%         | 36.68%         | 36.68%         | 29.81%         | 28.79%         | 28.62%         | 30.26%         | 33.27%         | 31.87%         |
| Dividend Yield        | 0.52%                                                | 0.66%          | 0.66%          | 0.65%          | 0.65%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          | 0.56%          | 0.56%          |

| ESOS-2018             | RSUs                                                  |                |                |                |                |                |                |                |                |                |                |                |
|-----------------------|-------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                       | Tranche I                                             | Tranche II     | Tranche III    | Tranche IV     | Tranche V      | Tranche VI     | Tranche VII    | Tranche VIII   | Tranche IX     | Tranche X      | Tranche XI     | Tranche XII    |
| Method used           | Binomial Model                                        | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model |
| Risk-Free Rate        | 7.65%                                                 | 7.48%          | 6.74%          | 6.85%          | 5.93%          | 6.33%          | 6.06%          | 6.22%          | 6.23%          | 6.31%          | 6.06%          | 7.26%          |
| Option Life (Years)   | Vesting Period (3 years) + Average of Exercise Period |                |                |                |                |                |                |                |                |                |                |                |
| Expected Volatility * | 32.06%                                                | 31.48%         | 32.35%         | 32.78%         | 36.68%         | 28.84%         | 29.81%         | 28.65%         | 28.79%         | 28.62%         | 30.05%         | 30.26%         |
| Dividend Yield        | 0.52%                                                 | 0.52%          | 0.66%          | 0.66%          | 0.65%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          |

| ESOS-2018             | RSUs                                                  |                |
|-----------------------|-------------------------------------------------------|----------------|
|                       | Tranche XIII                                          | Tranche XIV    |
| Method used           | Binomial Model                                        | Binomial Model |
| Risk-Free Rate        | 7.19%                                                 | 7.30%          |
| Option Life (Years)   | Vesting Period (3 years) + Average of Exercise Period |                |
| Expected Volatility * | 30.49%                                                | 29.74%         |
| Dividend Yield        | 0.56%                                                 | 0.56%          |

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 549.92 per stock option, ₹ 1,184.86 per RSU.

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs upto the date of grant.

| ESOS-2022             | Options                                               |                |                | PSUs                            |                |                |
|-----------------------|-------------------------------------------------------|----------------|----------------|---------------------------------|----------------|----------------|
|                       | Tranche I                                             | Tranche II     | Tranche III    | Tranche I                       | Tranche II     | Tranche III    |
| Method used           | Binomial Model                                        | Binomial Model | Binomial Model | Binomial Model                  | Binomial Model | Binomial Model |
| Risk-Free Rate        | 7.31%                                                 | 7.54%          | 7.27%          | 7.34%                           | 7.58%          | 7.35%          |
| Option Life (Years)   | Vesting Period (3 years) + Average of Exercise Period |                |                | Bullet Vesting Period (3 years) |                |                |
| Expected Volatility * | 28.49%                                                | 28.32%         | 28.03%         | 28.66%                          | 28.64%         | 28.64%         |
| Dividend Yield        | 0.55%                                                 | 0.55%          | 0.55%          | 0.55%                           | 0.55%          | 0.55%          |

The weighted-average fair value of the option and PSU, as on the date of grant, works out to ₹ 847.76 per stock option, ₹ 1,816.07 per PSU.

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/PSUs upto the date of grant.

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## 4.8.4.2 For options referred to in 4.8.2

| ESOS-2018                                                        | SARs (Linked with the Company's market price)         |                       |                     |                                 |                       | SARs (Linked with Aditya Birla Capital Limited's market price) |
|------------------------------------------------------------------|-------------------------------------------------------|-----------------------|---------------------|---------------------------------|-----------------------|----------------------------------------------------------------|
|                                                                  | Tranche - I Options                                   | Tranche - III Options | Tranche - V Options | Tranche - VI Options            | Tranche - VII Options | Tranche - IV Options                                           |
| Method used                                                      | Binomial Model                                        | Binomial Model        | Binomial Model      | Binomial Model                  | Binomial Model        | Binomial Model                                                 |
| Risk-Free Rate                                                   | 7.16%                                                 | 7.19%                 | 7.19%               | 7.21%                           | 7.22%                 | 7.19%                                                          |
| Option Life (Years)                                              | Vesting Period (3 years) + Average of Exercise Period |                       |                     | Bullet Vesting Period (3 years) |                       | Vesting Period (3 years) + Average of Exercise Period          |
| Expected Volatility *                                            | 27.88%                                                | 20.02%                | 18.85%              | 23.91%                          | 24.86%                | 30.40%                                                         |
| Dividend Yield                                                   | 0.67%                                                 | 0.72%                 | 0.72%               | 0.72%                           | 0.72%                 | 0.00%                                                          |
| Weighted average fair value of SARs on 31 <sup>st</sup> Mar 2024 | -                                                     | 913.97                | 833.74              | 1,005.66                        | 705.14                | 78.2                                                           |

| ESOS-2018                                                        | SARs (Linked with the Company's market price)         |                  |                  |                 |                                 |                   |                    |
|------------------------------------------------------------------|-------------------------------------------------------|------------------|------------------|-----------------|---------------------------------|-------------------|--------------------|
|                                                                  | Tranche - I RSU                                       | Tranche - II RSU | Tranche - IV RSU | Tranche - V RSU | Tranche - VI RSU                | Tranche - VII RSU | Tranche - VIII RSU |
| Method used                                                      | Binomial Model                                        | Binomial Model   | Binomial Model   | Binomial Model  | Binomial Model                  | Binomial Model    | Binomial Model     |
| Risk-Free Rate                                                   | 7.11%                                                 | 7.19%            | 7.22%            | 7.19%           | 7.23%                           | 7.23%             | 7.23%              |
| Option Life (Years)                                              | Vesting Period (3 years) + Average of Exercise Period |                  |                  |                 | Bullet Vesting Period (3 years) |                   |                    |
| Expected Volatility *                                            | 26.32%                                                | 19.58%           | 24.86%           | 18.85%          | 26.32%                          | 27.67%            | 27.72%             |
| Dividend Yield                                                   | 0.67%                                                 | 0.72%            | 0.72%            | 0.72%           | 0.72%                           | 0.72%             | 0.72%              |
| Weighted average fair value of SARs on 31 <sup>st</sup> Mar 2024 | -                                                     | 1,807.9          | 2,199.25         | 2,285.35        | 1,592.83                        | 1,952.8           | 2,012.54           |

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs upto the date of grant.

## 4.8.5 Details of Liabilities arising from Company's cash settled share-based payment transactions

| Particulars                           | ₹ in crore                        |                                   |
|---------------------------------------|-----------------------------------|-----------------------------------|
|                                       | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
| Other Non-current Financial Liability | -                                 | 0.21                              |
| Other Current Financial Liability     | 6.71                              | 10.55                             |
|                                       | <b>6.71</b>                       | <b>10.75</b>                      |

**4.8.6** Employee Stock Option expenses (including SAR) recognised in the statement of Standalone Profit and Loss ₹ 36.73 crore (Previous Year ₹ 38.12 crore) and recognised in pre-operative expense ₹ 8.30 crore (Previous Year ₹ 0.19 crore).

## 4.9 FINANCIAL INSTRUMENTS - DISCLOSURE, ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (IND AS 107)

### A. Disclosure of Financial Instruments:

- Investments in Equity Instruments (Other than Subsidiaries, Joint Ventures and Associates) designated at FVTOCI**  
These investments have been designated on initial recognition to be measured at FVTOCI as these are strategic investments and are not intended for sale.





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## ii. Investment in Debentures and Bonds measured at FVTOCI

Investments in Debentures or Bonds meet the contractual cash flow test as required by Ind AS 109 - Financial Instruments. However, the business Model of the Company is such that it does not hold these investments till maturity as the Company intends to sell these investments as and when need arises. Hence, the same have been measured at FVTOCI.

## iii. Investment in Mutual Fund Units and Preference Shares measured at FVTPL

Preference Shares and Mutual Funds have been measured on initial recognition at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109 - Financial Instruments, for being measured at amortised cost or FVTOCI, hence, classified at FVTPL.

## B. Classification and Measurement of Financial Assets and Liabilities:

₹ in crore

| Particulars                                                              | 31 <sup>st</sup> March 2024 |                  | 31 <sup>st</sup> March 2023 |                  |
|--------------------------------------------------------------------------|-----------------------------|------------------|-----------------------------|------------------|
|                                                                          | Carrying Value              | Fair Value       | Carrying Value              | Fair Value       |
| <b>Financial Assets at Amortised Cost</b>                                |                             |                  |                             |                  |
| Trade Receivables                                                        | 1,974.31                    | 1,974.31         | 1,597.26                    | 1,597.26         |
| Loans                                                                    | 254.45                      | 254.45           | 103.99                      | 103.99           |
| Cash and Bank Balances                                                   | 309.59                      | 309.59           | 474.37                      | 474.37           |
| Other Financial Assets                                                   | 578.47                      | 578.47           | 452.27                      | 452.27           |
| Other Investments                                                        | 125.00                      | 125.00           | -                           | -                |
| <b>Financial Assets at Fair Value through Other Comprehensive Income</b> |                             |                  |                             |                  |
| Investments (Current and Non-Current)                                    | 13,050.52                   | 13,050.52        | 8,814.87                    | 8,814.87         |
| <b>Financial Assets at Fair Value through Profit or Loss</b>             |                             |                  |                             |                  |
| Investments (Current and Non-Current)                                    | 2,867.80                    | 2,867.80         | 2,781.88                    | 2,781.88         |
| <b>Hedging Instruments measured at Fair Value through Profit or Loss</b> |                             |                  |                             |                  |
| Derivative Assets                                                        | 1.68                        | 1.68             | 20.85                       | 20.85            |
| <b>Total</b>                                                             | <b>19,161.82</b>            | <b>19,161.82</b> | <b>14,245.49</b>            | <b>14,245.49</b> |
| <b>Financial Liabilities at Amortised Cost</b>                           |                             |                  |                             |                  |
| Subsidised Government Loan                                               | -                           | -                | 56.59                       | 55.22            |
| Rupee Term Loans from Banks                                              | 2,120.00                    | 2,120.00         | -                           | -                |
| Rupee Term Loans from Others                                             | 4.47                        | 4.47             | -                           | -                |
| Deferred Sales Tax Loans                                                 | 45.00                       | 45.00            | 43.79                       | 43.79            |
| Non-Convertible Debentures                                               | 6,491.43                    | 6,486.85         | 4,941.12                    | 4,944.66         |
| Rupee Loans (Current)                                                    | 52.11                       | 52.11            | 212.73                      | 212.73           |
| Commercial Papers (Current)                                              | 739.90                      | 739.90           | -                           | -                |
| Lease Obligation (Current and Non-Current)                               | 276.29                      | 276.29           | 97.37                       | 97.37            |
| Trade Payables                                                           | 5,482.63                    | 5,482.63         | 4,711.20                    | 4,711.20         |
| Other Financial Liabilities                                              | 2,028.33                    | 2,028.33         | 1,620.29                    | 1,620.29         |
| <b>Hedging Instruments measured at Fair Value through Profit or Loss</b> |                             |                  |                             |                  |
| Derivative Liabilities                                                   | 12.61                       | 12.61            | 8.14                        | 8.14             |
| <b>Total</b>                                                             | <b>17,252.77</b>            | <b>17,248.19</b> | <b>11,691.23</b>            | <b>11,693.40</b> |

## C. Fair Value Measurements (Ind AS 113):

The fair values of the Financial Assets and Liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

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Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges is valued using the closing price at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company specific estimates. The mutual fund units are valued using the closing Net Asset Value. Investments in Debentures or Bonds are valued on the basis of dealer's quotation based on fixed income and money market association (FIMMDA).

If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

For Assets and Liabilities which are measured at fair value as at Balance sheet date, the classification of fair value calculation by category is summarised below:

| ₹ in crore                                                                                |           |          |          |           |
|-------------------------------------------------------------------------------------------|-----------|----------|----------|-----------|
| Quantitative disclosures fair value measurement hierarchy for assets and liabilities      | Level 1   | Level 2  | Level 3  | Total     |
| <b>Year Ended 31<sup>st</sup> March 2024</b>                                              |           |          |          |           |
| <b>Financial Assets</b>                                                                   |           |          |          |           |
| <b>1. Measured at Fair Value through Other Comprehensive Income</b>                       |           |          |          |           |
| Investments in Debentures or Bonds                                                        | -         | 169.18   | -        | 169.18    |
| Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates) | 11,465.80 | -        | 1,415.54 | 12,881.34 |
| <b>2. Measured at Fair Value through Profit or Loss</b>                                   |           |          |          |           |
| Investments in Mutual Funds and deposits                                                  | -         | 2,753.53 | -        | 2,753.53  |
| Investments in Preference Shares                                                          | -         | -        | 87.67    | 87.67     |
| Investments in Limited Liability Partnership                                              | -         | -        | 26.60    | 26.60     |
| Derivative Assets                                                                         | -         | 1.68     | -        | 1.68      |
| <b>Financial Liabilities</b>                                                              |           |          |          |           |
| <b>1. Measured at Amortised Cost</b>                                                      |           |          |          |           |
| Borrowings                                                                                | -         | 8,611.32 | 45.00    | 8,656.32  |
| <b>2. Measured at Fair Value through Profit or Loss</b>                                   |           |          |          |           |
| Derivative Liabilities                                                                    | -         | 12.61    | -        | 12.61     |
| <b>Year Ended 31<sup>st</sup> March 2023</b>                                              |           |          |          |           |
| <b>Financial Assets</b>                                                                   |           |          |          |           |
| <b>1. Measured at Fair Value through Other Comprehensive Income</b>                       |           |          |          |           |
| Investments in Debentures or Bonds                                                        | -         | 65.33    | -        | 65.33     |
| Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates) | 8,065.22  | -        | 684.32   | 8,749.54  |
| <b>2. Measured at Fair Value through Profit or Loss</b>                                   |           |          |          |           |
| Investments in Mutual Funds and deposits                                                  | -         | 2,668.70 | -        | 2,668.70  |
| Investments in Preference Shares                                                          | -         | -        | 86.58    | 86.58     |
| Investments in Limited Liability Partnership                                              | -         | -        | 26.60    | 26.60     |
| Derivative Assets                                                                         | -         | 20.85    | -        | 20.85     |
| <b>Financial Liabilities</b>                                                              |           |          |          |           |
| <b>1. Measured at Amortised Cost</b>                                                      |           |          |          |           |
| Borrowings                                                                                | -         | 4,944.66 | 99.01    | 5,043.67  |
| <b>2. Measured at Fair Value through Profit or Loss</b>                                   |           |          |          |           |
| Derivative Liabilities                                                                    | -         | 8.14     | -        | 8.14      |



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The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, commercial papers, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the reporting year ending 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023, there was no transfer between Level 1 and Level 2 Fair Value measurement.

## 4.9.1 Key Inputs for Level 1 and 2 Fair Valuation Technique:

1. Mutual Funds: Based on Net Asset Value of the Scheme (Level 2)
2. Debentures or Bonds: Based on market yield for instruments with similar risk profile/maturity etc. (Level 2)
3. Listed Equity Investments (other than Subsidiaries, Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)
4. Derivative Liabilities (Level 2)
  - (a) The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves and an appropriate discount factor.
  - (b) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of respective currencies.
  - (c) The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.

## 4.9.2 Description of Significant Unobservable Inputs used for Financial Instruments (Level 3)

The following table shows the valuation techniques used for financial instruments:

|                                                                                        |                                                               |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Investments in Preference Shares                                                       | Discounted cash flow method using risk adjusted discount rate |
| Equity Investments - Unquoted (Other than Subsidiaries, Joint Ventures and Associates) | Discounted cash flow method using risk adjusted discount rate |
| Other Financial Assets (Non-current)                                                   | Discounted cash flow method using risk adjusted discount rate |
| Other Financial Liabilities (Non-current)                                              | Discounted cash flow method using risk adjusted discount rate |
| Long-Term Borrowings - Deferred Sales Tax Loans and Non-convertible Debentures         | Discounted cash flow method using risk adjusted discount rate |

## 4.9.3 The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values:

|                                                                       | ₹ in crore      |
|-----------------------------------------------------------------------|-----------------|
| <b>Balance as at 1<sup>st</sup> April 2022</b>                        | <b>764.53</b>   |
| Add: Fair Value Profit recognised in the Statement of Profit and Loss | 1.43            |
| Less: Sale/Redemption of Investments                                  | (0.10)          |
| Add: Purchase of Investments                                          | -               |
| Add/(Less): Fair Value gain recognised in OCI                         | 31.64           |
| <b>Balance as at 31<sup>st</sup> March 2023</b>                       | <b>797.50</b>   |
| Add: Fair Value Profit recognised in the Statement of Profit and Loss | 2.20            |
| Less: Sale/Redemption of Investments                                  | (1.11)          |
| Add: Purchase of Investments                                          | -               |
| Add/(Less): Fair Value gain recognised in OCI                         | 731.22          |
| <b>Balance as at 31<sup>st</sup> March 2024</b>                       | <b>1,529.81</b> |

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## 4.9.4 Relationship of Unobservable Inputs to Level 3 Fair Values (Recurring):

### A. Equity Investments - Unquoted:

A 100 bps increase/decrease in the net worth, the carrying value of the shares would increase/decrease by ₹ 14.08 crore (as at 31<sup>st</sup> March 2023: increase/decrease by ₹ 6.76 crore).

### B. Preference Shares:

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 0.86 crore or increase by ₹ 0.84 crore (as at 31<sup>st</sup> March 2023: decrease by ₹ 1.68 crore or increase by ₹ 1.64 crore).

## 4.10 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk and foreign exchange.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Company is exposed to and their management are given below:

| Risks                        | Exposure Arising From                                                                                         | Measurement                                                                  | Management                                                                                                                                                 |
|------------------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market Risk:</b>          |                                                                                                               |                                                                              |                                                                                                                                                            |
| - Foreign Exchange Rate Risk | Committed commercial transactions, Financial Assets and Liabilities not denominated in INR                    | Cash Flow Forecasting, Sensitivity Analysis                                  | Forward foreign exchange contracts and currency swaps                                                                                                      |
| - Interest Rate Risk         | Long-Term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities | Sensitivity Analysis, Interest Rate Movements                                | Interest Rate swaps Portfolio Diversification and Duration Management for Mutual Fund Schemes                                                              |
| - Equity Price Risk          | Investments (other than Subsidiaries, Joint Ventures and Associates which are carried at cost)                | Financial Performance of the Investee Company and its price in equity market | Investments are long term in nature and in Companies with sound management with leadership positions in their respective businesses                        |
| <b>Credit Risk</b>           | Trade Receivables, Investments, Derivative Financial Instruments, ICDs                                        | Ageing analysis, Credit Rating, Counter party credit evaluation              | Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria based approval process |
| <b>Liquidity Risk</b>        | Borrowings and Other Liabilities                                                                              | Rolling Cash Flow Forecasts, Long range business forecast                    | Adequate unused credit lines and borrowing facilities, sufficient cash and marketable securities                                                           |



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The Management updates the Audit Committee/ Risk Management Committee/ Board of Directors on a quarterly basis about the implementation of the above policies. It also updates on periodical basis about various risk to the business and the status of various activities planned to mitigate such risks.

Details relating to the risks are provided here below:

## A. Foreign Exchange Rate Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to import of fuels, raw materials and spare parts, plant and equipment, exports, foreign currency borrowings and net investment in foreign subsidiaries/ joint ventures.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies and standard operating procedures. It uses derivative instruments like forward covers to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure.

### (i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at 31<sup>st</sup> March 2024 that are not denominated in Indian Rupees. The sensitivities do not take into account the Company's sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

|                                             | ₹ in crore |         |        |        |        |         |        |         |        |        |          |
|---------------------------------------------|------------|---------|--------|--------|--------|---------|--------|---------|--------|--------|----------|
|                                             | USD        | EUR     | GBP    | JPY    | CAD    | CNY/CNH | SEK    | AUD     | BDT    | CHF    | Total    |
| <b>Effect as 31<sup>st</sup> March 2024</b> |            |         |        |        |        |         |        |         |        |        |          |
| <b>Effect of 5% strengthening of INR</b>    |            |         |        |        |        |         |        |         |        |        |          |
| On Profit                                   | 104.06     | 21.86   | (1.48) | 6.05   | (2.07) | (0.19)  | 0.00   | 14.58   | (0.00) | 0.01   | 142.82   |
| On Equity                                   | (0.21)     | -       | -      | -      | -      | -       | -      | -       | -      | (0.12) | (0.33)   |
| <b>Effect of 5% Diminishing of INR</b>      |            |         |        |        |        |         |        |         |        |        |          |
| On Profit                                   | (104.06)   | (21.86) | 1.48   | (6.05) | 2.07   | 0.19    | (0.00) | (14.58) | 0.00   | (0.01) | (142.82) |
| On Equity                                   | 0.21       | -       | -      | -      | -      | -       | -      | -       | -      | 0.12   | 0.33     |
| <b>Effect as 31<sup>st</sup> March 2023</b> |            |         |        |        |        |         |        |         |        |        |          |
| <b>Effect of 5% strengthening of INR</b>    |            |         |        |        |        |         |        |         |        |        |          |
| On Profit                                   | 75.22      | 25.33   | (2.17) | (4.37) | (2.04) | (0.25)  | -      | 35.81   | -      | 0.01   | 127.54   |
| On Equity                                   | (5.11)     | (2.71)  | (2.26) | 0.02   | -      | -       | -      | 1.63    | -      | (0.10) | (8.53)   |
| <b>Effect of 5% Diminishing of INR</b>      |            |         |        |        |        |         |        |         |        |        |          |
| On Profit                                   | (75.22)    | (25.33) | 2.17   | 4.37   | 2.04   | 0.25    | -      | (35.81) | -      | (0.01) | (127.54) |
| On Equity                                   | 5.11       | 2.71    | 2.26   | (0.02) | -      | -       | -      | (1.63)  | -      | 0.10   | 8.53     |

**The Company's net exposure to foreign currency risk at the end of the reporting period expressed in ₹ is given below:**

Unhedged Foreign Currency (Payable)/ Receivable

|               | ₹ in crore                           |                                      |
|---------------|--------------------------------------|--------------------------------------|
| Currency Pair | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| AUD           | (39.90)                              | -                                    |
| SEK           | (0.04)                               | -                                    |
| CHF           | (0.25)                               | -                                    |



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## (ii) Hedging Activities and Derivatives:

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company uses various derivative financial instruments, such as foreign exchange forward contracts, option contracts, future contracts and currency swaps to manage and mitigate its exposure to foreign exchange risk. The Company reports periodically to its risk management committee, the foreign exchange risk and compliance of the policies to manage its foreign exchange risk.

The Company assesses hedge effectiveness based on the following criteria:

- (i) an economic relationship between the hedged item and the hedging instrument;
- (ii) the effect of credit risk; and
- (iii) assessment of the hedge ratio

The Company designates the forward exchange contracts to hedge its currency risk and generally applies a hedge ratio of 1:1. The Company's policy is to match the tenor of the forward exchange contracts with the hedged item.

## (a) Cash Flow Hedge

| Sr. No.               | Type of Hedges and Risks                                                         | Foreign Currency Amount (in crore) |             | Weighted Average Foreign Exchange Rate (in ₹) |             | Nominal Value (₹ in crore) |             | Carrying Amount of Hedging Instrument (₹ in crore) |             | Maturity Date-Range      | Change in Fair Value of Hedging Instrument (₹ in crore) |
|-----------------------|----------------------------------------------------------------------------------|------------------------------------|-------------|-----------------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|---------------------------------------------------------|
|                       |                                                                                  | Assets                             | Liabilities | Assets                                        | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |                                                         |
| Foreign Exchange Risk |                                                                                  |                                    |             |                                               |             |                            |             |                                                    |             |                          |                                                         |
| 1)                    | Foreign exchange forward contracts Outstanding as on 31 <sup>st</sup> March 2024 |                                    |             |                                               |             |                            |             |                                                    |             |                          |                                                         |
| a                     | USD                                                                              | 1.34                               | 0.64        | 83.39                                         | 83.64       | 112.14                     | 53.59       | 0.15                                               | 0.07        | 04-04-2024 to 07-10-2024 | 0.38                                                    |
| b                     | EUR                                                                              | 2.96                               | 0.29        | 91.45                                         | 90.98       | 270.65                     | 26.60       | (1.55)                                             | (0.18)      | 15-04-2024 to 27-02-2025 | (20.12)                                                 |
| c                     | GBP                                                                              | 0.00                               | 0.34        | 105.76                                        | 106.24      | 0.37                       | 36.04       | (0.00)                                             | (0.11)      | 30-04-2024 to 27-02-2025 | 1.51                                                    |
| d                     | JPY                                                                              | 11.30                              | -           | 0.56                                          | -           | 6.33                       | -           | (0.00)                                             | -           | 28-06-2024               | 0.42                                                    |
| e                     | CNH                                                                              | -                                  | 0.79        | -                                             | 11.61       | -                          | 9.20        | -                                                  | (0.09)      | 30-04-2024 to 28-02-2025 | (1.52)                                                  |
| f                     | AUD                                                                              | 0.35                               | -           | 55.75                                         | -           | 19.31                      | -           | (0.23)                                             | -           | 24-05-2024 to 28-02-2025 | (0.18)                                                  |

| Sr. No.               | Type of Hedges and Risks                                                         | Foreign Currency Amount (in crore) |             | Weighted Average Foreign Exchange Rate (in ₹) |             | Nominal Value (₹ in crore) |             | Carrying Amount of Hedging Instrument (₹ in crore) |             | Maturity Date-Range      | Change in Fair Value of Hedging Instrument (₹ in crore) |
|-----------------------|----------------------------------------------------------------------------------|------------------------------------|-------------|-----------------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|---------------------------------------------------------|
|                       |                                                                                  | Assets                             | Liabilities | Assets                                        | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |                                                         |
| Foreign Exchange Risk |                                                                                  |                                    |             |                                               |             |                            |             |                                                    |             |                          |                                                         |
| 1)                    | Foreign exchange forward contracts Outstanding as on 31 <sup>st</sup> March 2023 |                                    |             |                                               |             |                            |             |                                                    |             |                          |                                                         |
| a                     | USD                                                                              | 10.20                              | 1.93        | 83.38                                         | 83.11       | 850.47                     | 160.62      | 2.16                                               | 0.32        | 10-04-2023 to 20-03-2024 | 1.78                                                    |
| b                     | EUR                                                                              | 0.25                               | 5.81        | 86.85                                         | 87.41       | 21.85                      | 507.85      | 0.76                                               | (17.47)     | 20-04-2023 to 27-02-2024 | 18.19                                                   |
| c                     | GBP                                                                              | -                                  | 0.45        | -                                             | 100.02      | -                          | 45.45       | -                                                  | 1.40        | 27-04-2023 to 28-02-2024 | (2.37)                                                  |
| d                     | AUD                                                                              | 0.57                               | -           | 57.03                                         | -           | 32.72                      | -           | (0.05)                                             | -           | 23-02-2024 to 22-03-2024 | 0.18                                                    |
| e                     | JPY                                                                              | -                                  | 89.36       | -                                             | 0.64        | -                          | 56.79       | -                                                  | 0.42        | 28-02-2024               | (0.42)                                                  |



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## (b) Fair Value Hedge

| Sr. No.                                                                             | Type of Hedges and Risks | Foreign Currency Amount (in crore) |             | Weighted Average Foreign Exchange Rate (in ₹) |             | Nominal Value (₹ in crore) |             | Carrying Amount of Hedging Instrument Amount (₹ in crore) |             | Maturity Date-Range      |
|-------------------------------------------------------------------------------------|--------------------------|------------------------------------|-------------|-----------------------------------------------|-------------|----------------------------|-------------|-----------------------------------------------------------|-------------|--------------------------|
|                                                                                     |                          | Assets                             | Liabilities | Assets                                        | Liabilities | Assets                     | Liabilities | Assets                                                    | Liabilities |                          |
| Foreign Exchange Risk                                                               |                          |                                    |             |                                               |             |                            |             |                                                           |             |                          |
| 1) Foreign exchange forward contracts outstanding as on 31 <sup>st</sup> March 2024 |                          |                                    |             |                                               |             |                            |             |                                                           |             |                          |
| a                                                                                   | USD                      | 27.58                              | 0.19        | 83.56                                         | 83.36       | 2,305.05                   | 15.45       | 1.14                                                      | 0.03        | 10-04-2024 to 04-09-2024 |
| b                                                                                   | EUR                      | 4.57                               | 0.36        | 92.51                                         | 91.20       | 423.19                     | 32.90       | (6.29)                                                    | (0.34)      | 15-04-2024 to 27-02-2025 |
| c                                                                                   | GBP                      | -                                  | 0.28        | -                                             | 105.06      | -                          | 29.09       | -                                                         | 0.13        | 30-04-2024 to 21-11-2024 |
| d                                                                                   | JPY                      | 2.36                               | -           | 0.59                                          | -           | 1.39                       | -           | (0.08)                                                    | -           | 31-05-2024               |
| e                                                                                   | AUD                      | 4.18                               | -           | 55.58                                         | -           | 232.38                     | -           | (4.32)                                                    | -           | 05-04-2024 to 21-02-2025 |
| f                                                                                   | CNY/RMB/CNH              | 0.76                               | -           | 11.95                                         | -           | 9.10                       | -           | (0.25)                                                    | -           | 30-04-2024 to 30-09-2024 |

| Sr. No.               | Type of Hedges and Risks                                                         | Foreign Currency Amount (in crore) |             | Weighted Average Foreign Exchange Rate (in ₹) |             | Nominal Value (₹ in crore) |             | Carrying Amount of Hedging Instrument Amount (₹ in crore) |             | Maturity Date-Range      |
|-----------------------|----------------------------------------------------------------------------------|------------------------------------|-------------|-----------------------------------------------|-------------|----------------------------|-------------|-----------------------------------------------------------|-------------|--------------------------|
|                       |                                                                                  | Assets                             | Liabilities | Assets                                        | Liabilities | Assets                     | Liabilities | Assets                                                    | Liabilities |                          |
| Foreign Exchange Risk |                                                                                  |                                    |             |                                               |             |                            |             |                                                           |             |                          |
| 1)                    | Foreign exchange forward contracts Outstanding as on 31 <sup>st</sup> March 2023 |                                    |             |                                               |             |                            |             |                                                           |             |                          |
| a                     | USD                                                                              | 15.40                              | 1.32        | 83.24                                         | 83.18       | 1,281.84                   | 110.16      | (4.44)                                                    | 1.20        | 05-04-2023 to 29-12-2023 |
| b                     | CNY/RMB/CNH                                                                      | 0.22                               | 0.78        | 12.03                                         | 12.13       | 2.66                       | 9.50        | (0.03)                                                    | 0.12        | 28-04-2023 to 29-12-2023 |
| c                     | EUR                                                                              | 3.08                               | 1.37        | 88.84                                         | 89.18       | 273.36                     | 122.52      | 0.91                                                      | (6.45)      | 28-04-2023 to 07-02-2024 |
| d                     | GBP                                                                              | -                                  | 0.22        | -                                             | 98.13       | -                          | 21.25       | (0.97)                                                    | -           | 27-04-2023 to 28-11-2023 |
| e                     | CHF                                                                              | -                                  | 0.01        | -                                             | 89.62       | -                          | 0.46        | -                                                         | 0.00        | 28-04-2023               |
| f                     | AUD                                                                              | 5.51                               | -           | 56.46                                         | -           | 311.12                     | -           | -                                                         | 3.85        | 05-04-2023 to 07-03-2024 |

## (c) Fair Value Hedge of Interest rate outstanding on Receive Floating and Pay Fix contracts:

| ₹ in crore   |                             |                                        |                |                                 |
|--------------|-----------------------------|----------------------------------------|----------------|---------------------------------|
| Particular   | As at                       | Average Contracted Fixed Interest Rate | Nominal Amount | Fair Value Assets (Liabilities) |
| 0 to 6 years | 31 <sup>st</sup> March 2024 | -                                      | -              | -                               |
| 0 to 6 years | 31 <sup>st</sup> March 2023 | 6.99%                                  | 250            | (2.25)                          |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## B. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. For all long-term borrowings in foreign currency with floating interest rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

### Interest Rate Exposure:

| ₹ in crore                                    |                  |                 |                 |                      |
|-----------------------------------------------|------------------|-----------------|-----------------|----------------------|
| Particulars                                   | Total Borrowings | Floating Rate   | at Fixed Rate   | Non-Interest Bearing |
| INR Borrowings                                | 9,452.91         | 2,120.00        | 7,287.91        | 45.00                |
| <b>Total as at 31<sup>st</sup> March 2024</b> | <b>9,452.91</b>  | <b>2,120.00</b> | <b>7,287.91</b> | <b>45.00</b>         |
| INR Borrowings                                | 5,245.23         | 250.00          | 4,960.44        | 43.79                |
| <b>Total as at 31<sup>st</sup> March 2023</b> | <b>5,245.23</b>  | <b>250.00</b>   | <b>4,960.44</b> | <b>43.79</b>         |

Note: In the previous year Long-term borrowing ₹ 250 crore with Fixed interest rate is hedged with floating interest rate swap and shown as floating rate borrowing above.

### Interest rate sensitivities for floating rate borrowings (impact of increase/(decrease) in 1%):

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Increase/Decrease in interest rates at the balance sheet date would result in an impact (decrease/increase in case of net income and increase/decrease in case of net loss) for the respective year(s) is as below:

| ₹ in crore     |             |                             |                             |                             |                             |
|----------------|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Particulars    | Basis Point | Effect on Profit Before Tax |                             | Effect on Equity            |                             |
|                |             | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| INR - Increase | 100         | (21.20)                     | (2.50)                      | (15.86)                     | (1.87)                      |
| INR - Decrease | 100         | 21.20                       | 2.50                        | 15.86                       | 1.87                        |

The Company's manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings, which is monitored on continuous basis. For foreign currency long-term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. These swaps are designated to hedge underlying debt obligations. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

## C. Equity Price Risk:

The Company is exposed to equity price risk arising from Equity Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost).

### Equity Price Sensitivity Analysis:

The Sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period. If equity prices of the quoted investments increase/decrease by 5%, Other Comprehensive Income for the year ended 31<sup>st</sup> March 2024 would increase/decrease by ₹ 573.29 crore (for the year ended 31<sup>st</sup> March 2023 by ₹ 400.29 crore).

## D. Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## (i) Trade Receivables:

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

Total Trade receivables as on 31<sup>st</sup> March 2024 is ₹ 1,974.31 crore (31<sup>st</sup> March 2023 is ₹ 1,597.26 crore)

The Company does not have higher concentration of credit risks to a single customer.

Single largest customers of the Company have exposure of 4.15% of total sales (31<sup>st</sup> March 2023: 5.31%) and in receivables 4.66% (31<sup>st</sup> March 2023: 3.48%).

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due, Refer Note 2.11.2.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. However, total write off against receivables are ₹ 1.68 crore of the outstanding receivables for the current year (Previous Year ₹ 1.99 crore).

As per policy receivables are classified into different buckets based on the overdue period ranging from 6 months to one year to more than two years. There are different provisioning norms for each bucket which are ranging from 10% to 100%.

## Movement of Allowance for Doubtful Debts:

| Particulars                        | ₹ in crore   |               |
|------------------------------------|--------------|---------------|
|                                    | Current Year | Previous Year |
| <b>Opening provision</b>           | <b>46.36</b> | <b>44.43</b>  |
| Add: Provided during the year      | 1.07         | 6.91          |
| Less: Utilised during the year     | (1.68)       | (1.09)        |
| Less: Written back during the year | (4.20)       | (3.89)        |
| <b>Closing Provision</b>           | <b>41.55</b> | <b>46.36</b>  |

## (ii) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies. Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds, quoted Bonds, Non-Convertible Debentures issued by Government/Semi-Government Agencies/PSU Bonds/High Investment grade Corporates, etc. These Mutual Funds and Counterparties have low credit risk.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total Non-current and current investments as on 31<sup>st</sup> March 2024 is ₹ 39,212.17 crore (31<sup>st</sup> March 2023 ₹ 33,896.78 crore).

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## E. Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for managing liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts and long range business forecasts on the basis of expected cash flows.

The table below provides details of Financial Liabilities and Financial Assets at the reporting date

| ₹ in crore                                                                            |                  |              |                   |          |
|---------------------------------------------------------------------------------------|------------------|--------------|-------------------|----------|
| As at 31 <sup>st</sup> March 2024                                                     | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total    |
| <b>Financial Liabilities:</b>                                                         |                  |              |                   |          |
| Borrowings (including current maturities) *                                           |                  |              |                   |          |
| Principal Payments                                                                    | 2,071.70         | 3,345.95     | 4,066.18          | 9,483.83 |
| Interest Payments                                                                     | 656.02           | 1,874.74     | 1,063.30          | 3,594.06 |
| Trade Payables                                                                        | 5,482.63         | -            | -                 | 5,482.63 |
| Interest Accrued but not Due on Borrowings                                            | 296.54           | -            | -                 | 296.54   |
| Other Financial Liabilities (excluding Derivative Liability)                          | 1,707.73         | 24.06        | -                 | 1,731.79 |
| Derivative Liability                                                                  | 12.61            | -            | -                 | 12.61    |
| Lease Liability *                                                                     | 85.61            | 211.95       | 69.11             | 366.67   |
| <b>Financial Assets:</b>                                                              |                  |              |                   |          |
| Derivative Asset                                                                      | 1.68             | -            | -                 | 1.68     |
| Surplus Investments in Mutual Funds, Bonds, Fixed Deposit with Corporates, ICDs, etc. | 3,319.21         | 152.32       | -                 | 3,471.53 |

\* Contractual amount

| ₹ in crore                                                                                                       |                  |              |                   |          |
|------------------------------------------------------------------------------------------------------------------|------------------|--------------|-------------------|----------|
| As at 31 <sup>st</sup> March 2023                                                                                | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total    |
| <b>Financial Liabilities:</b>                                                                                    |                  |              |                   |          |
| Borrowings (including current maturities) *                                                                      |                  |              |                   |          |
| Principal Payments                                                                                               | 980.53           | 3,290.89     | 1,000.00          | 5,271.42 |
| Interest Payments                                                                                                | 367.05           | 980.68       | 209.51            | 1,557.24 |
| Trade Payables                                                                                                   | 4,711.20         | -            | -                 | 4,711.20 |
| Interest Accrued but not Due on Borrowings                                                                       | 278.57           | -            | -                 | 278.57   |
| Other Financial Liabilities (excluding Derivative Liability)                                                     | 1,331.11         | 10.61        | -                 | 1,341.72 |
| Derivative Liability                                                                                             | 8.14             | -            | -                 | 8.14     |
| Lease Liability *                                                                                                | 28.16            | 69.55        | 30.58             | 128.29   |
| <b>Financial Assets:</b>                                                                                         |                  |              |                   |          |
| Derivative Asset                                                                                                 | 20.85            | -            | -                 | 20.85    |
| Surplus Investments in Mutual Funds, Bonds, Fixed Deposit with Corporates, ICDs and Larsen & Toubro shares, etc. | 3,472.11         | 2.16         | -                 | 3,474.27 |

\* Contractual amount





# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

## F. Capital Management:

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

| ₹ in crore                                                                                                             |                                      |                                      |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Total Debt (Bank and other borrowings)                                                                                 | 9,452.91                             | 5,254.23                             |
| Less: Liquid Investments (Bonds, Mutual Funds, Fixed Deposits with Corporates, ICDs and Investment in Larsen & Toubro) | 3,471.53                             | 3,474.27                             |
| Net Debt/(Surplus)                                                                                                     | 5,981.38                             | 1,779.96                             |
| Equity                                                                                                                 | 52,114.59                            | 46,954.93                            |
| <b>Net Debt to Equity</b>                                                                                              | <b>0.11</b>                          | <b>0.04</b>                          |

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, Outside liabilities to Net Worth, etc. which is maintained by the Company.

## 4.11 KEY STANDALONE RATIOS

| Particulars                      | Numerator                                                                                                                                                                  | Denominator                                                                                 | Unit  | As at 31 <sup>st</sup><br>March<br>2024 | As at 31 <sup>st</sup><br>March<br>2023 | % of<br>Change | Reason for Variance                                                           |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-------|-----------------------------------------|-----------------------------------------|----------------|-------------------------------------------------------------------------------|
| Current Ratio                    | Current Assets                                                                                                                                                             | Current Liabilities<br>(excluding current borrowings)                                       | Times | 1.27                                    | 1.30                                    | -2%            |                                                                               |
| Debt-Equity Ratio                | Total Debt                                                                                                                                                                 | Total Equity                                                                                | Times | 0.18                                    | 0.11                                    | 62%            | Due to sharp increase in Debt as compared to increase in Total Equity.        |
| Debt Service Coverage Ratio      | Profit after Tax + Deferred Tax + Depreciation + Finance cost + Loss/(Profit) on Sale of asset + ESOP expenses + Non-cash Exceptional Item - Unrealised gain on investment | Finance cost + Interest Capitalised + Lease payment + Principal repayment of long term debt | Times | 2.34                                    | 2.43                                    | -4%            |                                                                               |
| Return on Equity Ratio           | Profit After Tax                                                                                                                                                           | Average Shareholder's Equity                                                                | %     | 1.91                                    | 4.44                                    | -57%           | Due to Decline in Profit after Tax primarily on account of exceptional items. |
| Inventory Turnover Ratio         | Cost of Goods Sold                                                                                                                                                         | Average Inventories                                                                         | Times | 3.95                                    | 4.62                                    | -15%           |                                                                               |
| Trade Receivables Turnover Ratio | Sale of Products and services                                                                                                                                              | Average Trade Receivables                                                                   | Times | 14.30                                   | 16.17                                   | -12%           |                                                                               |
| Trade Payables Turnover Ratio    | Cost of Goods Sold                                                                                                                                                         | Average Trade Payables                                                                      | Times | 3.76                                    | 4.16                                    | -10%           |                                                                               |

# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

| Particulars                | Numerator                                | Denominator                                     | Unit  | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 | % of Change | Reason for Variance                                                           |
|----------------------------|------------------------------------------|-------------------------------------------------|-------|-----------------------------------|-----------------------------------|-------------|-------------------------------------------------------------------------------|
| Net Capital Turnover Ratio | Revenue from Operations                  | Working Capital                                 | Times | 9.75                              | 10.99                             | -11%        | Due to increase in working capital mainly in new business.                    |
| Net Profit Ratio           | Profit After Tax                         | Revenue from Operations                         | %     | 3.66%                             | 7.91%                             | -54%        | Due to Decline in Profit after Tax primarily on account of exceptional items. |
| Return on Capital employed | Earning Before Interest and Taxes (EBIT) | Net Worth + Total Debt + Deferred Tax Liability | %     | 3.69%                             | 5.77%                             | -36%        | On account of decline in profit and increased net worth and total debt.       |
| Return on Investment       | Treasury Income                          | Average Treasury Investment                     | %     | 7.76%                             | 4.86%                             | 60%         | Increase is on account of improved treasury yield.                            |

## 4.12 OTHER STATUTORY INFORMATION

- (i) Disclosure related to relationship of the Company with a Company which is Struck off under Section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956 as at 31<sup>st</sup> March 2024 are as follows:

| Sr. No. | Name of Struck off Company            | Nature of Transactions with Struck-off Company | Balance as at 31 <sup>st</sup> March 2024 | Balance as at 31 <sup>st</sup> March 2023 | Relationship with Struck off Company, if any |
|---------|---------------------------------------|------------------------------------------------|-------------------------------------------|-------------------------------------------|----------------------------------------------|
| 1       | Greenhandle Products Private Limited  | Purchase of Goods and services                 | -                                         | -                                         | Not Related                                  |
| 2       | Rwitvastra Natural Clothing Pvt. Ltd. | Customer Advance                               | *                                         | -                                         | Not Related                                  |
| 3       | KRS Fashionworks Private Limited      | Security Deposit and Trade Payable             | *                                         | -                                         | Not Related                                  |
| 4       | Poonam Petrochem Pvt. Ltd.            | Scrap Sale                                     | *                                         | -                                         | Not Related                                  |

\* Amounts below ₹ 50,000

- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iii) As on 31<sup>st</sup> March 2024 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions except as mentioned in Note 2.13. The funds have been utilised for the specific purpose for which it were raised.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (vi) The Company has not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (vii) The Company is in compliance with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



# NOTES

forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024

- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

## 4.13 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31<sup>st</sup> March 2024 were approved by the Board of Directors on 22<sup>nd</sup> May 2024.

Signatures to Notes '1' to '4'

The accompanying Notes are an integral part of the Standalone Financial Statements  
In terms of our report on even date attached

### For B S R & Co. LLP

Chartered Accountants  
Firm's Registration No.: 101248W/W-  
100022

### Vikas R Kasat

Partner  
Membership No.: 105317

Mumbai

Dated: 22<sup>nd</sup> May 2024

### For KKC & Associates LLP

Chartered Accountants  
Firm's Registration No.: 105146W/  
W100621

### Gautam Shah

Partner  
Membership No.: 117348

For and on behalf of the Board of Directors of

### GRASIM INDUSTRIES LIMITED

CIN-L17124MP1947PLC000410

### Harikrishna Agarwal

Managing Director  
DIN: 09288720

### Pavan K. Jain

Chief Financial Officer

Mumbai

Dated: 22<sup>nd</sup> May 2024

### V. Chandrasekaran

Independent Director  
DIN: 03126243

### Sailesh Kumar Daga

Company Secretary  
Membership No.: F 4164

# INDEPENDENT AUDITORS' REPORT

To the Members of  
**Grasim Industries Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the consolidated financial statements of Grasim Industries Limited (hereinafter referred to as the "Holding Company" or the "Parent" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31<sup>st</sup> March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the one of the joint auditors of the Parent and other auditors on separate/consolidated financial statements /financial information of such subsidiaries, associates and joint ventures as were audited by the one of the joint auditors of the Parent and other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31<sup>st</sup> March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of

the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the one of the joint auditors of the Parent and other auditors referred to in paragraph (a) and (b) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of Matter

- a. We draw attention to Note 4.1.2 (a) of the consolidated financial statements which refer to Orders dated 31<sup>st</sup> August 2016 (Penalty of ₹1,616.83 crore) and 19<sup>th</sup> January 2017 (Penalty of ₹ 68.30 crore) of the Competition Commission of India ('CCI') against which UltraTech Cement Limited ("UltraTech") (including the erstwhile UltraTech Nathdwara Cement Limited), a subsidiary of the Parent had filed appeal. Upon the National Company Law Appellate Tribunal ("NCLAT") disallowing its appeal against the CCI order dated 31<sup>st</sup> August 2016, UltraTech has filed an appeal before the Hon'ble Supreme Court of India, which has by its order dated 5<sup>th</sup> October 2018, granted a stay against the NCLAT order. Consequently, UltraTech has deposited an amount of ₹ 161.68 crore equivalent to 10% of the penalty of ₹ 1,616.83 crore recorded as asset. Ultratech, backed by legal opinions, believes that it has a good case in both the matters basis which no provision has been recognized in the books of account. Our opinion is not modified in respect of these matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of the one of the joint auditors of the Parent and other auditors on separate/consolidated financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.


**Description of Key Audit Matters:**
**Assessment of impairment of Goodwill and Other Intangibles**
**See Notes 2.4 and 2.5 to consolidated financial statements**

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>As disclosed in note 2.4 and 2.5 of consolidated financial statements, the Group has goodwill of ₹ 20,153.78 crore and other intangible assets of ₹ 8,302.92 crore as at 31<sup>st</sup> March 2024 which represents goodwill and other intangibles assets acquired through various business combinations and allocated to cash generating units ("CGU").</li> <li>A cash generating unit to which goodwill has been allocated and to which intangible assets belong to is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.</li> <li>As disclosed in note 2.4 and 2.5, impairment of goodwill and other intangibles is determined by assessing the recoverable amount of each CGU to which these assets relate.</li> <li>We have identified the annual impairment assessment as key audit matter because of the amounts involved, complexity in assessment, judgmental by nature, significant changes in business environment and further based on the inherent subjectivity, uncertainty and judgement involved in the following key assumptions: <ul style="list-style-type: none"> <li>A. projected future cash inflows</li> <li>B. expected growth rate, discount rate, terminal growth rate</li> <li>C. benchmarking of price and market multiples</li> </ul> </li> </ul> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Evaluated the design and implemented and tested the operating effectiveness of internal controls over the impairment assessment process</li> <li>Obtained an understanding of the process followed by the management in determining the CGU to which goodwill/intangible assets are allocated and determination of recoverable amounts of CGU.</li> <li>Evaluated the competence, capabilities and independence of the specialist engaged by the Company and analysed the valuation reports issued by such specialist.</li> <li>Evaluated the model used in determining the recoverable amount of each CGU.</li> <li>Engaged valuation expert to assist in evaluating the key assumptions of the valuations and methodology of assumptions</li> <li>Tested the arithmetical accuracy of the computation of recoverable amounts of each CGU.</li> <li>Assessed the disclosures provided by the Group in relation to its annual impairment test in note to consolidated financial statements.</li> </ul> |

**KAM as reported by the auditors of UltraTech**
**Revenue recognition – Discounts, incentives and rebates**
**See Notes 3.1 to consolidated financial statements**

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <ul style="list-style-type: none"> <li>Revenue is measured net of discounts, incentives, rebates given to the customers on the UltraTech's sales.</li> <li>UltraTech's presence across different marketing regions within the country and the competitive business environment makes the assessment of various types of discounts, incentives and rebates complex.</li> <li>Therefore, there is a risk of revenue being misstated as a result of variations in the assessment of discounts, incentives and rebates.</li> <li>Given the complexity and amounts pertaining to such provision for discounts, incentives and rebates being significant, this is a key audit matter.</li> </ul> | <p>The Procedures performed by the auditors, as reported by them, included the following:</p> <ul style="list-style-type: none"> <li>Assessed the UltraTech's accounting policies relating to revenue, discounts, incentives and rebates by comparing with applicable accounting standards.</li> <li>Evaluated the design and implementation and tested the operating effectiveness of UltraTech's internal controls over the provisions, approvals and disbursements of discounts, incentives and rebates.</li> <li>Assessed the UltraTech's computations for accrual of discounts, incentives and rebates, on a sample basis, and compared the accruals made with the approved schemes and underlying documents.</li> <li>Verified, on a sample basis, the underlying documentation for discounts, incentives and rebates recorded and disbursed during the year.</li> <li>Compared the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to assess the current year accruals.</li> </ul> |



## Regulations - Litigations and claims

See Notes 4.1 to consolidated financial statements

### The key audit matter

- UltraTech operates in various States within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. Due to a complex regulatory environment, there is an inherent risk of litigations and claims.
- Consequently, provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims.
- UltraTech applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter.
- Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted negotiation or litigation.
- These estimates and outcome could change significantly over time as new facts emerge and each legal case progresses.
- Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.

### How the matter was addressed in our audit

The Procedures performed by the auditors, as reported by them, included the following:

- Understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the UltraTech's controls over the recording and re-assessment of uncertain legal positions, claims (including claims receivable) and contingent liabilities.
- Gained an understanding of outstanding litigations against UltraTech from their inhouse legal counsel and other key managerial personnel who have knowledge of these matters.
- Read the correspondence between UltraTech and the various indirect tax/legal authorities and the legal opinions of external legal advisors, where applicable, for significant matters.
- Challenged the UltraTech's estimate of the possible outcome of the disputed cases based on applicable indirect tax laws and legal precedence by involving our tax specialists.
- Assessed the adequacy of the UltraTech's disclosures in respect of contingent liabilities for indirect tax and legal matters.

## KAM as reported by the auditors of Aditya Birla Capital Limited

### Impairment of testing of goodwill

See Notes 2.4 to consolidated financial statements

### The key audit matter

- Aditya Birla Capital Limited ("ABCL") Group has goodwill of ₹ 554.83 crore as of 31<sup>st</sup> March 2024 which represents goodwill acquired through various business combinations and allocated to Cash Generating Units ("CGU").
- As per ABCL's Group's policy, a CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication of the unit may be impaired.
- Impairment of goodwill is determined by assessing the recoverable amount of each CGU to which these assets relate.
- The Statutory auditors of ABCL has identified the annual impairment assessment as a key audit matter because of its being an area of estimate and judgment, exposed to significant changes in external business environment and is based on following key assumptions like:
  - i. Determination of comparable companies;
  - ii. Internal data of the Company used for valuation purpose; and
  - iii. Market multiples.

### How the matter was addressed in our audit

The Procedures performed by the auditors, as reported by them, included the following:

#### Design and Controls

- Tested the design and the operating effectiveness of internal controls over the impairment assessment process including valuation methodology used in impairment assessment on the carrying value of goodwill; and
- Obtained an understanding of the process followed by the Holding Company in determining the CGU to which goodwill is allocated and determination of recoverable amount of each CGU.

#### Substantive Procedures

- Compared the Holding Company's assumptions and data to externally sourced/internal data in relation to key inputs such as share price in the market capitalization, book value etc.;
- Involved valuation specialists to test and evaluate Holding Company's key assumptions used in the valuation methodology;
- Tested the arithmetical accuracy of computation of recoverable amounts of each CGU.
- Assessing the completeness and accuracy of the consolidated financial statements disclosures made by the Group as per applicable Ind AS.



**The statutory joint auditors of Aditya Birla Finance Limited ('ABFL'), a subsidiary of ABCL, have reported a key audit matter on Impairment of loans including Expected Credit Losses (ECL)**

**The key audit matter**

Total Loans as at 31<sup>st</sup> March 2024: ₹ 1,03,90,527 lakh (net of ECL)

Impairment Provision as at 31<sup>st</sup> March 2024: ₹ 1,78,035 lakh

(Reference made to Note 10 of the financial statements of ABFL):

As per Ind AS 109 - Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its financial assets using ECL approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events.

ECL is calculated using the percentage of probability of default ("PD"), loss given default ("LGD") and exposure of default ("EAD") for each of the stages of loan portfolio. Significant management Judgment and assumptions involved in measuring ECL is required with respect to:

- Segmentation of loan book in buckets based on common risk characteristics;
- Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage 3);
- factoring in future macro-economic and industry specific estimates and forecasts;
- past experience and forecast data on customer behaviour on repayments and
- varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios.

Considering the significance of the above matter to the ABFL's Financial Statements and since the matter required significant attention to test the calculation of ECL, the statutory Auditors of ABFL have identified this as a key audit matters for current year audit.

**How the matter was addressed in our audit**

The Procedures performed by the auditors, as reported by them, included the following:

Process understanding and control testing:

- Read the ABFL's Board approved ECL policy and material accounting policy information for estimation of ECL on financial assets as explained in Note 5.4 of the financial statements of ABFL and evaluated the appropriateness of the same with the principles of Ind AS 109 and prudential norms laid down by Reserve Bank of India ("RBI");
- Performed end-to-end process walkthroughs to identify the controls used in the impairment loss allowance processes;
- Tested the design and the operating effectiveness of relevant internal controls, including the IT controls relevant to the impairment loss allowance process.
- Verified the completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors;
- Checked the appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and
- Reconciled the total retail and wholesale loans considered for ECL assessment with the books of accounts to ensure the completeness.

Performed the following substantive procedures on sample of loan assets:

- Tested appropriateness of staging of borrowers based on days past due ("DPD") and other loss Indicators;
- Tested the factual accuracy of information such as period of default, ratings and other related information used in estimating the PD;
- Evaluated the reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired and other applicable assumptions included in LGD computation; Evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model;
- Tested the completeness of loans included in the ECL calculations as of 31<sup>st</sup> March 2024 by reconciling such data with the balances as per loan book register; and
- Verified the completeness and adequacy of the disclosures made in the ABFL's Financial Statements and ensured compliance with Ind AS provisions.

**The statutory joint auditors of Aditya Birla Finance Limited ('ABFL'), a subsidiary of ABCL, have reported a key audit matter on Information Technology (IT) systems and controls impacting financials controls**

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <ul style="list-style-type: none"> <li>ABFL's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated.</li> <li>Amongst its multiple IT systems, they scoped in systems that are key for overall financial reporting.</li> <li>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</li> <li>Identified 'IT systems and controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process and regulatory expectation on automation.</li> </ul> | <p>The Procedures performed by the auditors, as reported by them, included the following:</p> <ul style="list-style-type: none"> <li>For testing the IT general controls, application controls and IT dependent manual controls, involved IT specialists as part of the audit. The team also assisted in testing the accuracy of the Information produced by the Company IT systems.</li> <li>Obtained a comprehensive understanding of IT applications landscape implemented at the ABFL. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people- process and technology.</li> <li>Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development (which include review of data migration activity), computer operations (which includes testing of key controls pertaining to, backup, Batch processing (including interface testing), incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorised.</li> <li>In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique.</li> <li>Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant changes made to the IT landscape during the audit period.</li> </ul> |



The statutory auditor of Aditya Birla Housing Finance Limited ('ABHFL'), a subsidiary of ABCL, have reported a key audit matter on Provisioning based on Expected Credit Loss model (ECL) under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of ABHFL (Reference made to accounting policies in 'Note 3.22 to the financial statements of ABHFL Expected Credit Loss', 'Note 3.1 to the financial statements of ABHFL: Revenue Recognition' and 'Note 4.1 to the financial statements of ABHFL : Impairment of Financial Assets and 'Note 49 to the financial statements of ABHFL: Risk Management'.)

#### The key audit matter

##### Subjective Estimates

- Under Ind AS 109, "Financial instruments" allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates and therefore increased levels of audit focus in the ABHFL's estimation of ECLs, which are as under:
  - Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.
  - Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the ABHFL's modelling approach.
  - Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic indicators. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.
- The effect of these matters is that, as part of our risk assessment, they determined that the impairment of loans and advances to customers, involving estimations and judgements, with a potential range of reasonable outcomes greater than the materiality for the ABHFL's Ind AS Financial Statements as a whole.

#### How the matter was addressed in our audit

The Procedures performed by the auditors, as reported by them, included the following:

##### Review of Policy/procedures & design/controls

- Minutely going through the Board approved Policy and approach note concerning the assessment of credit and other risks and ascertainment/ageing of 'default' by the borrowers and procedures in relation to stages and ECL computation.
- Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.
- Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage wise classification of loans, identification of NPA accounts, assessing the reliability of management information.
- Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals.
- Testing and review of controls over measurement of provisions and disclosures in the Ind AS Financial Statements.
- Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. Walk through the processes which involve manual work to ascertain existence of maker-checker controls
- Understanding of models and general economic indicator criteria used for regression testing over data of the loan book.

##### Substantive verification

- Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.
- Model calculations testing through selective re- performance, wherever possible.
- Assessing disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loans (including restructuring related disclosures) in the Ind AS Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.

**The statutory auditor of Aditya Birla Housing Finance Limited ('ABHFL'), a subsidiary of ABCL, have reported a key audit matter on Information Technology IT systems and controls**

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IT systems and controls</b> <ul style="list-style-type: none"> <li>ABHFL's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the ABHFL is interfaced with several other IT systems including Loan Management &amp; Originating systems and several other systemic workflows.</li> <li>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure.</li> <li>Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, they planned audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</li> </ul> | <p>The Procedures performed by the auditors, as reported by them, included the following:</p> <p>In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included:</p> <ul style="list-style-type: none"> <li>Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</li> <li>Deployed our internal experts to carry out IT general and specific application Controls testing and identifying gaps, if any.</li> <li>Our other processes include: <ul style="list-style-type: none"> <li>Selectively recomputing interest calculations and maturity dates;</li> <li>Selectively re-evaluating masters updation, interface with resultant reports like LTV Report, SUD Report, Portfolio movement Report;</li> <li>Selective testing of the interface of SAP FA module with other IT systems like Loan Management System and other workflows.</li> <li>Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system)</li> <li>Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.</li> </ul> </li> </ul> |

**The statutory auditor of Aditya Birla Money Limited ('ABML'), a subsidiary of ABCL, have reported a key audit matter on Information Technology and General Controls**

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The financial accounting and reporting systems of the ABML are fundamentally reliant on IT systems and IT controls to process significant transaction volumes.</li> <li>Due to the complexity, large volume of transactions processed daily and reliance on automated and IT dependent manual controls, matter pertaining to adequacy and effectiveness of IT control environment is considered as a Key Audit Matter.</li> <li>Areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring that IT dependent and application based controls are operating effectively.</li> </ul> | <p>The Procedures performed by the auditors, as reported by them, included the following:</p> <ul style="list-style-type: none"> <li>Understood and assessed the overall IT control environment and the controls in place which included controls over access to systems and data, as well as system changes.</li> <li>Tested the design and operating effectiveness of IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.</li> <li>Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised.</li> <li>Tested the ABML's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorisation. In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.</li> <li>Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li> </ul> |





**The statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited ('ABSLICL'), subsidiary of ABCL, have reported a key audit matter on Information Technology Systems**

**The key audit matter**

- ABSLICL is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.

**How the matter was addressed in our audit**

The Procedures performed by the auditors, as reported by them, included the following:

- With the assistance of ABSLICL's IT specialists, they obtained an understanding of the ABSLICL's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations.
- In Particular:
  - Tested the design, implementation, and operating effectiveness of the ABSLICL's general IT controls over the IT systems relevant to financial reporting. This included evaluation of ABSLICL's controls over segregation of duties and access rights being provisioned/ modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit.
  - Tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the ABSLICL's Financial Statements.

**The statutory auditor of Aditya Birla Sun Life AMC Limited ('ABSLAMCL'), an associate of ABCL, have reported a key audit matter on Revenue from Asset Management and Advisory Fees and Management Fees from Portfolio Management and Other Services**

**The key audit matter**

- Revenue from operations is the most significant balance in the Statement of Profit and Loss. It majorly comprises of:
  - Asset Management and Advisory Fees amounting to ₹ 1,286.61 crore.
  - Management Fees from Portfolio Management and Other Services amounting to ₹ 66.58 crore.
- There are inherent risks in computing the different revenue streams including manual input of key contractual terms and computation of applicable Assets Under Management (AUM), which could result in errors. Considering the complexity in contractual terms involving multiple schemes, it requires monitoring to ensure all financial terms and conditions are captured accurately and applied appropriately.
- Any discrepancy in such computation could give rise to a material misstatement in the financial statements.
- Accordingly, we have considered revenue from asset management and advisory fees and management fees from portfolio management and other services as a key audit matter.

**How the matter was addressed in our audit**

The Procedures performed by the auditors, as reported by them, included the following:

- Obtained and read the accounting policy for revenue recognition.
- Obtained an understanding of the significant revenue items and identified where there is a higher risk of error due to manual processes, complex contractual terms, and areas of judgement.
- Test checked the design and operating effectiveness of key controls in place across the Company over recognition of Management Fees.
- Obtained and read the investment management fee report, issued by statutory auditors of mutual fund schemes and reconciled the certified amounts with the accounting records of the ABSLAMCL.
- On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records.
- On sample basis, verified the input of contractual terms with rates approved by the management.
- On a sample basis, checked the receipts of such income in bank statements.
- Re-calculated Portfolio Management Services Fees in respect of certain sample contracts and compared with the actual fees charged by the ABSLAMCL for such contracts.
- Evaluated the disclosure relating to management fee income earned by the ABSLAMCL.

**The statutory auditor of Aditya Birla ARC Limited ('ABARCL'), a subsidiary of ABCL, have reported a key audit matter on Fair Valuation of financial instruments - Security Receipts (SRs)**

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>ABCL has invested in SRs issued by various trust incorporated by it for acquisition of distressed credit Business. Depending on the arrangement such Investments are in the range of 100%-15% of the total SRs issued by the various trust. The said SRs are subsequently measured at Fair Value through Profit and Loss (FVTPL) as per the business model of the ABCL and considered as level 3 in the valuation hierarchy. Total investment in SRs outstanding as on 31<sup>st</sup> March 2024 is ₹ 55,785.34 lakh.</li> <li>ABCL determines the fair value of SRs based on the Net Assets Value (NAV) report provided by the trust. The NAV of the said investment can only be estimated by the trusts using a combination of the recovery range provided by the external rating agency, estimated cash flows, collateral values, discount rate used and various other assumptions.</li> <li>Considering the complexities involved and various assumptions and significant judgements made by the trust in deriving Net Assets Value of such SRs, we have considered the valuation of these investments as a key audit matter. Refer Note No. 9 of standalone financial statements of ABARCL.</li> </ul> | <p>The Procedures performed by the auditors, as reported by them, included the following:</p> <ul style="list-style-type: none"> <li>Tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency.</li> <li>Assessment of the valuation inputs; <ul style="list-style-type: none"> <li>Analysed reasonableness of the estimated cash flows and recovery rate, the other relevant judgments and estimates, if any; and</li> <li>Assessed the information used to determine the key assumptions;</li> <li>Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any;</li> <li>Compared the management's assumption of discount rate with the supporting internal/ external evidence;</li> <li>Valuation report of collateral values</li> </ul> </li> </ul> |

## Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due



to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by one of the joint auditors of the Parent and other auditors, such one of the joint auditors of the Parent and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) and (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

- (a) The consolidated financial statements include the audited financial statements of:
  - i. 53 subsidiaries whose financial statements/ financial information reflect total assets (before consolidation adjustments) of ₹ 2,82,585.45 crore as at 31<sup>st</sup> March 2024, total revenue (before consolidation adjustments) of ₹ 40,748.16 crore, and net cash outflow (before consolidation adjustments) of ₹ 158.42 crore for the year ended on that date, as considered in the consolidated financial statements, which have been audited singly by one of us or other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of other auditors
  - ii. 8 joint ventures and 8 associates whose financial statements/ financial information include the Group's share of total net profit after tax (before

consolidation adjustments) of ₹ 250.43 crore for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated financial statements, which have been audited singly by one of us or other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures and associates, is based solely on the report of such auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the one of the joint auditors of the Parent and other auditors.

- (b) 2 of the joint venture is located outside India whose financial statements/ financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements of such joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management.
 

Our opinion in so far as it relates to the balances and affairs of such joint venture located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent and audited by us.
- (c) The consolidated financial statements include the unaudited financial statements/financial information of:
  - i. 6 subsidiaries, whose financial statements/ financial information reflect total assets (before consolidation adjustments) of ₹ 14.49 crore as at 31<sup>st</sup> March 2024, total revenue (before consolidation adjustments) of ₹ Nil crore and net cash flows (before consolidation adjustments) of ₹ 1.92 crore for the year ended on that date, as considered in the consolidated financial statements.



- ii. 5 joint ventures and 4 associates whose financial statements/ financial information reflect Group's share of total net loss after tax (before consolidation adjustments) of ₹147.27 crore for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated financial statements.

These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matter with respect to the financial statements/financial information certified by the Management.

- (d) The statutory auditor of Aditya Birla Capital Limited ("ABCL"), a subsidiary company, without modifying their opinion on the audited consolidated annual Financial statements of ABCL have stated that the statutory joint auditors of Aditya Birla Health Insurance Co. Limited, vide their report dated 30<sup>th</sup> April 2024, have reported in the Other Matter section that:

The actuarial valuation of liabilities in respect of Incurred but Not Reported (IBNR) and Incurred but Not Enough Reported (IBNER) included under claims outstanding and Premium Deficiency Reserve (PDR) creation as at 31<sup>st</sup> March 2024 has been duly certified by the Appointed Actuary of the Company. The Appointed Actuary has also certified that the assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Institute of Actuaries of India.

The statutory auditors of the respective subsidiary of ABCL have relied upon Appointed Actuary's certificate and representation made in this regard for forming their opinion on the aforesaid mentioned items.

Our Opinion is not modified in respect of this matter based on the conclusion drawn by the statutory auditors of ABCL and their subsidiary auditor.

- (e) The statutory auditor of ABCL, a subsidiary company, without modifying their opinion on the audited consolidated annual financials statements of ABCL have stated that the joint auditors of Aditya Birla Sunlife Insurance Company Limited, vide their report dated 25<sup>th</sup> April 2024, have reported in the Other Matter section that:

'Determination of the following is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"):

- i. The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31<sup>st</sup> March 2024. The actuarial valuation of these liabilities has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI;
- ii. Other adjustments as at 31<sup>st</sup> March 2024 / for the year ended 31<sup>st</sup> March 2024 for the purpose of Reporting Pack confirmed by the Appointed Actuary in accordance with Indian Accounting Standard 104 - Insurance Contracts:
  - a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
  - b. Valuation and classification of deferred acquisition cost and deferred origination fees on investment contracts;
  - c. Grossing up and classification of the Reinsurance Assets and;
  - d. Liability Adequacy test as at the reporting dates and,
  - e. Disclosures as mentioned in Note No. 54 to the Reporting Pack

The statutory auditors of the respective subsidiary of ABCL have relied upon Appointed Actuary's certificate in this regard for forming their opinion on the aforesaid mentioned items.

Our Opinion is not modified in respect of this matter based on the conclusion drawn by the statutory auditors of ABCL and their subsidiary auditor.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the one of the joint auditors of the Parent and other auditors on separate/consolidated financial statements of such subsidiaries, associates and joint ventures as were audited by the one of the joint auditors of the Parent and other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. Obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the one of the joint auditors of the Parent and other auditors except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, associate companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the one of the joint auditors of the Parent and other auditors on separate/ consolidated financial statements of the subsidiaries, associates and joint ventures, as noted in the "Other Matters" paragraph:
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31<sup>st</sup> March 2024 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 4.1 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 4.10 to the consolidated financial statements



in respect of such items as it relates to the Group, its associates and joint ventures.

- c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint venture companies incorporated in India during the year ended 31<sup>st</sup> March 2024.
- d (i) The respective management of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India whose financial statements/financial information have been audited under the Act have represented to us, one of the joint auditors of the Parent and the other auditors of such subsidiary companies, associate companies and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the Note 4.16 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies, associate companies and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies, associate companies and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India whose financial statements/financial information have been audited under the Act have represented to us, one of the joint auditors of the Parent and the other auditors of such subsidiary companies, associate companies and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in

the Note 4.16 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies, associate companies and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies, associate companies and joint ventures shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies, associate companies and joint ventures incorporated in India whose financial statements/financial information have been audited under the Act, nothing has come to our, or one of the joint auditors of the Parent or the other auditors notice that has caused us, one of the joint auditors of the Parent or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 4.15 to the consolidated financial statements, the respective Board of Directors of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General

Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies, associate companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies, associate companies and joint venture companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, for the periods where audit trail (edit log) facility was enabled and operated, we and respective auditors of such subsidiary companies, associate companies and joint venture companies did not come across any instance of audit trail feature being tampered with.

| Instances                                                                                                                                                                                                                                                          | Observations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instances of accounting software used for maintenance of books of account, which did not have a feature of recording audit trail (edit log) facility operating for certain period of the year or throughout the year for all transactions recorded in the software | <ul style="list-style-type: none"> <li>• In respect of Holding Company, 1 subsidiary and 1 associate, a feature of recording audit trail (edit log) facility was not operating for certain period of the year or throughout the year for certain accounting softwares.</li> <li>• In respect of 1 subsidiary, a feature of recording audit trail (edit log) facility was not operating for certain period of the year for one accounting software related to group policy administration system</li> </ul>                                                                                                           |
| Instances where audit trail has not been enabled at the database level to log any direct data changes for certain accounting software.                                                                                                                             | <ul style="list-style-type: none"> <li>• In respect of Holding Company and 27 subsidiaries and 3 joint venture the accounting software(s) was not enabled at database level to log any direct data changes.</li> <li>• In respect of 1 subsidiary, the accounting software relating to policy administration systems, investments, commission and premium, receipting was not enabled at database level to log any direct data changes.</li> <li>• In respect of 1 subsidiary, the accounting software was not enabled at database level to log any direct data changes when using certain access Rights.</li> </ul> |



|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instances of accounting software operated by a third party service provider where independent auditor report covering audit trail requirement was not provided                                                            | <ul style="list-style-type: none"> <li>• In respect of 1 subsidiary, with regards an accounting software, in relation to maintaining books of account, the joint statutory auditors were not able to comment on the audit trail feature at database level as there was no independent auditor report covering the audit trail requirement.</li> <li>• In respect of 1 subsidiary, with regards to a total of 2 accounting software(s), in relation to maintaining books of account, the joint statutory auditors were not able to comment on the audit trail feature at database level as there was no independent auditor report covering the audit trail requirement for part of the year.</li> </ul> |
| Instances of certain accounting softwares operated by a third party service provider where independent auditor report covering audit trail requirement at database level to log any direct data changes was not provided. | In respect of Holding Company and 1 subsidiary the accounting software operated by a third party service provider where independent auditor report covering audit trail requirement at database level to log any direct data changes was not provided.                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the consideration of reports of the one of the joint auditors of the Parent and statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies, associate companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Vikas R Kasat**

Partner

Membership No.: 105317

ICAI UDIN: 24105317BKCQYO8580

Mumbai

Date: 22<sup>nd</sup> May 2024

**For KKC & Associates LLP**

Chartered Accountants

(formerly known as Khimji Kunverji & Co LLP)

Firm's Registration No.: 105146W/W100621

**Gautam Shah**

Partner

Membership No.: 117348

ICAI UDIN: 24117348BKBZWP1550

Mumbai

Date: 22<sup>nd</sup> May 2024

# ANNEXURE A

To the Independent Auditors' Report on the Consolidated financial statements of Grasim Industries Limited for the year ended 31<sup>st</sup> March 2024

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by the respective auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr. No. | Name of the entity                                                                                    | CIN                   | Relation with company | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---------|-------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------------------------------------------------------------------------|
| 1       | Aditya Birla Insurance Brokers Limited                                                                | U99999GJ2001PLC062239 | Subsidiary            | Clause vii (b)                                                                 |
| 2       | Aditya Birla Sun Life Pension Management Limited                                                      | U66000MH2015PLC260801 | Subsidiary            | Clause xvii                                                                    |
| 3       | Aditya Birla ARC Limited                                                                              | U65999MH2017PLC292331 | Subsidiary            | Clause iii (c) and iii (e)                                                     |
| 4       | Aditya Birla Finance Limited                                                                          | U65990GJ1991PLC064603 | Subsidiary            | Clause ii (b), iii (c), iii (d) and vii (b)                                    |
| 5       | Aditya Birla Housing Finance Limited                                                                  | U65922GJ2009PLC083779 | Subsidiary            | Clause iii (c), iii (d), vii (b), xi (a) and xi (b)                            |
| 6       | Aditya Birla Money Limited                                                                            | L65993GJ1995PLC064810 | Subsidiary            | Clause iii (c), iii (f), vii (a) and vii (b)                                   |
| 7       | Aditya Birla Capital Digital Limited                                                                  | U64990MH2023PLC399485 | Subsidiary            | Clause xvii                                                                    |
| 8       | Aditya Birla Financial Shared Services Limited                                                        | U65999GJ2008PLC143797 | Subsidiary            | Clause vii (b)                                                                 |
| 9       | Aditya Birla Money Insurance Advisory Services Limited                                                | U67200GJ2001PLC062240 | Subsidiary            | Clause vii (b)                                                                 |
| 10      | Aditya Birla Money Mart Limited                                                                       | U61190GJ1997PLC062406 | Subsidiary            | Clause vii (b)                                                                 |
| 11      | Aditya Birla Wellness Private Limited                                                                 | U74999MH2016PTC282782 | Joint Venture         | Clause vii (b) and xvii                                                        |
| 12      | Aditya Birla PE Advisors Private Limited                                                              | U74140MH2008PTC179360 | Subsidiary            | Clause vii (c)                                                                 |
| 13      | Aditya Birla Renewables Subsidiary Limited                                                            | U40108MH2018PLC309087 | Subsidiary            | Clause i(a)(A), vii(a)                                                         |
| 14      | Aditya Birla Renewables Utkal Limited                                                                 | U40300MH2019PLC325878 | Subsidiary            | Clause i(a)(A)                                                                 |
| 15      | Aditya Birla Renewables SPV 1 Limited                                                                 | U40300MH2017PLC296313 | Subsidiary            | Clause i(a), vii(a), ix(a)                                                     |
| 16      | Aditya Birla Renewables Solar Limited                                                                 | U40106MH2020PLC339323 | Subsidiary            | Clause i(a)(A), vii(a), ix(a), ix(d)                                           |
| 17      | Aditya Birla Renewables Energy Limited                                                                | U40100MH2020PLC339362 | Subsidiary            | Clause i(a), vii(a), ix(a), xvii                                               |
| 18      | ABReL SPV 2 Limited                                                                                   | U40108MH2020PLC352631 | Subsidiary            | Clause i(a)(A), vii(a), ix(a), ix(d), xvii                                     |
| 19      | ABReL Solar Power Limited                                                                             | U40106MH2021PLC366642 | Subsidiary            | Clause i(a)(A), vii(a), ix(d)                                                  |
| 20      | Aditya Birla Renewables Green Power Private Limited (Formerly known as Waacox Energy Private Limited) | U40300MH2015PTC268114 | Subsidiary            | Clause i(a)(A), iii (e), vii(a)                                                |
| 21      | ABReL Renewables EPC Limited                                                                          | U40107MH2022PLC378167 | Subsidiary            | Clause vii(a), xvii                                                            |
| 22      | ABReL EPCCO Services Limited                                                                          | U40108MH2022PLC379924 | Subsidiary            | Clause vii(a)                                                                  |
| 23      | ABReL Century Energy Limited                                                                          | U40106MH2022PLC378261 | Subsidiary            | Clause i(a)(A), vii(a), ix(a), ix(d)                                           |
| 24      | ABREL EPC Limited                                                                                     | U40106MH2022PLC384431 | Subsidiary            | Clause vii(a)                                                                  |
| 25      | ABReL (Odisha) SPV Limited                                                                            | U40109MH2022PLC384633 | Subsidiary            | Clause i(a), vii(a), ix(d), xvii                                               |
| 26      | ABReL (MP) Renewables Limited                                                                         | U40106MH2022PLC384701 | Subsidiary            | Clause vii(a), ix(a), xvii                                                     |
| 27      | ABReL Green Energy Limited                                                                            | U40200MH2022PLC385194 | Subsidiary            | Clause iii(e), vii(a), xvii                                                    |
| 28      | ABReL (R.J) Projects Limited                                                                          | U40300MH2022PLC393282 | Subsidiary            | Clause ix(d), xvii                                                             |
| 29      | ABReL Hybrid Projects Limited                                                                         | U35105MH2023PLC409653 | Subsidiary            | Clause xvii                                                                    |





| Sr. No. | Name of the entity                            | CIN                   | Relation with company | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---------|-----------------------------------------------|-----------------------|-----------------------|--------------------------------------------------------------------------------|
| 30      | Aditya Birla Renewables Limited               | U40300MH2015PLC267263 | Subsidiary            | Clause i(a)(A), iii(c), iii(d), iii (e), vii(a), ix(a)                         |
| 31      | Aditya Birla Power Composites Limited         | U31900GJ2019PLC110313 | Joint Venture         | Clause xvii                                                                    |
| 32      | Harish Cement Limited                         | U26941HP1996PLC019173 | Subsidiary            | Clause xvii                                                                    |
| 33      | Bhagwati Lime Stone Company Private Limited   | U14101RJ1993PTC007788 | Subsidiary            | Clause xvii                                                                    |
| 34      | Gotan Lime Stone Khanij Udyog Private Limited | U14200RJ2012PTC038369 | Subsidiary            | Clause xvii                                                                    |

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

| Name of the entities                          | CIN                   | Holding Company/Subsidiary/Joint Venture/Associate |
|-----------------------------------------------|-----------------------|----------------------------------------------------|
| Madanpur (North) Coal Company Private Limited | U10101CT2007PTC020161 | Associate                                          |
| Bhaskarpara Coal Company Limited              | U10100CT2008PLC020943 | Joint Venture                                      |
| Letein Valley Cement Limited                  | U23941ML2024PLC014073 | Subsidiary                                         |

#### For B S R & Co. LLP

Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

#### Vikas R Kasat

Partner  
Membership No.: 105317  
ICAI UDIN: 24105317BKCQY08580  
Mumbai  
Date: 22<sup>nd</sup> May 2024

#### For KKC & Associates LLP

Chartered Accountants  
(formerly known as Khimji Kunverji & Co LLP)  
Firm's Registration No.: 105146W/W100621

#### Gautam Shah

Partner  
Membership No.: 117348  
ICAI UDIN: 24117348BKBZWP1550  
Mumbai  
Date: 22<sup>nd</sup> May 2024

# ANNEXURE B

To the Independent Auditors' Report on the consolidated financial statements of Grasim Industries Limited for the year ended 31<sup>st</sup> March 2024

## **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of Grasim Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31<sup>st</sup> March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, its associate companies and joint ventures, as of that date.

In our opinion and based on the consideration of reports of the one of the joint auditors of the Parent and other auditors on internal financial controls with reference to financial statements/financial information of subsidiary companies, associate companies and joint ventures, as were audited by the one of the joint auditors of the Parent and other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint ventures, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design,

implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the one of the joint auditors of the Parent and other auditors of the relevant subsidiary companies, associate companies and joint ventures in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.



## Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements/ financial information insofar as it relates to 45 subsidiary companies, 2 associate companies and 6 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

### For B S R & Co. LLP

Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

### Vikas R Kasat

Partner  
Membership No.: 105317  
ICAI UDIN: 24105317BKCQYO8580  
Mumbai  
Date: 22<sup>nd</sup> May 2024

### For KKC & Associates LLP

Chartered Accountants  
(formerly known as Khimji Kunverji & Co LLP)  
Firm's Registration No.: 105146W/W100621

### Gautam Shah

Partner  
Membership No.: 117348  
ICAI UDIN: 24117348BKBZWP1550  
Mumbai  
Date: 22<sup>nd</sup> May 2024

# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> March 2024

₹ in crore

|                                                                    | Note No. | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>ASSETS</b>                                                      |          |                                      |                                      |
| <b>Non-Current Assets</b>                                          |          |                                      |                                      |
| Property, Plant and Equipment                                      | 2.1      | 69,504.58                            | 63,753.53                            |
| Capital Work-in-Progress                                           | 2.1      | 18,229.22                            | 7,730.18                             |
| Right of Use Assets                                                | 2.2      | 2,518.97                             | 2,399.03                             |
| Investment Property                                                | 2.3      | 13.94                                | 14.37                                |
| Goodwill                                                           | 2.4      | 20,153.78                            | 20,137.55                            |
| Other Intangible Assets                                            | 2.5      | 8,302.92                             | 8,591.89                             |
| Intangible Assets Under Development                                | 2.5      | 128.30                               | 47.50                                |
| Investment in Equity Accounted Investees                           | 2.6      | 10,482.81                            | 11,016.84                            |
| Financial Assets                                                   |          |                                      |                                      |
| Investments                                                        |          |                                      |                                      |
| - Investments of Insurance Business                                | 2.7      | 49,369.65                            | 39,523.43                            |
| - Other Investments                                                | 2.8      | 15,171.25                            | 9,502.90                             |
| Assets Held to Cover Linked Liabilities of Life Insurance Business | 2.9      | 32,177.98                            | 26,842.95                            |
| Trade Receivables                                                  | 2.10     | 1.80                                 | 6.82                                 |
| Loans                                                              | 2.11     | 91,749.40                            | 70,871.12                            |
| Other Financial Assets                                             | 2.12     | 3,313.59                             | 3,759.70                             |
| Deferred Tax Assets (Net)                                          | 2.13     | 422.59                               | 382.26                               |
| Non-Current Tax Assets (Net)                                       |          | 689.24                               | 826.38                               |
| Other Non-Current Assets                                           | 2.14     | 3,921.35                             | 4,276.22                             |
| <b>Total - Non-Current Assets</b>                                  |          | <b>3,26,151.37</b>                   | <b>2,69,682.67</b>                   |
| <b>Current Assets</b>                                              |          |                                      |                                      |
| Inventories                                                        | 2.15     | 13,544.78                            | 11,159.15                            |
| Financial Assets                                                   |          |                                      |                                      |
| Investments                                                        |          |                                      |                                      |
| - Investments of Insurance Business                                | 2.16     | 1,439.95                             | 900.69                               |
| - Other Investments                                                | 2.17     | 16,836.65                            | 13,905.64                            |
| Assets Held to Cover Linked Liabilities of Life Insurance Business | 2.18     | 3,827.21                             | 3,662.84                             |
| Trade Receivables                                                  | 2.19     | 6,979.40                             | 5,915.10                             |
| Cash and Cash Equivalents                                          | 2.20     | 2,387.65                             | 2,312.56                             |
| Bank Balances other than Cash and Cash Equivalents                 | 2.21     | 2,261.11                             | 1,400.82                             |
| Loans                                                              | 2.22     | 31,171.68                            | 22,342.08                            |
| Other Financial Assets                                             | 2.23     | 3,612.57                             | 2,348.92                             |
| Current Tax Assets (Net)                                           |          | 322.55                               | 3.27                                 |
| Other Current Assets                                               | 2.24     | 3,981.61                             | 3,553.27                             |
| <b>Total - Current Assets</b>                                      |          | <b>86,365.16</b>                     | <b>67,504.34</b>                     |
| Non-Current Assets/Disposal Group Held for Sale                    | 4.4      | 22.55                                | 18.02                                |
| <b>TOTAL ASSETS</b>                                                |          | <b>4,12,539.08</b>                   | <b>3,37,205.03</b>                   |



# CONSOLIDATED BALANCE SHEET (CONTD.)

as at 31<sup>st</sup> March 2024

₹ in crore

|                                                                              | Note No. | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>EQUITY AND LIABILITIES</b>                                                |          |                                      |                                      |
| <b>Equity</b>                                                                |          |                                      |                                      |
| Equity Share Capital                                                         | 2.25     | 132.80                               | 131.69                               |
| Other Equity                                                                 | 2.26     | 88,519.60                            | 78,610.30                            |
| <b>Equity Attributable to Owners of the Company</b>                          |          | <b>88,652.40</b>                     | <b>78,741.99</b>                     |
| Non-Controlling Interest                                                     |          | 50,285.98                            | 44,170.83                            |
| <b>Total Equity</b>                                                          |          | <b>1,38,938.38</b>                   | <b>1,22,912.82</b>                   |
| <b>Liabilities</b>                                                           |          |                                      |                                      |
| <b>Non-Current Liabilities</b>                                               |          |                                      |                                      |
| Financial Liabilities                                                        |          |                                      |                                      |
| Borrowings                                                                   | 2.27     | 86,116.47                            | 66,712.46                            |
| Lease Liabilities                                                            | 2.2      | 1,672.48                             | 1,410.73                             |
| Policyholder's Liabilities                                                   | 2.28     | 82,617.79                            | 67,012.03                            |
| Other Financial Liabilities                                                  | 2.29     | 451.45                               | 398.57                               |
| Provisions                                                                   | 2.30     | 868.50                               | 765.81                               |
| Deferred Tax Liabilities (Net)                                               | 2.13     | 9,416.67                             | 8,443.38                             |
| Other Non-Current Liabilities                                                | 2.31     | 24.50                                | 16.24                                |
| <b>Total - Non-Current Liabilities</b>                                       |          | <b>1,81,167.86</b>                   | <b>1,44,759.22</b>                   |
| <b>Current Liabilities</b>                                                   |          |                                      |                                      |
| Financial Liabilities                                                        |          |                                      |                                      |
| Borrowings                                                                   | 2.32     | 48,985.74                            | 34,635.46                            |
| Lease Liabilities                                                            | 2.2      | 380.36                               | 279.91                               |
| Policyholder's Liabilities                                                   | 2.33     | 2,770.68                             | 2,077.90                             |
| Trade Payables                                                               | 2.34     |                                      |                                      |
| - Total Outstanding Dues of Micro and Small Enterprises                      |          | 433.32                               | 351.52                               |
| - Total Outstanding Dues of Creditors other than Micro and Small Enterprises |          | 14,923.74                            | 13,001.75                            |
| Other Financial Liabilities                                                  | 2.35     | 13,791.63                            | 9,859.01                             |
| Other Current Liabilities                                                    | 2.36     | 6,970.86                             | 6,438.15                             |
| Provisions                                                                   | 2.37     | 1,225.95                             | 722.47                               |
| Current Tax Liabilities (Net)                                                |          | 2,950.56                             | 2,166.82                             |
| <b>Total - Current Liabilities</b>                                           |          | <b>92,432.84</b>                     | <b>69,532.99</b>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                          |          | <b>4,12,539.08</b>                   | <b>3,37,205.03</b>                   |

Basis of Preparation and Material Accounting Policies 1

The accompanying Notes are an integral part of the Consolidated Financial Statements.

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

**For B S R & Co. LLP**

Chartered Accountants  
Firm Registration No.:  
101248W/W-100022

**For KKC & Associates LLP**

Chartered Accountants  
Firm Registration No.:  
105146W/W100621

**Harikrishna Agarwal**

Managing Director  
DIN :09288720

**V. Chandrasekaran**

Independent Director  
DIN: 03126243

**Vikas R Kasat**

Partner  
Membership No.: 105317

**Gautam Shah**

Partner  
Membership No.: 117348

**Pavan K. Jain**

Chief Financial Officer

**Sailesh Kumar Daga**

Company Secretary  
Membership No.: F 4164

Mumbai  
Dated: 22<sup>nd</sup> May 2024

Mumbai  
Dated: 22<sup>nd</sup> May 2024



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                                        | Note No. | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------------------------------------------|----------|-------------------------------------------|-------------------------------------------|
| <b>INCOME</b>                                                                                          |          |                                           |                                           |
| Revenue from Operations                                                                                | 3.1      | 1,30,978.48                               | 1,17,627.08                               |
| Other Income                                                                                           | 3.2      | 1,264.10                                  | 3,612.05                                  |
| <b>Total Income (I)</b>                                                                                |          | <b>1,32,242.58</b>                        | <b>1,21,239.13</b>                        |
| <b>EXPENSES</b>                                                                                        |          |                                           |                                           |
| Cost of Materials Consumed                                                                             | 3.3      | 22,429.68                                 | 21,622.26                                 |
| Purchases of Stock-in-Trade                                                                            | 3.4      | 3,157.17                                  | 1,824.35                                  |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade                          | 3.5      | (167.16)                                  | (834.66)                                  |
| Employee Benefits Expense                                                                              | 3.6      | 7,963.18                                  | 7,193.86                                  |
| Power and Fuel Cost                                                                                    |          | 22,202.38                                 | 23,168.73                                 |
| Freight and Handling Expenses                                                                          |          | 16,823.33                                 | 15,024.93                                 |
| Change in Valuation of Liability in respect of Insurance Policies                                      |          | 7,861.66                                  | 7,451.57                                  |
| Benefits Paid - Insurance Business (Net)                                                               |          | 6,802.86                                  | 5,467.75                                  |
| Finance Costs relating to NBFC/HFC's Business                                                          | 3.7      | 7,622.71                                  | 4,723.46                                  |
| Other Finance Costs                                                                                    | 3.8      | 1,654.72                                  | 1,320.27                                  |
| Depreciation and Amortisation Expenses                                                                 | 3.9      | 5,001.32                                  | 4,551.59                                  |
| Other Expenses                                                                                         | 3.10     | 16,710.24                                 | 15,119.24                                 |
| <b>Total Expenses (II)</b>                                                                             |          | <b>1,18,062.09</b>                        | <b>1,06,633.35</b>                        |
| <b>Profit Before Share in Profit of Equity Accounted Investees, Exceptional Items and Tax (I - II)</b> |          | <b>14,180.49</b>                          | <b>14,605.78</b>                          |
| Share in Profit of Equity Accounted Investees                                                          |          | 88.68                                     | 208.96                                    |
| <b>Profit Before Tax and Exceptional Items</b>                                                         |          | <b>14,269.17</b>                          | <b>14,814.74</b>                          |
| Exceptional Items                                                                                      | 3.11     | (569.36)                                  | (88.03)                                   |
| <b>Profit Before Tax</b>                                                                               |          | <b>13,699.81</b>                          | <b>14,726.71</b>                          |
| Tax Expense (Net)                                                                                      | 3.12     |                                           |                                           |
| Current Tax                                                                                            |          | 3,413.86                                  | 3,432.67                                  |
| Deferred Tax                                                                                           |          | 360.30                                    | 215.84                                    |
| <b>Total Tax Expense</b>                                                                               |          | <b>3,774.16</b>                           | <b>3,648.51</b>                           |
| <b>Profit for the Year (III)</b>                                                                       |          | <b>9,925.65</b>                           | <b>11,078.20</b>                          |



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                   | Note No. | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------|----------|-------------------------------------------|-------------------------------------------|
| <b>Other Comprehensive Income</b>                                                 | 3.13     |                                           |                                           |
| A (i) Items that will not be reclassified to Profit or Loss                       |          | 4,514.33                                  | (3,444.28)                                |
| (ii) Income Tax relating to items that will not be reclassified to Profit or Loss |          | (599.30)                                  | 387.85                                    |
| B (i) Items that will be reclassified to Profit or Loss                           |          | 37.97                                     | (182.04)                                  |
| (ii) Income Tax relating to items that will be reclassified to Profit or Loss     |          | 9.47                                      | 57.69                                     |
| <b>Other Comprehensive Income for the Year (IV)</b>                               |          | <b>3,962.47</b>                           | <b>(3,180.78)</b>                         |
| <b>Total Comprehensive Income for the Year (III + IV)</b>                         |          | <b>13,888.12</b>                          | <b>7,897.42</b>                           |
| <b>Net Profit Attributable to:</b>                                                |          |                                           |                                           |
| Owners of the Company                                                             |          | 5,624.49                                  | 6,827.26                                  |
| Non-Controlling Interest                                                          |          | 4,301.16                                  | 4,250.94                                  |
|                                                                                   |          | <b>9,925.65</b>                           | <b>11,078.20</b>                          |
| <b>Other Comprehensive Income Attributable to:</b>                                |          |                                           |                                           |
| Owners of the Company                                                             |          | 3,893.39                                  | (3,104.23)                                |
| Non-Controlling Interest                                                          |          | 69.08                                     | (76.55)                                   |
|                                                                                   |          | <b>3,962.47</b>                           | <b>(3,180.78)</b>                         |
| <b>Total Comprehensive Income Attributable to:</b>                                |          |                                           |                                           |
| Owners of the Company                                                             |          | 9,517.88                                  | 3,723.03                                  |
| Non-Controlling Interest                                                          |          | 4,370.24                                  | 4,174.39                                  |
|                                                                                   |          | <b>13,888.12</b>                          | <b>7,897.42</b>                           |
| <b>Earnings Per Equity Share (Face Value ₹ 2 each)</b>                            | 3.14     |                                           |                                           |
| Basic (₹)                                                                         |          | 85.29                                     | 103.57                                    |
| Diluted (₹)                                                                       |          | 85.15                                     | 103.47                                    |

Basis of Preparation and Material Accounting Policies

1

The accompanying Notes are an integral part of the Consolidated Financial Statements.

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

**For B S R & Co. LLP**

Chartered Accountants  
Firm Registration No.:  
101248W/W-100022

**For KKC & Associates LLP**

Chartered Accountants  
Firm Registration No.:  
105146W/W100621

**Harikrishna Agarwal**

Managing Director  
DIN :09288720

**V. Chandrasekaran**

Independent Director  
DIN: 03126243

**Vikas R Kasat**

Partner  
Membership No.: 105317

**Gautam Shah**

Partner  
Membership No.: 117348

**Pavan K. Jain**

Chief Financial Officer

**Sailesh Kumar Daga**

Company Secretary  
Membership No.: F 4164

Mumbai  
Dated: 22<sup>nd</sup> May 2024

Mumbai  
Dated: 22<sup>nd</sup> May 2024

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2024

## A. EQUITY SHARE CAPITAL

| Particulars                                    | Note No. | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------|----------|-------------------------------------------|-------------------------------------------|
| Opening Balance                                |          | 131.69                                    | 131.67                                    |
| Change in Equity Share Capital during the year | 2.25.3   | 1.11                                      | 0.02                                      |
| <b>Closing Balance</b>                         |          | <b>132.80</b>                             | <b>131.69</b>                             |

₹ in crore

## B. OTHER EQUITY

For the year ended 31<sup>st</sup> March 2024

|                                                                                      | Attributable to Owners of the Company           |                      |               |                    |                 |                             |                      |                                    |                                  |                                    |                              |                                |                 |                                      | ₹ in crore      |                 |                          |
|--------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|---------------|--------------------|-----------------|-----------------------------|----------------------|------------------------------------|----------------------------------|------------------------------------|------------------------------|--------------------------------|-----------------|--------------------------------------|-----------------|-----------------|--------------------------|
|                                                                                      | Equity Component of Other Financial Instruments | Reserves and Surplus |               |                    |                 |                             |                      |                                    | Other Comprehensive Income (OCI) |                                    |                              |                                |                 |                                      |                 |                 |                          |
|                                                                                      |                                                 | Capital Reserve      | Legal Reserve | Securities Premium | General Reserve | Debiture Redemption Reserve | Special Reserve Fund | Treasury Shares Held by ESOP Trust | Retained Earnings                | Employee Share Options Outstanding | Debt Instruments through OCI | Equity Instruments through OCI | Hedging Reserve | Foreign Currency Translation Reserve |                 | Total           | Non-Controlling Interest |
| Opening Balance as at 1 <sup>st</sup> April 2023                                     | 3.00                                            | 146.31               | 0.29          | 27,256.09          | 38,421.45       | 35.32                       | 971.40               | (387.32)                           | 12,980.04                        | 410.57                             | (47.74)                      | (1,514.53)                     | (105.65)        | 441.07                               | 78,610.30       | 44,170.83       | 122,781.13               |
| Profit for the Year                                                                  | -                                               | -                    | -             | -                  | -               | -                           | -                    | -                                  | 5,624.49                         | -                                  | -                            | -                              | -               | -                                    | 5,624.49        | 4,301.16        | 9,925.65                 |
| Other Comprehensive Income for the Year (Note 3.13)                                  | -                                               | -                    | -             | -                  | -               | -                           | -                    | - <sup>Ⓐ</sup>                     | (1.15)                           | -                                  | 13.45                        | 3,905.59                       | (30.74)         | 6.24                                 | 3,893.39        | 69.08           | 3,962.47                 |
| <b>Total Comprehensive Income for the Year</b>                                       | -                                               | -                    | -             | -                  | -               | -                           | -                    | -                                  | <b>5,623.34</b>                  | -                                  | <b>13.45</b>                 | <b>3,905.59</b>                | <b>(30.74)</b>  | <b>6.24</b>                          | <b>9,517.88</b> | <b>4,370.24</b> | <b>13,888.12</b>         |
| Proceeds from Right Issue, Qualified Institution Placement and Preferential Issuance | -                                               | -                    | -             | 1,582.44           | -               | -                           | -                    | - <sup>Ⓐ</sup>                     | -                                | -                                  | -                            | -                              | -               | -                                    | 1,582.44        | 1,422.60        | 3,005.04                 |
| Share issue Expenses                                                                 | -                                               | -                    | -             | (36.92)            | -               | -                           | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | (36.92)         | (18.09)         | (55.01)                  |
| Purchase of Treasury Shares                                                          | -                                               | -                    | -             | -                  | -               | -                           | (127.77)             | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | (127.77)        | (42.91)         | (170.68)                 |
| Issue of Treasury Shares                                                             | -                                               | -                    | -             | -                  | -               | -                           | 43.96                | -                                  | -                                | 0.47                               | -                            | -                              | -               | -                                    | 44.43           | 6.67            | 51.10                    |
| Transfer from Retained Earnings to General Reserve                                   | -                                               | -                    | -             | -                  | 5,000.00        | -                           | -                    | (5,000.00)                         | -                                | -                                  | -                            | -                              | -               | -                                    | -               | -               | -                        |
| Transfer from Retained Earnings to Special Reserve Fund                              | -                                               | -                    | -             | -                  | -               | 645.16                      | -                    | (645.16)                           | -                                | -                                  | -                            | -                              | -               | -                                    | -               | -               | -                        |
| Transfer from Retained Earnings to Debiture Redemption Reserve                       | -                                               | -                    | -             | -                  | -               | 12.75                       | -                    | (12.75)                            | -                                | -                                  | -                            | -                              | -               | -                                    | -               | -               | -                        |
| Transfer from Stock Options Outstanding Account on Exercise of Options               | -                                               | -                    | -             | 21.67              | -               | -                           | -                    | -                                  | -                                | (41.14)                            | -                            | -                              | -               | -                                    | (19.47)         | 19.47           | -                        |
| Employee Stock Options Exercised                                                     | -                                               | -                    | -             | 40.31              | -               | -                           | -                    | -                                  | -                                | (15.90)                            | -                            | -                              | -               | -                                    | 24.41           | 32.65           | 57.06                    |

₹ in crore

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                   | Attributable to Owners of the Company           |                      |               |                    |                 |                         |                      |                                    |                                  |                                    |                              |                                |                 |                                      |           |                          |             |
|-----------------------------------------------------------------------------------|-------------------------------------------------|----------------------|---------------|--------------------|-----------------|-------------------------|----------------------|------------------------------------|----------------------------------|------------------------------------|------------------------------|--------------------------------|-----------------|--------------------------------------|-----------|--------------------------|-------------|
|                                                                                   | Equity Component of Other Financial Instruments | Reserves and Surplus |               |                    |                 |                         |                      |                                    | Other Comprehensive Income (OCI) |                                    |                              |                                |                 |                                      |           | Non-Controlling Interest | Total       |
|                                                                                   |                                                 | Capital Reserve      | Legal Reserve | Securities Premium | General Reserve | Debt Redemption Reserve | Special Reserve Fund | Treasury Shares Held by ESOP Trust | Retained Earnings                | Employee Share Options Outstanding | Debt Instruments through OCI | Equity Instruments through OCI | Hedging Reserve | Foreign Currency Translation Reserve |           |                          |             |
| Employee Stock Options Granted (Net of Lapses)                                    | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | 190.58                           | -                                  | -                            | -                              | -               | -                                    | 190.58    | -                        | 190.58      |
| Transfer to General Reserve on account of Lapse of Vested Options                 | -                                               | -                    | -             | 0.42               | -               | -                       | -                    | -                                  | (0.79)                           | -                                  | -                            | -                              | -               | -                                    | (0.37)    | 0.37                     | -           |
| Dividend Paid                                                                     | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | (657.21)  | -                        | (657.21)    |
| Dividend Paid to Non-Controlling Interest by a Subsidiary Company                 | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | -         | (468.45)                 | (468.45)    |
| Realised Gain/(loss) on Sale of Equity Instruments                                | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | 334.20                           | -                                  | -                            | (334.20)                       | -               | -                                    | -         | -                        | -           |
| Issue of Equity Shares to Non-Controlling Interest by a Subsidiary Company        | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | -         | 189.79                   | 189.79      |
| Stake Dilution in Subsidiary Companies                                            | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | (606.16)                         | -                                  | -                            | -                              | -               | -                                    | (606.16)  | 606.16                   | -           |
| Reclassification from other comprehensive to surplus statement of Profit and loss | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | 0.85                             | -                                  | -                            | -                              | -               | (0.85)                               | -         | -                        | -           |
| Other Including Subvention money                                                  | -                                               | -                    | 0.10          | -                  | -               | -                       | -                    | -                                  | (2.64)                           | -                                  | -                            | -                              | -               | -                                    | (2.54)    | (3.35)                   | (5.89)      |
| Closing Balance as at 31 <sup>st</sup> March 2024                                 | 3.00                                            | 146.31               | 0.39          | 28,863.59          | 43,421.87       | 48.07                   | 1,616.56             | (471.13)                           | # 12,014.51                      | 543.79                             | (34.29)                      | 2,056.86                       | (136.39)        | 446.46                               | 88,519.60 | 50,285.98                | 1,38,805.58 |

\* Represents remeasurement of Defined Benefits Plan.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended 31<sup>st</sup> March 2024

For the year ended 31<sup>st</sup> March 2023

₹ in crore

|                                                                                              | Attributable to Owners of the Company           |                      |               |                    |                 |                         |                      |                                    |                                  |                                    |                              |                                |                 |                                      | Non-Controlling Interest | Total           |                 |           |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|---------------|--------------------|-----------------|-------------------------|----------------------|------------------------------------|----------------------------------|------------------------------------|------------------------------|--------------------------------|-----------------|--------------------------------------|--------------------------|-----------------|-----------------|-----------|
|                                                                                              | Equity Component of Other Financial Instruments | Reserves and Surplus |               |                    |                 |                         |                      |                                    | Other Comprehensive Income (OCI) |                                    |                              |                                |                 |                                      |                          |                 |                 |           |
|                                                                                              |                                                 | Capital Reserve      | Legal Reserve | Securities Premium | General Reserve | Debt Redemption Reserve | Special Reserve Fund | Treasury Shares Held by ESOP Trust | Retained Earnings                | Employee Share Options Outstanding | Debt Instruments through OCI | Equity Instruments through OCI | Hedging Reserve | Foreign Currency Translation Reserve |                          |                 |                 |           |
| Opening Balance as at 1 <sup>st</sup> April 2022                                             | 300                                             | 146.31               | 0.31          | 27,229.59          | 35,419.61       | 35.32                   | 584.20               | (239.30)                           | 10,159.72                        | 301.83                             | 0.45                         | 1,568.89                       | 6.81            | 349.82                               | 75,566.56                | 40,476.48       | 1,15,043.04     |           |
| Profit for the Year                                                                          | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | 6,827.26                         | -                                  | -                            | -                              | -               | -                                    | -                        | 6,827.26        | 4,250.94        | 11,078.20 |
| Other Comprehensive Income for the Year (Note 3.13)                                          | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | 49.01                            | -                                  | (49.85)                      | (3,082.05)                     | (112.46)        | 91.12                                | (3,104.23)               | (76.55)         | (3,180.78)      |           |
| <b>Total Comprehensive Income for the Year</b>                                               | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | <b>6,876.27</b>                  | -                                  | <b>(49.85)</b>               | <b>(3,082.05)</b>              | <b>(112.46)</b> | <b>91.12</b>                         | <b>3,723.03</b>          | <b>4,174.39</b> | <b>7,897.42</b> |           |
| Purchase of Treasury Shares                                                                  | -                                               | -                    | -             | -                  | -               | -                       | -                    | (173.63)                           | -                                | -                                  | -                            | -                              | -               | -                                    | (173.63)                 | (48.94)         | (222.57)        |           |
| Issue of Treasury Shares                                                                     | -                                               | -                    | -             | -                  | -               | -                       | -                    | 25.61                              | -                                | (3.88)                             | -                            | -                              | -               | -                                    | 21.73                    | 5.11            | 26.84           |           |
| Transfer from Retained Earnings to General Reserve                                           | -                                               | -                    | -             | -                  | 3,000.00        | -                       | -                    | -                                  | (3,000.00)                       | -                                  | -                            | -                              | -               | -                                    | -                        | -               | -               |           |
| Transfer from Retained Earnings to Special Reserve Fund                                      | -                                               | -                    | -             | -                  | -               | -                       | 387.20               | -                                  | (387.20)                         | -                                  | -                            | -                              | -               | -                                    | -                        | -               | -               |           |
| Transfer from Debt Redemption Reserve to Retained Earnings                                   | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | -                        | -               | -               |           |
| Employee Stock Options Exercised                                                             | -                                               | -                    | -             | 26.50              | -               | -                       | -                    | -                                  | -                                | (12.63)                            | -                            | -                              | -               | -                                    | 13.87                    | 2.54            | 16.41           |           |
| Employee Stock Options Granted (Net of Lapses)                                               | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | 128.65                             | -                            | -                              | -               | -                                    | 128.65                   | -               | 128.65          |           |
| Transfer to General Reserve on account of Lapse of Vested Options                            | -                                               | -                    | -             | -                  | 1.84            | -                       | -                    | -                                  | -                                | (3.40)                             | -                            | -                              | -               | -                                    | (1.56)                   | 1.56            | -               |           |
| Dividend Paid                                                                                | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | (657.65)                         | -                                  | -                            | -                              | -               | -                                    | (657.65)                 | -               | (657.65)        |           |
| Dividend Paid to Non-Controlling Interest by a Subsidiary Company                            | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | (497.04)                 | (497.04)        | -               |           |
| Issue of Equity Shares to Non-Controlling Interest by a Subsidiary Company                   | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | -                        | 294.11          | 294.11          |           |
| Stake Dilution in Subsidiary Companies                                                       | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | (10.85)                          | -                                  | -                            | -                              | -               | -                                    | (10.85)                  | 10.85           | -               |           |
| Realised Gain/(Loss) on Sale of Equity Instrument at FV/OCI Transferred to Retained Earnings | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | 1.37                             | -                                  | -                            | (1.37)                         | -               | -                                    | -                        | -               | -               |           |



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                                                                                      | Attributable to Owners of the Company           |                      |               |                    |                 |                         |                      |                                    |                                  |                                    |                              |                                |                 |                                      |           |                          |             |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|---------------|--------------------|-----------------|-------------------------|----------------------|------------------------------------|----------------------------------|------------------------------------|------------------------------|--------------------------------|-----------------|--------------------------------------|-----------|--------------------------|-------------|
|                                                                                                                                                      | Equity Component of Other Financial Instruments | Reserves and Surplus |               |                    |                 |                         |                      |                                    | Other Comprehensive Income (OCI) |                                    |                              |                                |                 |                                      |           | Non-Controlling Interest | Total       |
|                                                                                                                                                      |                                                 | Capital Reserve      | Legal Reserve | Securities Premium | General Reserve | Debt Redemption Reserve | Special Reserve Fund | Treasury Shares Held by ESOP Trust | Retained Earnings                | Employee Share Options Outstanding | Debt Instruments through OCI | Equity Instruments through OCI | Hedging Reserve | Foreign Currency Translation Reserve |           |                          |             |
| De-recognition of Non-controlling interest on conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture (note 4.12.5) | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | -         | (283.75)                 | (283.75)    |
| On Acquisition (note 4.3A)                                                                                                                           | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | -                                    | -         | 47.86                    | 47.86       |
| On account of Liquidation of Subsidiary                                                                                                              | -                                               | -                    | -             | -                  | -               | -                       | -                    | -                                  | -                                | -                                  | -                            | -                              | -               | 0.13                                 | 0.13      | 0.22                     | 0.35        |
| Other Including Subvention money                                                                                                                     | -                                               | -                    | (0.02)        | -                  | -               | -                       | -                    | -                                  | (1.62)                           | -                                  | 1.66                         | -                              | -               | -                                    | 0.02      | (12.56)                  | (12.54)     |
| Closing Balance as at 31 <sup>st</sup> March 2023                                                                                                    | 3.00                                            | 146.31               | 0.29          | 27,256.09          | 38,421.45       | 35.32                   | 971.40               | (387.32)                           | 12,980.04                        | 410.57                             | (47.74)                      | (1,514.53)                     | (105.65)        | 441.07                               | 78,610.30 | 44,170.83                | 1,22,781.13 |

@ Represents remeasurement of Defined Benefits Plan.

Basis of Preparation and Material Accounting Policies- Refer Note 1

The accompanying Notes are an integral part of the Consolidated Financial Statements

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

**For B S R & Co. LLP**

Chartered Accountants  
Firm Registration No.:  
101248W/W-100022

**Vikas R Kasat**

Partner  
Membership No.: 105317

Mumbai

Dated: 22<sup>nd</sup> May 2024

**For KKC & Associates LLP**

Chartered Accountants  
Firm Registration No.:  
105146W/W100621

**Gautam Shah**

Partner  
Membership No.: 117348

Mumbai

Dated: 22<sup>nd</sup> May 2024

**Harikrishna Agarwal**

Managing Director  
DIN :09288720

**Pavan K. Jain**

Chief Financial Officer

Mumbai

Dated: 22<sup>nd</sup> May 2024

**V. Chandrasekaran**

Independent Director  
DIN: 03126243

**Sailesh Kumar Daga**

Company Secretary  
Membership No.: F 4164

Mumbai

Dated: 22<sup>nd</sup> May 2024

# CONSOLIDATED STATEMENT OF CASH FLOWS

for year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                                                                                                           | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                                                                                                         |                                           |                                           |
| Profit Before Tax after Exceptional Items and before Share in Profit/(Loss) of Equity Accounted Investees                                             | 13,611.13                                 | 14,517.75                                 |
| <b>Adjustments:</b>                                                                                                                                   |                                           |                                           |
| Exceptional Items (Note 3.11)                                                                                                                         | 569.36                                    | 88.03                                     |
| Depreciation and Amortisation Expenses                                                                                                                | 5,001.32                                  | 4,551.59                                  |
| Finance Costs                                                                                                                                         | 1,654.72                                  | 1,320.27                                  |
| Interest Income                                                                                                                                       | (540.69)                                  | (380.58)                                  |
| Dividend Income                                                                                                                                       | (27.33)                                   | (40.40)                                   |
| Expenses on Employee Stock Options and Stock Appreciation Rights Expenses                                                                             | 182.44                                    | 118.34                                    |
| Allowance for Credit Losses on Advances/Debts (Net)                                                                                                   | 31.41                                     | 9.78                                      |
| Changes in Valuation of Liabilities in respect of Insurance Policies in force                                                                         | 7,861.66                                  | 7,451.57                                  |
| Impairment on Financial Instruments                                                                                                                   | 1,355.70                                  | 983.46                                    |
| Excess Provision Written Back (Net)                                                                                                                   | (82.86)                                   | (143.82)                                  |
| (Gain)/Loss on Sale/Discard of Property, Plant and Equipment (Net)                                                                                    | 8.19                                      | 10.64                                     |
| Profit on Sale of Investments (Net)                                                                                                                   | (192.27)                                  | (78.57)                                   |
| Unrealised (Gain)/Loss on Investments measured at Fair Value through Profit and Loss (Net)                                                            | (1,175.39)                                | (339.86)                                  |
| Unrealised Exchange (Gain)/Loss (Net)                                                                                                                 | 22.03                                     | (102.43)                                  |
| Fair Value Adjustments to Borrowings                                                                                                                  | (13.62)                                   | (50.26)                                   |
| Other Non Operating (Income) / Expenses (Net)                                                                                                         | -                                         | 3.77                                      |
| Gain on account of Fair Value of Investment in Aditya Birla Health Insurance Co. Limited on conversion from Subsidiary to Joint Venture (Note 4.12.5) | -                                         | (2,754.27)                                |
| Operating Profit Before Working Capital Changes                                                                                                       | <b>28,265.80</b>                          | <b>25,165.01</b>                          |
| <b>Adjustment for:</b>                                                                                                                                |                                           |                                           |
| Trade Receivables                                                                                                                                     | (1,087.10)                                | (455.24)                                  |
| Loans of Financing Business                                                                                                                           | (31,035.86)                               | (27,972.19)                               |
| Financial and Other Assets                                                                                                                            | (548.50)                                  | (1,251.53)                                |
| Inventories                                                                                                                                           | (2,433.80)                                | (1,598.39)                                |
| Trade Payables, Other Liabilities and Provision                                                                                                       | 5,927.18                                  | 3,008.57                                  |
| Investments of Life Insurance Policyholders                                                                                                           | (7,198.00)                                | (7,486.55)                                |
| <b>Cash generated from/(used in) Operations</b>                                                                                                       | <b>(8,110.28)</b>                         | <b>(10,590.32)</b>                        |
| Income Taxes Paid (Net of Refund)                                                                                                                     | (2,609.05)                                | (2,094.82)                                |
| <b>Net Cash generated from/(used in) Operating Activities (A)</b>                                                                                     | <b>(10,719.33)</b>                        | <b>(12,685.14)</b>                        |
| <b>B. Cash Flow from Investing Activities</b>                                                                                                         |                                           |                                           |
| Purchase of Property, Plant and Equipment and other Intangible Assets                                                                                 | (19,485.03)                               | (12,036.16)                               |
| Proceeds from Disposal of Property, Plant and Equipment and Other Intangible Assets                                                                   | 156.35                                    | 111.49                                    |
| Proceeds from Sale and leaseback of owned assets                                                                                                      | 6.30                                      | -                                         |
| Acquisition of Equity Shares in Subsidiaries                                                                                                          | -                                         | (19.34)                                   |
| Investments in Joint Ventures and Associates including Advance Against Equity                                                                         | (123.24)                                  | (858.73)                                  |
| Sale of Mutual Fund Units, Shares and Bonds (Non-Current)                                                                                             | 7,532.70                                  | 6,858.23                                  |
| Purchase of Mutual Fund Units, Shares and Bonds (Non-Current)                                                                                         | (7,317.84)                                | (7,605.95)                                |
| Proceeds from Sale/(Purchase) of Investments and Shareholders' Investments of Life Insurance Business (Current) (Net)                                 | (3,940.51)                                | 104.76                                    |
| Proceeds on Disposal of Subsidiaries                                                                                                                  | -                                         | 3.49                                      |
| Proceeds from sale of investment in Associates                                                                                                        | 639.00                                    | -                                         |
| Purchase of Other Non-Current Investments                                                                                                             | (245.80)                                  | (70.19)                                   |
| Proceeds from Sale of Other Non-Current Investments                                                                                                   | 1.11                                      | 0.10                                      |
| Redemption/(Investment) in Other Bank Deposits                                                                                                        | (659.34)                                  | (689.17)                                  |
| Loans and Advances Given to Other Companies                                                                                                           | -                                         | (106.61)                                  |
| Loans and Advances Given to Joint Ventures and Associates                                                                                             | (49.50)                                   | -                                         |
| Receipt against Loans and Advances given to Joint Ventures and Associates                                                                             | 17.42                                     | 112.69                                    |
| Interest Received                                                                                                                                     | 252.07                                    | 312.01                                    |
| Dividend Received                                                                                                                                     | 103.11                                    | 196.67                                    |
| <b>Net Cash generated from/(used in) Investing Activities (B)</b>                                                                                     | <b>(23,113.20)</b>                        | <b>(13,686.71)</b>                        |



# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                                                                                  | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>C. Cash Flow from Financing Activities</b>                                                                                |                                           |                                           |
| Proceeds from Issue of Share Capital under ESOP Scheme                                                                       | 78.83                                     | 16.62                                     |
| Proceeds from Rights Issue (Net of share issue expenses)                                                                     | 983.73                                    | -                                         |
| Proceeds from Shares issued by Subsidiary Company (Including Securities Premium) (Net of Share Issue Expenses)               | 1,962.63                                  | -                                         |
| Treasury Shares Acquired by ESOP Trust                                                                                       | (170.68)                                  | (222.57)                                  |
| Proceeds from Issue of Treasury Shares                                                                                       | 38.08                                     | 18.23                                     |
| Equity Infusion by Minority Shareholders in Subsidiary Companies                                                             | 188.81                                    | 327.96                                    |
| Transaction Cost on Equity Shares of a Subsidiary Company and Share Issue Expenses                                           | -                                         | (3.95)                                    |
| Proceeds from Non-Current Borrowings                                                                                         | 41,228.53                                 | 39,810.27                                 |
| Repayments of Non-Current Borrowings                                                                                         | (18,679.30)                               | (16,403.82)                               |
| Proceeds/(Repayments) of Current Borrowings (Net)                                                                            | 11,639.48                                 | 5,748.28                                  |
| Proceeds from Inter-Corporate Loans                                                                                          | 498.73                                    | 28.60                                     |
| Repayments of Inter-Corporate Loans                                                                                          | (460.29)                                  | (3.00)                                    |
| Proceeds / (Repayment) of Supplier's Credit                                                                                  | -                                         | (183.40)                                  |
| Repayments of Lease Liabilities (including Interest)                                                                         | (417.26)                                  | (319.73)                                  |
| Interest and Finance Charges Paid                                                                                            | (1,857.56)                                | (1,193.80)                                |
| Dividend Paid                                                                                                                | (1,125.55)                                | (1,150.56)                                |
| <b>Net Cash generated from/(used in) Financing Activities</b>                                                                | <b>33,908.18</b>                          | <b>26,469.13</b>                          |
| <b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>                                                               | <b>75.65</b>                              | <b>97.28</b>                              |
| <b>E. Cash and Cash Equivalents as at the beginning of the Year</b>                                                          | <b>2,312.56</b>                           | <b>2,240.70</b>                           |
| <b>F. Adjustments on account of conversion of Aditya Birla Health Insurance Co. Limited from Subsidiary to Joint Venture</b> | <b>-</b>                                  | <b>(24.81)</b>                            |
| <b>G. Add: Effect of Exchange Rate on Consolidation of Foreign Subsidiaries</b>                                              | <b>(0.56)</b>                             | <b>(0.61)</b>                             |
| <b>Cash and Cash Equivalents at the end of the Year (refer note 2.20)</b>                                                    | <b>2,387.65</b>                           | <b>2,312.56</b>                           |

## Notes:

- Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows" prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015, of the Companies Act, 2013.
- Purchase of Property, Plant and Equipment includes cash flows of Capital work-in-progress (including Capital Advances) and movements in Creditors for Capital Expenditure.

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for year ended 31<sup>st</sup> March 2024

(iii) Changes in Liabilities arising from Financing Activities:

₹ in crore

| Particulars              | As at<br>1 <sup>st</sup> April 2023 | Cash Flows | Debt<br>Issuance<br>Cost | Non-Cash<br>Changes<br>Fair Value<br>Adjustments<br>(including Foreign<br>Exchange Rate<br>Movements) | As at<br>31 <sup>st</sup> March 2024 |
|--------------------------|-------------------------------------|------------|--------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------|
| Non-Current Borrowings * | 83,471.17                           | 22,549.23  | (1.02)                   | 144.93                                                                                                | 1,06,164.31                          |
| Current Borrowings       | 17,876.75                           | 11,677.92  | -                        | (616.77)                                                                                              | 28,937.90                            |

\* Including current maturities of Non-Current Borrowings

₹ in crore

| Particulars              | As at<br>1 <sup>st</sup> April 2022 | Cash Flows | Debt<br>Issuance<br>Cost | Non-Cash<br>Changes<br>Fair Value<br>Adjustments<br>(including Foreign<br>Exchange Rate<br>Movements) | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------|-------------------------------------|------------|--------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------|
| Non-Current Borrowings * | 60,047.41                           | 23,406.45  | (3.46)                   | 20.77                                                                                                 | 83,471.17                            |
| Current Borrowings       | 12,955.84                           | 5,773.88   | -                        | (852.97)                                                                                              | 17,876.75                            |
| Supplier's Credit        | 183.40                              | (183.40)   | -                        | -                                                                                                     | -                                    |

\* Including current maturities of Non-Current Borrowings

(iv) Refer Note 2.2.B for cash outflows for Lease Liabilities.

Basis of Preparation and Material Accounting Policies - Refer Note 1

The accompanying Notes are an integral part of the Consolidated Financial Statements.

In terms of our report on even date attached

For and on behalf of the Board of Directors of  
**GRASIM INDUSTRIES LIMITED**  
CIN-L17124MP1947PLC000410

**For B S R & Co. LLP**

Chartered Accountants  
Firm Registration No.:  
101248W/W-100022

**For KKC & Associates LLP**

Chartered Accountants  
Firm Registration No.:  
105146W/W100621

**Harikrishna Agarwal**

Managing Director  
DIN :09288720

**V. Chandrasekaran**

Independent Director  
DIN: 03126243

**Vikas R Kasat**

Partner  
Membership No.: 105317

**Gautam Shah**

Partner  
Membership No.: 117348

**Pavan K. Jain**

Chief Financial Officer

**Sailesh Kumar Daga**

Company Secretary  
Membership No.: F 4164

Mumbai

Dated: 22<sup>nd</sup> May 2024

Mumbai

Dated: 22<sup>nd</sup> May 2024



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## CORPORATE INFORMATION

Grasim Industries Limited ("the Group" or "the Company") is a limited company incorporated and domiciled in India. The registered office is at Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India. The Company is a public limited company and its shares are listed on the BSE Limited, India, and the National Stock Exchange of India Limited, India, and the Company's Global Depository Receipts are listed on the Luxembourg Stock Exchange.

The Group along with Subsidiaries, Joint Ventures and Associates is engaged primarily in the business of Cellulosic fibres (Pulp, Fibre and Yarn), Chemicals (Caustic Soda, Specialty and allied Chemicals), Building Materials (Paints, B2B E- Commerce and Cement), Financial Services and Others (Insulators, Textiles and Solar Power).

### 1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

#### A. Basis of preparation:

These consolidated financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under Section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act"), and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. The accounting policies have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been measured as indicated below:

- i. Derivative Financial Instruments measured at fair value (covered under para 1.24);
- ii. Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments (covered under para 1.25);
- iii. Assets held for disposal - measured at the lower of its carrying amount and fair value less costs to sell;
- iv. Employee's Defined Benefit Plans as per actuarial valuation;
- v. Assets and liabilities acquired under Business Combination measured at fair value; and
- vi. Employee share based payments measured at fair value.

On account of the regulatory restrictions on transfer of surplus/funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features) arising out of the adjustments due to application of Ind AS principles can be attributed to shareholders. Therefore, the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the "Life Insurance Policyholders' Fund".

Further all income and expenses pertaining to the life insurance fund have been clubbed with respective income and expenses. Assets and Liabilities of Life Insurance fund have been clubbed with respective assets and liabilities.

#### Principles of Consolidation:

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Grasim Industries Limited ("the Company") and its Subsidiaries (herein after referred together as "the Group"), Joint Ventures and Associates. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110), "Joint Arrangements" (Ind AS 111), "Disclosure of Interest in Other Entities" (Ind AS 112), "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act, 2013.

#### (i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

#### (ii) Non-Controlling Interest (NCI):

Non-controlling interest in the net assets of the consolidated subsidiaries consists of:

- a) The amount of equity attributable to non-controlling shareholders at the date on which the investments in the subsidiary companies were made.



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- b) The non-controlling share of movements in equity since the date the Parent-Subsidiary relationship comes into existence.

The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having deficit balance.

## (iii) Loss of Control:

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

## (iv) Equity Accounted Investees:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment.

When the Group's share of losses of an equity accounted investee exceed the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional

losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

Unrealised gains resulting from the transaction between the Group and joint ventures are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the associate or on loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## (v) Transaction Eliminated on Consolidation

The financial statements of the Company, its Subsidiaries, Joint Ventures and Associates used in the consolidation procedure are drawn upto the same reporting date, i.e., 31<sup>st</sup> March 2024.

The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together of like-items of assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions and resulting unrealised profits or losses on intra-group transactions. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Group and the currency of the primary economic environment in



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which the Group operates and all values are rounded to the nearest crore, Upto 2 decimal places except otherwise indicated.

## B. Material Accounting Policies:

### 1.1 Business Combination and Goodwill:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI), and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay

contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred and the services are received.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or

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additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

## 1.2 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle as per Ind AS 1 and other criteria set out in Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Group as its normal operating cycle.

## 1.3 Property, Plant and Equipment (PPE):

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property plant and equipment recognised as at 1<sup>st</sup> April 2015 measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and accumulated impairment loss. Freehold land is stated at cost less accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an assets if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses, are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is

held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss, arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

## 1.4 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during the construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets".

## 1.5 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life, and is provided on a straight-line basis, except for Cellulosic Fibres Division (excluding Power Plants), Nagda, and Corporate Finance Division, Mumbai, for which it is provided on written down value method, over the useful lives as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group.

Freehold land has an unlimited useful life and therefore is not depreciated.

The Group has used the following useful lives of the property, plant and equipment to provide depreciation.



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## A. Major assets class where useful life considered as provided in Schedule II:

| Sr. No. | Nature of the Assets                                          | Estimated Useful Life of the Assets |
|---------|---------------------------------------------------------------|-------------------------------------|
| 1.      | Plant and Machinery - Continuous Process Plant                | 25 years                            |
| 2.      | Reactors                                                      | 3 years                             |
| 3.      | Vessel/Storage Tanks                                          | 20 years                            |
| 4.      | Factory Buildings                                             | 30 years                            |
| 5.      | Buildings (other than Factory Buildings) RCC Frame Structures | 60 years                            |
| 6.      | Electric Installations and Equipment (at Factory)             | 10 years                            |
| 7.      | Computer and other Hardwares                                  | 3 years                             |
| 8.      | General Laboratory Equipment                                  | 10 years                            |
| 9.      | Railway Sidings                                               | 15 years                            |
| 10.     | Carpeted Roads - Reinforced Cement Concrete (RCC)             | 10 years                            |
|         | Carpeted Roads- other than RCC                                | 5 years                             |
|         | Non-Carpeted Roads                                            | 3 years                             |
| 11.     | Fences, Wells and Tube Wells                                  | 5 years                             |

In case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the Management's best estimation of getting economic benefits from those classes of assets. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed, and depreciation has been provided accordingly.

## B. Assets where useful life differs from Schedule II:

| Sr. No. | Nature of the Assets                               | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 | Estimated Useful Life of the Assets |
|---------|----------------------------------------------------|---------------------------------------------------------------------|-------------------------------------|
| 1.      | Plant and Machinery:                               |                                                                     |                                     |
| 1.1     | Other than Continuous Process Plant (Single Shift) | 15 years                                                            | 15 - 20 years                       |
| 1.2     | Other than Continuous Process Plant (Double Shift) | Additional 50% depreciation over single shift (10 years)            | 20 years                            |

| Sr. No. | Nature of the Assets                                                                  | Useful Life as Prescribed by Schedule II of the Companies Act, 2013 | Estimated Useful Life of the Assets       |
|---------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------|
| 1.3     | Other than Continuous Process Plant (Triple Shift)                                    | Additional 100% depreciation over single shift (7.5 years)          | 7.5 - 15 years                            |
| 2.      | Motor Vehicles                                                                        | 6-10 years                                                          | 4 - 5 years                               |
| 3.      | Electrically Operated Vehicles                                                        | 8 years                                                             | 5 years                                   |
| 4.      | Electronic Office Equipment                                                           | 5 years                                                             | 3 - 7 years                               |
| 5.      | Furniture, Fixtures and Electrical Fittings                                           | 10 years                                                            | 2 - 12 years                              |
| 6.      | Buildings (other than Factory Buildings) other than RCC Frame Structures              | 30 years                                                            | 3 - 60 years                              |
| 7.      | Power Plants                                                                          | 40 years                                                            | 25 years                                  |
| 8.      | Servers and Networks                                                                  | 6 years                                                             | 3 - 5 years                               |
| 9.      | Spares in the nature of PPE                                                           |                                                                     | 10 - 30 years                             |
| 10.     | Temporary structures and Assets individually costing less than or equal to ₹ 10,000/- |                                                                     | Fully depreciated in the year of purchase |
| 11.     | Separately identified Component of Plant and Machinery                                |                                                                     | 2 - 30 years                              |

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process plants, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment, and depreciation is provided accordingly.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and, in case of a new Project, from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis upto the month preceding the month of deduction/disposal.

## 1.6 Intangible Assets Acquired Separately and Amortisation:

On transition to Ind AS, the Group has elected to continue with the carrying value of all its Intangible Assets recognised as at 1<sup>st</sup> April 2015 measured as per

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the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss, unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss, when the asset is derecognised.

Intangible Assets and their Useful Lives are as under:

| Sr. No. | Nature of the Assets                         | Estimated Useful Life of the Assets                |
|---------|----------------------------------------------|----------------------------------------------------|
| 1.      | Computer Software                            | 2 - 6 years                                        |
| 2.      | Trademarks, Technical Know-how               | 5 - 10 years                                       |
| 3.      | Value of Licence/Right-to-Use Infrastructure | 10 years                                           |
| 4.      | Mining Rights                                | Over the period of the respective mining agreement |

| Sr. No. | Nature of the Assets                                                                 | Estimated Useful Life of the Assets                                                                                                         |
|---------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 5.      | Mining Reserve                                                                       | On the basis of material extraction (proportion of material extracted per annum to total mining reserve)                                    |
| 6.      | Jetty Rights                                                                         | Over the period of the relevant agreement such that the cumulative amortisation is not less than the cumulative rebate availed by the Group |
| 7.      | Customer Relationship                                                                | 15 - 25 years                                                                                                                               |
| 8.      | Brands                                                                               | 10 years                                                                                                                                    |
| 9.      | Production Formula                                                                   | 10 years                                                                                                                                    |
| 10.     | Distribution Network (inclusive of Branch/Franchise/Agency Network and Relationship) | 5 - 25 years                                                                                                                                |
| 11.     | Right to Manage and Operate Manufacturing Facility                                   | 15 years                                                                                                                                    |
| 12.     | Value-in-Force                                                                       | 15 years                                                                                                                                    |
| 13.     | Group Management Rights                                                              | Indefinite                                                                                                                                  |
| 14.     | Investment Management Rights                                                         | Over the period of 10 years                                                                                                                 |
| 15.     | Order Backlog                                                                        | 3 months - 1 year                                                                                                                           |
| 16.     | Non-Compete Fees                                                                     | 3 years                                                                                                                                     |
| 17.     | Surface Rights                                                                       | Over the period of respective mining agreement                                                                                              |

## 1.7 Internally Generated Intangible Assets - Research and Development Expenditure:

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred. Development expenditure is capitalised as an asset, if the following conditions can be demonstrated:

- The technical feasibility of completing the asset so that it can be made available for use or sell.
- The Group has intention to complete the asset and use or sell it.
- In case of intention to sale, the Group has the ability to sell the asset.
- The future economic benefits are probable.





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- e) The Group has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs, which do not meet the above criteria, are expensed out during the period in which they are incurred.

PPE procured for research and development activities are capitalised.

## 1.8 Discontinued Operations and Non-Current Assets (or Disposal Groups) Classified as Held for Sale:

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the group and which represent a separate major line of business or geographical area of operations and

- Is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Statement of Profit and Loss is represented as if the operation had been discontinued from the start of the comparative period.

Non-current assets and disposal groups are classified as held for sale, if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use), when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group), and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

## 1.9 Impairment of Non-Financial Assets:

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine

whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but, so that, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in the prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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## 1.10 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Net realisable value for inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis, which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventory to the present location and condition.

Cost of finished goods and work-in-progress includes cost of raw materials, cost of conversion based on normal capacity, and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on weighted-average basis.

In the absence of cost, waste/scrap is valued at estimated net realisable value.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

Proceeds, in respect of sale of raw materials/stores, are credited to the respective heads.

## 1.11 Product Classification of Insurance Business

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, if the benefit payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit-linked products, or the benefit payable on death is higher by at least 5% of the premium at any time during the term of the contract for other than unit-linked products. Investment contracts are those contracts which are not Insurance Contracts.

## 1.12 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

## 1.13 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

## 1.14 Employee Benefits:

### Short-Term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

### Defined Contribution Plans:

Contribution payable to the recognised Provident Fund and approved Superannuation Scheme, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, when employees have rendered the service entitling them to the contribution.

The Provident Fund contribution as specified under the law is paid to the Regional Provident Fund Commissioner.

### Defined Benefit Plans:

The obligation in respect of defined benefit plans, which covers Gratuity, Pension and other post-employment medical benefits, are provided for on the basis of an actuarial valuation at the end of each financial year, using project unit credit method. Gratuity is funded with an approved Trust.

In respect of certain employees, Provident Fund contributions are made to a Trust, administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government, under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group. The Group's liability is actuarially



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determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size, maintained by the Trust set-up by the Group, is additionally provided for.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in OCI in the period in which they occur.

Remeasurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss in the Statement of Profit and Loss, except with respect to life insurance business which relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet, and the same will not be reclassified to revenue account of insurance business. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in the statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

## Other Employee Benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual

leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured using the projected unit credit method by a qualified independent actuary at the end of each annual reporting period, at the present value of the estimated future cash outflows expected to be made by the Group, in respect of services provided by employees up to the reporting date. Remeasurement gains/losses are recognised in the Statement of Profit and Loss in the period in which they arise.

## Other Long Term Benefits:

Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Consolidated Statement of Profit and Loss.

## 1.15 Employee Share Based Payments:

### Equity-Settled Transactions:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black-Scholes Model and Binomial Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to the Statement of Profit and Loss on a systematic basis over the vesting period of the option, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance

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standing to the credit of the Employee Stock Options Outstanding Account is transferred within other equity.

## **Cash-Settled Transactions:**

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Black-Scholes Merton Formula. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date upto and, including the settlement date, with changes in fair value recognised in employee benefits expense.

## **1.16 Treasury Shares:**

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the Employee Stock Options Scheme. The EBT purchase shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Share options, whenever exercised, would be settled from such treasury shares.

## **1.17 Foreign Currency Transactions:**

In preparing the financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those

assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences relating to qualifying effective cash flow hedges; and
- exchange difference arising on restatement of long-term monetary items that in substance forms part of Group's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

## **1.18 Foreign Operations:**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupee at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences are recognised in OCI and accumulated in other equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI, is re-classified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount of foreign exchange differences is re-allocated to NCI. When the Group disposes of only a part of its interest in an Associate or a Joint Venture, while retaining significant influence or joint control, the relevant proportion of the cumulative amount of foreign exchange differences is reclassified to the Statement of Profit and Loss.

## **1.19 Derivative Financial Instruments and Hedge Accounting:**

The Group enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially



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recognised at fair value at the date the derivative contracts are entered into, and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group enters into derivative financial instruments, viz., foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Group does not hold derivative financial instruments for speculative purposes.

## Hedge Accounting:

The Group designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods, for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in other equity relating to (effective portion as described above) are reclassified to

the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in other equity at that time remains in other equity, and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in the Statement of Profit and Loss.

## 1.20 Fair Value Measurement:

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



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The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 —** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.
- Level 3 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

## 1.21 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Financial Assets:

### Initial Recognition and Measurement:

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price (net of variable consideration). Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Subsequent Measurement:

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at Fair Value through Other Comprehensive Income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at Fair Value through Profit or Loss (FVTPL)
- Equity instruments measured at FVTOCI

### Debt Instruments at Amortised Cost:

A 'debt instrument' is measured at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit



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or loss. This category generally applies to trade and other receivables.

## Debt Instrument at FVTOCI:

A 'debt instrument' is classified at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Group recognises interest income, impairment losses and reversals, and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Debt Instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked-liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet.

Interest Income from these financial assets are recognized is included in Other Income in the Statement of Profit and Loss.

## Equity Investments:

Investments in Associates and Joint ventures are out of scope of Ind AS 109, and it is accounted as per Ind AS 28.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition, and is irrevocable.

Where the Group classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts of profit or loss from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked-liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet.

## Impairment of Financial Assets:

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivables;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

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With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e., that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group, if the holder of the commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

## **Credit-Impaired Financial Assets:**

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly, and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit impaired when there is observable evidence of credit-impairment, including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop, if amounts are overdue for 90 days or more.

## **Purchased or Originated Credit-Impaired (POCI) Financial Assets:**

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime



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ECL since initial recognition as a loss allowance with any changes recognised in the Statement of Profit and Loss. A favorable change for such assets creates an impairment gain.

## Definition of Default:

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD), which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example, in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty, are key inputs in this analysis. The Group uses a variety of sources of information to assess default, which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments, unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

## Significant Increase in Credit Risk:

The Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather

than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

## Modification and Derecognition of Financial Assets:

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately, but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where, although, the borrower made all reasonable efforts to pay under the original contractual terms, there is a high

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risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification, are no longer SPPI
- change in currency or change of counterparty
- the extent of change in interest rates, maturity, covenants
- If these do not clearly indicate a substantial modification, then

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month, ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount, because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial

asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues





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to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

## Write off:

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

## Presentation of Allowance for ECL in the Balance Sheet:

Loss allowances for ECL are presented in the Balance Sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Balance Sheet as the carrying amount is at fair value

where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

## Financial Liabilities and Equity Instruments:

### Classification as Debt or Equity:

Debt and equity instruments, issued by the Group, are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### Financial Liabilities:

Financial liabilities are classified, at initial recognition as fair value through profit or loss:

- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings, and payables are recognised net of directly attributable transaction costs.

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The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

## **Subsequent Measurement:**

The measurement of financial liabilities depends on their classification, as described below:

### **Financial Liabilities at FVTPL:**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group, that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### **Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### **Financial Guarantee Contracts:**

Financial guarantee contracts, issued by the Group, are those contracts that require a payment to be made to reimburse the holder for a loss it incurs, because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per the impairment requirements of Ind AS 109, and the amount recognised less cumulative amortisation.

### **Derecognition of Financial Liabilities:**

The Group derecognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

### **Embedded Derivatives:**

An embedded derivative is a component of a hybrid (combined) instrument, that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that would otherwise be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable, that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows, that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate the embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.



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## Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 1.22 Revenue Recognition:

### (a) Revenue from Contracts with Customers:

- Revenue is recognised when the Company satisfies a performance obligation on the basis of approved contracts regarding the transfer of goods or services to a customer. This is achieved when control of the product has been transferred to customer, which generally occurs at a point in time.
- The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, including but not limited to discounts, volume rebates etc. Transaction price excludes taxes and duties collected on behalf of the government.
- Variable consideration - This includes incentives, volume rebates, discounts, etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur, when the associated uncertainty with the variable consideration is subsequently resolved. It is re-assessed at the end of each reporting period.
- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component, if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer, and when the customer pays for that good or service will be one year or less.

- (b) Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax or Goods and Service Tax (GST).
- (c) If only one service is identified, the Group recognises revenue when the service is performed. If an ongoing service is identified, as a part of the agreement the period over which revenue is recognised for that service generally determined by the terms of agreement with the customer. For practical purposes, where services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period, unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.
- (d) Dividend income is accounted for when the right to receive the income is established.
- (e) For all financial instruments measured at amortised cost or at fair value through Other Comprehensive Income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (f) Insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

### For Life Insurance Business, Revenue is Recognised as follows:

#### Premium Income of Insurance Business:

Premium income on Insurance Contracts and Investment Contracts with Discretionary Participative Feature (DPF) is recognised as income when due from policyholders. For unit-linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are re-instated. In case of linked business, top-up premium paid by policyholders are considered as single premium and are unitised as prescribed by the regulations. This premium is recognised when the associated units are created.

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## **Fees and Commission Income of Insurance Business:**

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

## **Re-insurance Premium:**

Re-insurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the re-insurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

## **Income from items other than to which Ind AS 109 Financial Instruments and Ind AS 104 Insurance Contracts are applicable:**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Group allocates

the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

**Step 5:** Recognise revenue when (or as) the Group satisfies a performance obligation.

## **1.23 Leases:**

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- the contract involves the use of identified asset;
- the Company has substantially all of the economic benefits from the use of the asset through the period of lease; and
- the Company has the right to direct the use of the asset.

## **As a Lessee:**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.



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Generally, the company uses its incremental borrowing rate as the discount rate.

## Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## Short-Term Leases and Leases of Low-Value Assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or lower, and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## Leasehold Assets Depreciation:

| Leasehold Land and Buildings | Over the period of Lease |
|------------------------------|--------------------------|
|------------------------------|--------------------------|

## Sale and Leaseback

The right of use arising from leaseback is measured at the proportion of previous carrying amount of the asset that relates to right of use retained by the Company. Where sale proceeds received reflect the asset's fair value, any gain or loss arising on disposal is recognised in the Statement of Profit and Loss, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use assets recognised at commencement of the lease. Where sale proceeds received are not at the asset's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

## 1.24 Contract Liability:

Contract liability is recognised when a payment for customer is already received before a related performance obligation is satisfied. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers, and are recognised as revenue as and when control of respective commodities is transferred or service is provided to the customers under the agreements.

## 1.25 Benefits Paid (Including Claims):

### Claims and Benefits Paid:

Gross benefits and claims for life insurance contracts and for investment contracts with DPF include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims, and policyholder bonuses declared on DPF contracts as well as changes in the gross valuation of insurance and investment contract liabilities with DPF.

Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked-policies are accounted in the respective schemes when the associated units are cancelled. Repudiated claims disputed before judicial authorities are provided for



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based on the Management prudence considering the facts and evidences available, in respect of such claims.

## **Re-insurance Claims:**

Re-insurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

## **1.26 Acquisition Costs:**

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts. Acquisition costs mainly consist of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Claw-back of the first year commission paid, if any, in future is accounted in the year in which it is recovered.

## **1.27 Policy Liabilities:**

### **Insurance Contracts:**

The policy liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938, Regulations notified by the Insurance Regulatory and Development Authority of India, and Practice Standards prescribed by the Institute of Actuaries of India.

### **Investment Contracts:**

Liability in respect on Investment Contracts is recognised in accordance with IND AS 104 Insurance Contracts, taking into account accepted actuarial practices.

## **1.28 Deferred Acquisition Cost (DAC)/Deferment**

### **Origination Fees (DOF):**

The Group has identified commission, rewards and recognition paid to its agents pertaining to 1<sup>st</sup> year as acquisition costs. Such acquisition costs are amortised over the period of the policy contract.

The origination fees for Investment Contracts, being premium allocation charges pertaining to the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> year, have been deferred over the period of the policy contract.

Acquisition cost and origination fees is deferred only for Investment Contracts.

## **1.29 Re-insurance Assets:**

Re-insurance Asset, being net contractual rights receivable under re-insurance contract, has been recognised on the basis of Actuarial valuation.

## **1.30 Borrowing Costs:**

Borrowing cost includes interest expense, amortisation of discounts, hedge-related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## **1.31 Trade Receivable:**

Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less loss allowance.

Trade receivables which are sold to a bank under without-recourse factoring arrangement are de-recognized from the Balance Sheet. Under this arrangement, the Company sell those receivables for cash proceeds to the factor/bank and transfer related risks and rewards – primarily credit risk. Trade receivables which are sold under with-recourse factoring arrangements for cash proceeds, are not derecognised from the financial statements as the Company retains substantially all of the risks and rewards related to such trade receivables. The amount received on sell of trade receivables under such arrangements is recognised as a financial liability and disclosed as short-term borrowings.



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## 1.32 Government Grants and Subsidies:

Government grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss when they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates, and is being recognised in the Statement of Profit and Loss.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

## 1.33 Exceptional Item:

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

## 1.34 Provision for Current and Deferred Tax:

### Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income. Interest expenses are included in finance

cost and interest income, if any, related to income tax is included in other income.

Current income tax, relating to items recognised outside of Statement of Profit and Loss, is recognised outside profit or loss (either in Other Comprehensive Income or in other equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in other equity. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

### Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit

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or loss and does not give rise to equal taxable and deductible temporary differences.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future, and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the reporting date.

Deferred tax, relating to items recognised outside profit or loss, is recognised outside profit or loss (either in Other Comprehensive Income or in other equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in other equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently, if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

## 1.35 Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss, and is considered as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Group will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented with Deferred Tax Asset.

## 1.36 Provisions and Contingent Liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to the net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset, and is recognised.



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## Warranty Provisions:

Provisions for warranty-related costs are recognised as an expense in the Statement of Profit and Loss, when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

## 1.37 Mines Restoration Provisions:

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs, arising from restoration at closure of the mines and other site preparation work, are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The costs are reviewed periodically and are adjusted to reflect known developments, which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

## 1.38 Segment Reporting:

### Identification of Segments:

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

## Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

## 1.39 Goodwill on Consolidation:

Goodwill represents the difference between the Group's share in the net worth of Subsidiaries and Joint Ventures and the cost of acquisition at each point of time of making the investment in the Subsidiaries and Joint Ventures. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

Goodwill that arises out of consolidation is tested for impairment at each reporting date. For the purpose of impairment testing, goodwill is allocated to the respective cash generating unit ('CGU'). The impairment loss is recognised if the recoverable amount of the CGU is higher of its value in use and fair value less cost to sell. Impairment losses are immediately recognised in the Statement of Profit and Loss.

## 1.40 Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 1.41 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity, with the Ind AS requires the judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (a) Judgements:

In the process of applying the Group's accounting policies, the Management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

**Classification of Aditya Birla Sun Life AMC Limited, Aditya Birla Sun Life Trustee Company Private Limited, Aditya Birla Wellness Limited and Aditya Birla Power Composites Limited as Joint Ventures:**

1. Aditya Birla Capital Limited, a subsidiary of the Company, holds either directly or through its subsidiaries, more than half of the equity shareholding in the following entities. However, as per the shareholders' agreement, the Group needs to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence, these entities have been consolidated as per equity method of accounting:
  - a) Aditya Birla Sun Life AMC Limited
  - b) Aditya Birla Sun Life Trustee Company Private Limited
  - c) Aditya Birla Wellness Limited
2. The Company holds more than half of the equity shareholding in the Aditya Birla Power Composites Limited. However, as per the shareholders' agreement, the Company needs to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence, these entities have been consolidated as per equity method of accounting:

- a) Aditya Birla Power Composites Limited

**Classification of Madanpur (North) Coal Company Limited as Investment in an Associate:**

A Joint Venture Company (JV), "Madanpur (North) Coal Company Limited", was formed by allocatees of Madanpur North Coal Block. As per Ind AS 111, when all the parties or a group of parties considered collectively are able to direct the activities that significantly affect the returns of the arrangement (i.e., the relevant activities), the parties control the arrangement collectively. Also, joint control exists only when decisions about the relevant activities require the unanimous consent of all the parties. In terms of the JV agreement





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between the parties, each JV partner has the right to nominate one director on the Board of the Joint Venture Company, and major decisions shall be taken by a majority of 75% of the directors' present. Since there is no unanimous consent required from the parties, in the judgement of the Management the Company, does not have joint control over the JV. However, considering the Company's representation in the Board and the extent of its ability to exercise the influence over the decision over the relevant activities, the JV has been considered as an associate and accounted under the equity method.

**(b) Estimates and Assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**i. Classification of Lease Ind AS 116:**

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease-by-lease basis, and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account

the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is re-assessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**ii. Useful Lives of Property, Plant and Equipment and Intangible Assets:**

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**iii. Mines Restoration Obligation:**

In determining the fair value of the Mines Restoration Obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

**iv. Measurement of Defined Benefit Obligation:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**v. Deferred Tax Assets/Deferred Tax Liability:**

Pursuant to the announcement of the changes in the corporate tax regime, the companies have an option to either opt for the new tax regime or continue to pay taxes as per the old applicable tax structure together with the other

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benefits available to the companies including utilisation of the MAT credit available. This requires significant estimation in determining in which year the company would migrate to the new tax regime basis future year's taxable profits including the impact of ongoing expansion plans of the Company and consequential utilisation of available MAT credit. Accordingly, in accordance with IND AS 12 - Income Taxes, deferred tax assets and liabilities are required to be measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

vi. **Recognition and Measurement of Provisions and Contingencies:**

Key assumptions about the likelihood and magnitude of an outflow of resources.

The company reviews and recognises provisions on periodic basis. Provisions are recognized, when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

vii. **Fair Value Measurement of Financial Instruments:**

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

viii. **Share-Based Payments:**

The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.5.

ix. **Disposal Groups:**

The Company has used comparable market multiple approach to assess the fair value of the disposal group of assets/liabilities.

Under the market multiple approach value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies for which the Company has considered Enterprise Value/Revenue and Enterprise value/EBITDA multiples based on their market price and latest published financials.

x. **Litigation and Contingencies:**

The Company has ongoing litigations with various regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on the Management's assessment of specific circumstances of each dispute and relevant external advice, the Management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve, and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.



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**xi. Assessment of Impairment of Investments in Equity Accounted Investees:**

The Company reviews its carrying value of investments in Equity Accounted Investees annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. Determining whether the investments in equity accounted investees is impaired requires an estimate in the value in use of investments. The Management carries out impairment assessment for each investment by comparing the carrying value of each investment with the net worth of each company based on audited financials, comparable market price and comparing the performance of the investee companies with projections used for valuations, in particular those relating to the cash flows, sales growth rate, pre-tax discount rate and growth rates used and approved business plans.

**xii. Impairment of Non-Current Assets (Non-Financial):**

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated, and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash generating unit is increased to the

revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined has no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

**xiii. Impairment of Financial Assets:**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their inter-dependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a. The Company's internal credit grading model, which assigns PDs to the individual grades
- b. The Company's criteria for assessing if there has been a significant increase in credit risk, and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- c. The segmentation of financial assets when their ECL is assessed on a collective basis
- d. Development of ECL models, including the various formulas and the choice of inputs
- e. Determination of associations between macro-economic scenarios, and economic inputs, such as unemployment

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levels and collateral values, and the effect on PDs, EADs and LGDs

- f. Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust, when necessary.

## xiv. Business Combination:

For the purpose of accounting of business combination, following key judgements are made:

### (a) Fair Valuation of Intangible Assets:

The Company has used income approach (example relief from royalty, multi-period excess earnings method and incremental cash flows, etc.), for value analysis of intangible assets. The method estimates the value of future cash flows over the life of the Intangible assets accruing to the Company, by virtue of the transaction. The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted-Average Cost of Capital ('WACC') adjusted for risk of achieving the intangible assets projected savings.

### (b) Fair Valuation of Tangible Assets:

**Freehold land:** Freehold land is fair valued using the sales comparison method using prevailing rates of similar plots of land, circle rates provided by relevant regulatory authorities and other acceptable valuation techniques.

**Leasehold Land:** Leasehold land is valued basis the leasehold interest for the remaining duration of the lease.

**Other Assets:** The cost approach has been adopted for fair valuing all the assets. The cost approach includes calculation of replacement cost using price trends applied to historical cost and capitalisation of all the indirect cost, these trends are on the basis of price indices obtained from recognised sources.

### (c) Fair Valuation of Loans:

The fair value of loans given/borrowed has been estimated by considering the cash flows, future credit losses and the rate of prepayments for each loan. Projected annual cash flows were then discounted to the present value based on a market rate for similar loans.

The allowance for loan losses, associated with the acquired loans, were evaluated by the Management and recorded.

### (d) Fair Valuation of Current Assets and Liabilities:

The Current Assets and Liabilities are taken at fair value on the date of acquisition.

## 1.42 Cash Dividend to Equity Holders of the Group:

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

## 1.43 Recent Accounting Pronouncements:

### i. New and amended standards adopted by Company

On 31<sup>st</sup> March 2023, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1<sup>st</sup> April 2023. One of the major changes is in Ind AS 1 'Preparation of Financial Statements', which requires companies to disclose in their financial statements 'material accounting policies' as against the erstwhile requirement to disclose 'significant accounting policies'.

The Company has adopted the amendment from 1<sup>st</sup> April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

### ii. Amendments applicable from next Financial Year

There are no other new updates or standards issued through the date of issuance of these financial statements that have not yet been adopted by the Company.



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## 2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

Year ended 31<sup>st</sup> March 2024

| ₹ in crore                                                        |                                        |                 |                                         |                            |                                         |                                        |                 |                                         |                            |                                         |                                         |
|-------------------------------------------------------------------|----------------------------------------|-----------------|-----------------------------------------|----------------------------|-----------------------------------------|----------------------------------------|-----------------|-----------------------------------------|----------------------------|-----------------------------------------|-----------------------------------------|
| Particulars                                                       | Gross Block                            |                 |                                         |                            | Accumulated Depreciation                |                                        |                 |                                         | Net Block *B               |                                         |                                         |
|                                                                   | As at<br>1 <sup>st</sup> April<br>2023 | Additions       | Translation<br>Difference<br>Add/(Less) | Deductions/<br>Adjustments | As at<br>31 <sup>st</sup> March<br>2024 | As at<br>1 <sup>st</sup> April<br>2023 | For the<br>Year | Translation<br>Difference<br>Add/(Less) | Deductions/<br>Adjustments | As at<br>31 <sup>st</sup> March<br>2024 | As at<br>31 <sup>st</sup> March<br>2024 |
| Freehold Land                                                     | 8,358.71                               | 589.40          | 0.08                                    | (4.27)                     | 8,943.92                                | -                                      | -               | -                                       | -                          | -                                       | 8,943.92                                |
| Leasehold Land                                                    | 1,150.07                               | 23.08           | -                                       | 210.07                     | 1,383.22                                | 290.52                                 | 62.01           | -                                       | 10.06                      | 362.59                                  | 1,020.63                                |
| Leasehold Improvements                                            | 47.27                                  | 36.13           | -                                       | (4.49)                     | 78.91                                   | 9.17                                   | 19.80           | -                                       | (4.40)                     | 24.57                                   | 54.34                                   |
| Buildings                                                         | 9,156.13                               | 778.99          | 3.89                                    | (92.62)                    | 9,846.39                                | 2,131.52                               | 363.71          | 1.17                                    | (32.55)                    | 2,463.85                                | 7,382.54                                |
| Plant and Equipment                                               |                                        |                 |                                         |                            | -                                       |                                        |                 |                                         |                            | -                                       | -                                       |
| - Own                                                             | 63,670.03                              | 7,684.80        | 28.37                                   | 1.54                       | 71,384.74                               | 17,601.54                              | 3,295.12        | 10.64                                   | (86.17)                    | 20,821.13                               | 50,563.61                               |
| - Given on Lease                                                  | 199.05                                 | -               | -                                       | (166.15)                   | 32.90                                   | 85.78                                  | 1.61            | -                                       | (78.29)                    | 9.10                                    | 23.80                                   |
| Furniture and Fixtures                                            | 256.37                                 | 68.53           | 0.22                                    | (10.04)                    | 315.08                                  | 168.64                                 | 30.39           | 0.15                                    | (8.18)                     | 191.00                                  | 124.08                                  |
| Vehicles                                                          | 420.09                                 | 199.47          | 0.16                                    | (62.59)                    | 557.13                                  | 205.39                                 | 80.32           | 0.12                                    | (41.79)                    | 244.04                                  | 313.09                                  |
| Office Equipment                                                  | 757.71                                 | 189.91          | 0.07                                    | (34.81)                    | 912.88                                  | 413.14                                 | 113.98          | 0.06                                    | (33.15)                    | 494.03                                  | 418.85                                  |
| Salt Pans, Reservoir and<br>Condensers                            | 7.41                                   | 0.77            | -                                       | -                          | 8.18                                    | 7.04                                   | -               | -                                       | -                          | 7.04                                    | 1.14                                    |
| Railway Sidings                                                   | 1,032.87                               | 69.77           | -                                       | 11.09                      | 1,113.73                                | 389.44                                 | 65.84           | -                                       | (0.13)                     | 455.15                                  | 658.58                                  |
| <b>Total</b>                                                      | <b>85,055.71</b>                       | <b>9,640.85</b> | <b>32.79</b>                            | <b>(152.27)</b>            | <b>94,577.08</b>                        | <b>21,302.18</b>                       | <b>4,032.78</b> | <b>12.14</b>                            | <b>(274.60)</b>            | <b>25,072.50</b>                        | <b>69,504.58</b>                        |
| Capital Work-in-Progress<br>(including Pre-Operative<br>Expenses) |                                        |                 |                                         |                            |                                         |                                        |                 |                                         |                            |                                         | 18,229.22                               |
| <b>Total PPE</b>                                                  |                                        |                 |                                         |                            |                                         |                                        |                 |                                         |                            |                                         | <b>87,733.80</b>                        |

₹ in crore



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| Particulars                                                 | Gross Block                      |           |                                                                                 |                                   | Accumulated Depreciation |                                   |                                  |              | Net Block <sup>₹</sup>                                                          |                                   |                         |                                   |                                   |
|-------------------------------------------------------------|----------------------------------|-----------|---------------------------------------------------------------------------------|-----------------------------------|--------------------------|-----------------------------------|----------------------------------|--------------|---------------------------------------------------------------------------------|-----------------------------------|-------------------------|-----------------------------------|-----------------------------------|
|                                                             | As at 1 <sup>st</sup> April 2022 | Additions | Derecognition on Conversion from Subsidiary to Joint Venture Refer Note. 4.12.5 | Translation Difference Add/(Less) | Deductions/ Adjustments  | As at 31 <sup>st</sup> March 2023 | As at 1 <sup>st</sup> April 2022 | For the Year | Derecognition on Conversion from Subsidiary to Joint Venture Refer Note. 4.12.5 | Translation Difference Add/(Less) | Deductions/ Adjustments | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 |
| Freehold Land                                               | 8,073.32                         | 305.48    | -                                                                               | 0.40                              | (20.49)                  | 8,358.71                          | -                                | -            | -                                                                               | -                                 | -                       | -                                 | 8,358.71                          |
| Leasehold Land                                              | 1,178.64                         | 31.73     | -                                                                               | -                                 | (60.30)                  | 1,150.07                          | 238.68                           | 54.89        | -                                                                               | -                                 | (305)                   | 290.52                            | 859.55                            |
| Leasehold Improvements                                      | 43.64                            | 33.27     | (17.87)                                                                         | -                                 | (11.77)                  | 47.27                             | 15.82                            | 13.38        | (8.63)                                                                          | -                                 | (11.40)                 | 9.17                              | 38.10                             |
| Buildings                                                   | 8,436.20                         | 706.92    | -                                                                               | 19.27                             | (6.26)                   | 9,156.13                          | 1,793.95                         | 334.46       | -                                                                               | 4.74                              | (163)                   | 2,131.52                          | 7,024.61                          |
| Plant and Equipment                                         |                                  |           |                                                                                 |                                   |                          | -                                 |                                  |              |                                                                                 |                                   |                         |                                   | -                                 |
| - Own                                                       | 55,841.04                        | 7,900.19  | (25.54)                                                                         | 139.80                            | (185.46)                 | 63,670.03                         | 14,713.68                        | 2,960.69     | (17.85)                                                                         | 45.67                             | (100.65)                | 17,601.54                         | 46,068.49                         |
| - Given on Lease                                            | 199.05                           | -         | -                                                                               | -                                 | -                        | 199.05                            | 81.17                            | 4.61         | -                                                                               | -                                 | -                       | 85.78                             | 113.27                            |
| Furniture and Fixtures                                      | 230.47                           | 44.83     | (2.96)                                                                          | 0.97                              | (16.94)                  | 256.37                            | 155.54                           | 27.60        | (1.99)                                                                          | 0.76                              | (13.27)                 | 168.64                            | 87.73                             |
| Vehicles                                                    | 346.83                           | 127.48    | (4.71)                                                                          | 0.39                              | (49.90)                  | 420.09                            | 184.03                           | 57.18        | (1.45)                                                                          | 0.19                              | (34.56)                 | 205.39                            | 214.70                            |
| Office Equipment                                            | 651.03                           | 146.05    | (6.90)                                                                          | 0.10                              | (32.57)                  | 757.71                            | 351.31                           | 98.41        | (5.19)                                                                          | 0.12                              | (31.51)                 | 413.14                            | 344.57                            |
| Salt Pans, Reservoir and Condensers                         | 7.41                             | -         | -                                                                               | -                                 | -                        | 7.41                              | 7.04                             | -            | -                                                                               | -                                 | -                       | 7.04                              | 0.37                              |
| Railway Sidings                                             | 1,010.81                         | 22.73     | -                                                                               | 0.01                              | (0.68)                   | 1,032.87                          | 328.65                           | 61.25        | -                                                                               | -                                 | (0.46)                  | 389.44                            | 643.43                            |
| Total                                                       | 76,018.44                        | 9,318.68  | (57.98)                                                                         | 160.94                            | (384.37)                 | 85,055.71                         | 17,869.87                        | 3,612.48     | (35.11)                                                                         | 51.48                             | (196.53)                | 21,302.18                         | 63,753.53                         |
| Capital Work-in-Progress (including Pre-Operative Expenses) |                                  |           |                                                                                 |                                   |                          |                                   |                                  |              |                                                                                 |                                   |                         |                                   | 7,730.18                          |
| Total PPE                                                   |                                  |           |                                                                                 |                                   |                          |                                   |                                  |              |                                                                                 |                                   |                         |                                   | 71,483.71                         |

\*Net Block of PPE amounting to ₹ 9,308.63 crore (Previous Year ₹ 8,320.37 crore) is pledged as security against the secured borrowings. (Note 2.27)

©Gross Block of PPE includes Land which the Group is in the process of getting registered in its name, which is currently under dispute, but the Management expects a favourable outcome in this matter.



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|       |                                                                                                                              | ₹ in crore                           |                                      |
|-------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|       |                                                                                                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| 2.1.1 | The title of immovable assets are in the process of being transferred in the name of the Company/ Subsidiaries (Gross Block) | 2,493.17                             | 2,722.94                             |
| 2.1.2 | Property, Plant and Equipment for which ownership is not in the name of the Group.                                           | 478.76                               | 480.92                               |
| 2.1.3 | Property, Plant and Equipment includes assets held on Co-ownership with other Companies (the Group's share)                  |                                      |                                      |
|       | Buildings                                                                                                                    | 140.58                               | 72.76                                |
|       | Plant and Equipment                                                                                                          | 1.54                                 | 0.40                                 |
|       | Furniture and Fixtures                                                                                                       | 6.93                                 | 5.19                                 |
|       | Vehicles                                                                                                                     | 0.07                                 | 0.07                                 |
|       | Office Equipment                                                                                                             | 19.37                                | 8.26                                 |
|       |                                                                                                                              | <b>168.49</b>                        | <b>86.68</b>                         |
| 2.1.4 | Buildings include (Gross Block)                                                                                              |                                      |                                      |
|       | Cost of Debentures and Shares in a company entitling the right of exclusive occupancy and use of certain premises            | 48.33                                | 48.33                                |
| 2.1.5 | Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:                                              |                                      |                                      |
|       | <b>Expenditure incurred during the Year:</b>                                                                                 |                                      |                                      |
|       | Raw Materials Consumed                                                                                                       | 133.77                               | 17.21                                |
|       | Salaries, Wages and Bonus                                                                                                    | 274.94                               | 131.81                               |
|       | Contribution to Provident and Other Funds                                                                                    | 6.35                                 | 1.62                                 |
|       | Contribution to Gratuity Fund                                                                                                | 0.66                                 | 0.20                                 |
|       | Expenses on Employee Stock Options Scheme                                                                                    | 8.30                                 | 0.19                                 |
|       | Rent and Hire Charges                                                                                                        | 1.20                                 | 0.04                                 |
|       | Power and Fuel                                                                                                               | 18.55                                | 51.44                                |
|       | Insurance                                                                                                                    | 0.40                                 | 3.34                                 |
|       | Depreciation on PPE                                                                                                          | 10.62                                | 10.11                                |
|       | Depreciation on RoU                                                                                                          | 1.29                                 | 1.19                                 |
|       | Borrowing Costs                                                                                                              | 297.44                               | 51.77                                |
|       | Consumption of Stores, Spare Parts and Components, Packing Materials, etc.                                                   | 17.88                                | 0.01                                 |
|       | Repairs and Maintenance                                                                                                      | 0.10                                 | 0.23                                 |
|       | Other Expenses                                                                                                               | 250.77                               | 151.29                               |
|       |                                                                                                                              | <b>1,022.27</b>                      | <b>420.45</b>                        |
|       | Add: Pre-Operative Expenditure incurred up to Previous Year                                                                  | 376.30                               | 449.51                               |
|       | Less: Stock of Trial-Run Production                                                                                          | 155.17                               | 25.82                                |
|       | Less: Sale of Trial-Run Production                                                                                           | 7.97                                 | 14.94                                |
|       | Less: Capitalised/Charged during the Year                                                                                    | 185.40                               | 452.89                               |
|       | <b>Total Pre-Operative Expenses Pending Allocation</b>                                                                       | <b>1,050.03</b>                      | <b>376.31</b>                        |

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## 2.1.6 Capital-Work-in Progress (CWIP)

### CWIP Ageing Schedule :

As at 31<sup>st</sup> March 2024

₹ in crore

| CWIP                           | Amount in CWIP for a period of |                 |               |                   | Total            |
|--------------------------------|--------------------------------|-----------------|---------------|-------------------|------------------|
|                                | Less than 1 Year               | 1-2 Years       | 2-3 Years     | More than 3 Years |                  |
| Projects in Progress           | 15,226.95                      | 2,539.17        | 269.74        | 140.69            | 18,176.55        |
| Projects Temporarily Suspended | -                              | -               | -             | 52.67             | 52.67            |
| <b>Total</b>                   | <b>15,226.95</b>               | <b>2,539.17</b> | <b>269.74</b> | <b>193.36</b>     | <b>18,229.22</b> |

As at 31<sup>st</sup> March 2023

₹ in crore

| CWIP                           | Amount in CWIP for a period of |                 |               |                   | Total           |
|--------------------------------|--------------------------------|-----------------|---------------|-------------------|-----------------|
|                                | Less than 1 Year               | 1-2 Years       | 2-3 Years     | More than 3 Years |                 |
| Projects in Progress           | 6,050.47                       | 1,351.45        | 130.15        | 145.44            | 7,677.51        |
| Projects Temporarily Suspended | -                              | -               | -             | 52.67             | 52.67           |
| <b>Total</b>                   | <b>6,050.47</b>                | <b>1,351.45</b> | <b>130.15</b> | <b>198.11</b>     | <b>7,730.18</b> |

## 2.2 LEASES

### A. Right-of-Use Assets

Year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                         | Gross Block                      |               |                    |                 | Accumulated Depreciation          |                                  |               |                    |                | Net Block                         |                                   |
|---------------------------------------------------------------------|----------------------------------|---------------|--------------------|-----------------|-----------------------------------|----------------------------------|---------------|--------------------|----------------|-----------------------------------|-----------------------------------|
|                                                                     | As at 1 <sup>st</sup> April 2023 | Additions     | Other Adjustments* | Deductions      | As at 31 <sup>st</sup> March 2024 | As at 1 <sup>st</sup> April 2023 | For the Year  | Other Adjustments* | Deductions     | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2024 |
| Land <sup>#</sup>                                                   | 1,341.41                         | 71.75         | 0.99               | (229.26)        | 1,184.89                          | 145.33                           | 35.58         | 0.30               | (20.37)        | 160.84                            | 1,024.05                          |
| Buildings <sup>#</sup>                                              | 943.92                           | 575.99        | -                  | (115.49)        | 1,404.42                          | 408.42                           | 207.32        | -                  | (47.92)        | 567.82                            | 836.60                            |
| Plant and Machinery                                                 | 260.22                           | 111.98        | 2.73               | (12.23)         | 362.70                            | 126.40                           | 50.49         | 2.22               | (9.92)         | 169.19                            | 193.51                            |
| Software Platform                                                   | 10.81                            | 6.88          | -                  | (0.30)          | 17.39                             | 1.99                             | 4.02          | -                  | (0.30)         | 5.71                              | 11.68                             |
| Ships                                                               | 793.22                           | -             | 8.27               | -               | 801.49                            | 268.41                           | 74.62         | 5.33               | -              | 348.36                            | 453.13                            |
| <b>Total</b>                                                        | <b>3,349.58</b>                  | <b>766.60</b> | <b>11.99</b>       | <b>(357.28)</b> | <b>3,770.89</b>                   | <b>950.55</b>                    | <b>372.03</b> | <b>7.85</b>        | <b>(78.51)</b> | <b>1,251.92</b>                   | <b>2,518.97</b>                   |
| Less: Depreciation Transferred to CWIP                              |                                  |               |                    |                 |                                   |                                  | (1.29)        |                    |                |                                   |                                   |
| <b>Net Depreciation Charged to the Statement of Profit and Loss</b> |                                  |               |                    |                 |                                   |                                  | <b>370.74</b> |                    |                |                                   |                                   |



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## Year ended 31<sup>st</sup> March 2023

| Particulars                                                                     | Gross Block                            |                                                                                                   |               |                       |                |                                         | Accumulated Depreciation               |                                                                                                   |                 |                       |                | Net Block                                  |                                         |
|---------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------|---------------|-----------------------|----------------|-----------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|----------------|--------------------------------------------|-----------------------------------------|
|                                                                                 | As at<br>1 <sup>st</sup> April<br>2022 | Derecognition<br>on Conversion<br>from<br>Subsidiary to<br>Joint Venture<br>Refer Note.<br>4.12.5 | Additions     | Other<br>Adjustments* | Deductions     | As at<br>31 <sup>st</sup> March<br>2023 | As at<br>1 <sup>st</sup> April<br>2022 | Derecognition<br>on Conversion<br>from<br>Subsidiary to<br>Joint Venture<br>Refer Note.<br>4.12.5 | For the<br>Year | Other<br>Adjustments* | Deductions     | As at<br>31 <sup>st</sup><br>March<br>2023 | As at<br>31 <sup>st</sup> March<br>2023 |
| Land <sup>#</sup>                                                               | 826.40                                 | -                                                                                                 | 509.31        | 5.95                  | (0.25)         | 1,341.41                                | 95.89                                  | -                                                                                                 | 48.08           | 1.41                  | (0.05)         | 145.33                                     | 1,196.08                                |
| Buildings <sup>#</sup>                                                          | 820.31                                 | (57.05)                                                                                           | 257.57        | -                     | (76.91)        | 943.92                                  | 331.62                                 | (29.98)                                                                                           | 130.72          | -                     | (23.94)        | 408.42                                     | 535.50                                  |
| Plant and Machinery                                                             | 211.76                                 | -                                                                                                 | 34.47         | 13.99                 | -              | 260.22                                  | 78.64                                  | -                                                                                                 | 37.31           | 10.45                 | -              | 126.40                                     | 133.82                                  |
| Software Platform                                                               | -                                      | -                                                                                                 | 10.81         | -                     | -              | 10.81                                   | -                                      | -                                                                                                 | 1.99            | -                     | -              | 1.99                                       | 8.82                                    |
| Ships                                                                           | 718.53                                 | -                                                                                                 | 72.03         | 2.66                  | -              | 793.22                                  | 192.02                                 | -                                                                                                 | 75.86           | 0.53                  | -              | 268.41                                     | 524.81                                  |
| <b>Total</b>                                                                    | <b>2,577.00</b>                        | <b>(57.05)</b>                                                                                    | <b>884.19</b> | <b>22.60</b>          | <b>(77.16)</b> | <b>3,349.58</b>                         | <b>698.17</b>                          | <b>(29.98)</b>                                                                                    | <b>293.96</b>   | <b>12.39</b>          | <b>(23.99)</b> | <b>950.55</b>                              | <b>2,399.03</b>                         |
| Less: Depreciation<br>Transferred to CWIP                                       |                                        |                                                                                                   |               |                       |                |                                         |                                        |                                                                                                   | (1.19)          |                       |                |                                            |                                         |
| <b>Net Depreciation<br/>Charged to the<br/>Statement of Profit<br/>and Loss</b> |                                        |                                                                                                   |               |                       |                |                                         |                                        |                                                                                                   | <b>292.77</b>   |                       |                |                                            |                                         |

<sup>#</sup>Includes gross block of Leasehold Land of ₹ 142.57 crore (Previous Year ₹ 142.57 crore) and Leasehold Building of ₹ 4.97 crore (Previous Year ₹ 4.97 crore) having co-ownership with other companies.

\* mainly represents Foreign Currency Translation

## (B) Analysis of Lease Liabilities

(B1) The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March:

| Particulars                                                                                | ₹ in crore                           |                                      |
|--------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Opening Lease Liabilities                                                                  | 1,690.64                             | 1,557.54                             |
| Finance Cost Accrued during the Year (including revaluation of Lease Liabilities)          | 122.01                               | 153.66                               |
| Additions / (deductions) during the Year (Net)                                             | 657.45                               | 329.74                               |
| Less: Adjustment of ABHI's Lease on account of conversion from Subsidiary to Joint Venture | -                                    | (30.57)                              |
| Payment of Lease Liabilities (Including Interest)                                          | (417.26)                             | (319.73)                             |
| <b>Closing Lease Liabilities</b>                                                           | <b>2,052.84</b>                      | <b>1,690.64</b>                      |

## (B2) Maturity Analysis of Lease Liabilities

| Maturity Analysis – Contractual Undiscounted Cash Flows                  | ₹ in crore                           |                                      |
|--------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                          | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Less than one year                                                       | 458.22                               | 337.22                               |
| One to five years                                                        | 1,382.68                             | 1,052.37                             |
| More than five years                                                     | 983.26                               | 915.31                               |
| <b>Total Undiscounted Lease Liabilities</b>                              | <b>2,824.16</b>                      | <b>2,304.90</b>                      |
| <b>Lease Liabilities included in the Statement of Financial Position</b> | <b>2,052.84</b>                      | <b>1,690.64</b>                      |
| <b>Current</b>                                                           | <b>380.36</b>                        | <b>279.91</b>                        |
| <b>Non-Current</b>                                                       | <b>1,672.48</b>                      | <b>1,410.73</b>                      |

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## (B3) Amount recognised in the Statement of Profit and Loss, not included in the Measurement of Lease Liabilities:

| Particulars                                                                                      | ₹ in crore                                |                                           |
|--------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                                                  | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
| Variable Lease Payments not included in the Measurement of Lease liabilities                     | 124.87                                    | 98.67                                     |
| Expenses relating to Short-Term Leases                                                           | 301.74                                    | 219.86                                    |
| Expenses relating to Leases of Low-Value Assets, excluding Short-Term Leases of Low Value Assets | 74.27                                     | 41.73                                     |
| (Gains) or Losses arising from Modification of Lease Agreements and Others                       | 13.90                                     | 18.79                                     |

(C) Income from sub-leasing of Right-to-Use Assets is ₹ 107.38 crore (Previous Year ₹ 135.38 crore).

(D) The total cash outflow for leases for the year is ₹ 417.26 crore (Previous Year ₹ 319.73 crore).

(E) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities, as and when they fall due.

### (F) Sale and Leaseback

During the year, the Company entered in to sale and leaseback arrangements for cash proceeds. Certain equipment worth ₹ 68.92 crore (₹ 81.33 crore including taxes) are sold under the arrangement for a tenure of 5 to 7 years. Interest rate on these arrangements ranges between 6% to 8.56% p.a. Profit on sale and leaseback transactions during the year is ₹ Nil. Out of the sale proceeds, the Company has collected ₹ 5.34 crore (₹ 6.30 crore including taxes) during the year.

### (G) Group as a Lessor : Operating Lease

The Group has subleased its Leased Ships as an Intermediate lessor which is shown in Note 2.2 (A) Right of Use Assets. Also, the Group has leased Owned Railway wagons to Railways on rent, the wagons were recognised as assets in "Property, Plant and Equipment" Schedule in Note 2.1. Both the arrangements qualifies to be recognised as Operating lease arrangement.

The period for such leases ranges from 1 year to 5 years depending upon terms and conditions of each lease arrangements.

Future minimum lease payments receivable under the operating lease is as below:

| Particulars                                       | ₹ in crore                           |                                      |
|---------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Within one year                                   | 51.11                                | 45.73                                |
| Later than one year and not later than five years | 0.16                                 | 0.25                                 |
| <b>Total</b>                                      | <b>51.27</b>                         | <b>45.98</b>                         |

Total operating lease rental income recognised in the statement of profit and loss during the Year ended 31<sup>st</sup> March 2024 is ₹ 97.05 crore (31<sup>st</sup> March 2023 : ₹ 122.22 crore)





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## 2.3 INVESTMENT PROPERTY

### Year ended 31<sup>st</sup> March 2024

₹ in crore

|          | Gross Block                         |            |                                      | Accumulated Depreciation            |                 |            | Net Block                            |                                      |
|----------|-------------------------------------|------------|--------------------------------------|-------------------------------------|-----------------|------------|--------------------------------------|--------------------------------------|
|          | As at<br>1 <sup>st</sup> April 2023 | Deductions | As at<br>31 <sup>st</sup> March 2024 | As at<br>1 <sup>st</sup> April 2023 | For the<br>Year | Deductions | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2024 |
| Building | 16.87                               | -          | 16.87                                | 2.50                                | 0.43            | -          | 2.93                                 | 13.94                                |

### Year ended 31<sup>st</sup> March 2023

₹ in crore

|          | Gross Block                         |            |                                      | Accumulated Depreciation            |                 |            | Net Block                            |                                      |
|----------|-------------------------------------|------------|--------------------------------------|-------------------------------------|-----------------|------------|--------------------------------------|--------------------------------------|
|          | As at<br>1 <sup>st</sup> April 2022 | Deductions | As at<br>31 <sup>st</sup> March 2023 | As at<br>1 <sup>st</sup> April 2022 | For the<br>Year | Deductions | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2023 |
| Building | 16.87                               | -          | 16.87                                | 2.06                                | 0.44            | -          | 2.50                                 | 14.37                                |

### Information regarding Income and Expenditure of Investment Property:

₹ in crore

| Particulars                                                                                 | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Rental Income Derived from Investment Property                                              | 0.53                                 | 0.50                                 |
| Direct Operating Expenses (including Repairs and Maintenance) associated with Rental Income | (0.06)                               | (0.06)                               |
| Profit Arising from Investment Property before Depreciation and Indirect Expenses           | <b>0.47</b>                          | <b>0.44</b>                          |
| Depreciation for the Year                                                                   | (0.43)                               | (0.44)                               |
| Profit/(Loss) Arising from Investment Property before Indirect Expenses                     | <b>0.04</b>                          | -                                    |

The Group has carried out the valuation through the Registered Valuer to assess fair value of its Investment Property. As per report provided by Valuer, the fair value is ₹ 19.02 crore as on 31<sup>st</sup> March 2024 (Previous Year ₹18.07 crore).

The fair value of Investment Property has been derived using the Direct Comparison Method based on recent market prices without any significant adjustments being made in observable data. Accordingly, fair value estimates for Investment Property is classified as Level 3.

The Group has no restrictions on the realisability of its Investment Property, and has no contractual obligations to purchase, construct or develop Investment Property.

## 2.4 GOODWILL

₹ in crore

| Particulars                                                    | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Balance at the beginning of the Year                           | 20,137.55                            | 20,058.50                            |
| Goodwill Arising on account of Business Combination (Note 4.3) | -                                    | 0.01                                 |
| Effects of Foreign Currency Exchange Differences               | 16.23                                | 79.04                                |
| Balance at the end of the Year                                 | <b>20,153.78</b>                     | <b>20,137.55</b>                     |

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## 2.4.1 Impairment Testing of Goodwill

Goodwill acquired in business combinations has been allocated to the following Segments/Cash-Generating Units (CGUs):

| Segment                                             | ₹ in crore                  |                             |
|-----------------------------------------------------|-----------------------------|-----------------------------|
|                                                     | As at                       |                             |
|                                                     | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Building Materials                                  | 8,254.77                    | 8,238.54                    |
| Financial Services                                  | 11,871.63                   | 11,871.63                   |
| Others (Textile, Renewables and other Subsidiaries) | 27.38                       | 27.38                       |
|                                                     | <b>20,153.78</b>            | <b>20,137.55</b>            |

Goodwill is not amortised, instead it is tested for impairment annually or more frequently, if indicators of impairment exist. Potential impairment is identified by comparing the recoverable value of a cash-generating units to its carrying value. The Company estimates the recoverable value based on fair value less cost to sell approach following income approach and market approach. The determination of recoverable value using the income and market approaches requires the use of estimates and assumptions related to selection of multiples and control premium for the market approach and sales volumes and prices, costs to produce, capital spending and discount rate for the income approach. Under income approach, the recoverable amount is determined based on value-in-use calculation, which requires the use of certain assumptions. The calculation uses cash flow projections based on financial budgets approved by the Management covering three to five years period, depending upon segments/CGUs financial budgeting process. Cash flow beyond these financial budget periods is extrapolated using the estimated growth rates. Under market approach, recoverable amount is determined based on average of comparable companies multiple suitable for the industry to which business relates.

**During the current year, the Company has carried out the Impairment Testing of Goodwill allocated to its business segments.**

### A. Building Materials

The goodwill allocated to Building Materials Segment is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount. CGUs to which goodwill has been allocated are tested for impairment annually.

Potential impairment is identified by comparing the recoverable value of a CGU to its carrying value. The recoverable amount has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions, industry trends, estimated future operating results, growth rates and anticipated future economic conditions. As at 31<sup>st</sup> March 2024, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a weighted average cost of capital of ~12% (31<sup>st</sup> March 2023: ~12%). The cash flows beyond 5 years have been extrapolated assuming nil long-term growth rates. While determining the cashflows factors such as cement sales volume growth, price per bag, input cost expectation etc. are considered. As per the current business operation, it expects stable state on the factors and same is supported by the cement industry outlook.

Based on the impairment testing, the recoverable amount of the CGU's exceeds its carrying amount including goodwill. Therefore, no impairment loss was recognized during the year ended 31<sup>st</sup> March 2024. Sensitivity analysis with 1% change in growth rate and weighted average cost of capital also indicates that no impairment required on carrying amount of goodwill.



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## B. Financial Services

The key assumption used in the estimation of the recoverable amount of various CGUs is set out below. The values assigned to the key assumptions represent the Management's assessment of future trends in the relevant sector, and have been based on historical and external data from both external and internal sources.

| Financial Services Business                                                                  | Key Assumptions                                  | As at<br>31 <sup>st</sup> March 2024                                               | As at<br>31 <sup>st</sup> March 2023                                               |
|----------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Aditya Birla Money Limited (ABML) (i)                                                        | Discount Rate                                    | NA                                                                                 | 14.75%                                                                             |
|                                                                                              | Terminal Growth Rate                             | NA                                                                                 | 5%                                                                                 |
| Aditya Birla Housing Finance Limited (ABHFL) and<br>Aditya Birla Finance Limited (ABFL) (ii) | Market Price to Adjusted Book Value              | 1.8 - 2.9 times<br>(Based on<br>average of<br>comparable<br>companies<br>multiple) | 1.3 - 2.9 times<br>(Based on<br>average of<br>comparable<br>companies<br>multiple) |
| Aditya Birla Sun Life Insurance Limited (ABSLI)# (iii)                                       | Market Capitalisation (-) Embedded<br>Value /VNB | 9 times<br>(Based on<br>average of<br>comparable<br>companies<br>multiple)         | 9.8 times<br>(Based on<br>average of<br>comparable<br>companies<br>multiple)       |

- (i) For the current year ABML, the recoverable amount is determined based on fair value less cost to sell i.e. asset market price less cost of disposal, while for the previous year, the recoverable amount is determined based on projected cash flows are discounted to the present value using a post tax weighted-average cost of capital (Discount Rate). The discount rate commensurate to with the risk inherent in the projected cash flows and reflect the rate of return required by an investor in the current economic conditions. The Group uses specific growth assumptions for each CGU based on historical and economic condition (Terminal Growth Rate).

As a result of impairment test for the year ended 31<sup>st</sup> March 2024, no goodwill impairment was identified as the recoverable amount of the CGUs to which goodwill was allocated was higher than their carrying amount (Previous Year ₹ Nil).

- (ii) For ABHFL and ABFL, based on our result of value analysis on the basis of price to adjusted book value multiple of comparable companies, the fair value of the CGUs, to whom goodwill was allocated, is higher than the respective carrying amount.

As a result of impairment test for the year ended 31<sup>st</sup> March 2024, no goodwill impairment was identified as the fair value of the CGUs, to whom goodwill was allocated, exceeded their respective carrying amount. (Previous Year ₹ Nil).

- (iii) ABSLI, based on our result of value analysis on the basis of key assumptions as stated above, the fair value of CGU exceeds the carrying amount of assets of the CGU. As a result of impairment test for the year ended 31<sup>st</sup> March 2024, no goodwill impairment was identified as the fair value of the CGUs, to whom goodwill was allocated, exceeded their respective carrying amount.

- (iv) ABIB's recoverable amount has been determined based on consideration value of stake sale announced on 27<sup>th</sup> March 2023.

An analysis of the sensitivity of the changes in key parameters (Operating Margins, Discount Rate and Long-Term Average Growth Rate), based on reasonable probable assumptions, does not result in any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

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## 2.5 OTHER INTANGIBLE ASSETS

Year ended 31<sup>st</sup> March 2024

| Particulars                                           | Gross Block                            |               |                                         |                            | Accumulated Amortisation                |                                        |                 |                                         | Net Block                  |                                         |                                         |
|-------------------------------------------------------|----------------------------------------|---------------|-----------------------------------------|----------------------------|-----------------------------------------|----------------------------------------|-----------------|-----------------------------------------|----------------------------|-----------------------------------------|-----------------------------------------|
|                                                       | As at<br>1 <sup>st</sup> April<br>2023 | Additions     | Translation<br>Difference<br>Add/(Less) | Deductions/<br>Adjustments | As at<br>31 <sup>st</sup> March<br>2024 | As at<br>1 <sup>st</sup> April<br>2023 | For the<br>Year | Translation<br>Difference<br>Add/(Less) | Deductions/<br>Adjustments | As at<br>31 <sup>st</sup> March<br>2024 | As at<br>31 <sup>st</sup> March<br>2024 |
| INTANGIBLE ASSETS (other than internally generated)   |                                        |               |                                         |                            |                                         |                                        |                 |                                         |                            |                                         |                                         |
| Computer Software                                     | 721.65                                 | 247.73        | -                                       | (11.24)                    | 958.14                                  | 507.21                                 | 122.26          | -                                       | (2.66)                     | 626.81                                  | 331.33                                  |
| Value of Licence/Right-to-Use Infrastructure          | 97.02                                  | 8.42          | -                                       | -                          | 105.44                                  | 51.83                                  | 7.65            | -                                       | -                          | 59.48                                   | 45.96                                   |
| Power Purchase Agreements                             | 43.89                                  | -             | -                                       | -                          | 43.89                                   | 8.34                                   | 1.76            | -                                       | -                          | 10.10                                   | 33.79                                   |
| Power Line Rights                                     | 64.35                                  | -             | 3.22                                    | -                          | 67.57                                   | 31.34                                  | 2.53            | 0.48                                    | -                          | 34.35                                   | 33.22                                   |
| Rights to Manage and Operate Manufacturing Facilities | 666.50                                 | -             | -                                       | -                          | 666.50                                  | 229.01                                 | 44.49           | -                                       | -                          | 273.50                                  | 393.00                                  |
| Group Management Rights                               | 197.70                                 | -             | -                                       | -                          | 197.70                                  | -                                      | -               | -                                       | -                          | -                                       | 197.70                                  |
| Customer Relationship                                 | 369.90                                 | -             | -                                       | -                          | 369.90                                  | 93.85                                  | 16.84           | -                                       | -                          | 110.69                                  | 259.21                                  |
| Distribution Network                                  | 1,533.03                               | -             | -                                       | -                          | 1,533.03                                | 746.87                                 | 124.35          | -                                       | -                          | 871.22                                  | 661.81                                  |
| Value in Force                                        | 1,649.00                               | -             | -                                       | -                          | 1,649.00                                | 632.11                                 | 109.90          | -                                       | -                          | 742.01                                  | 906.99                                  |
| Order Back Log                                        | 16.70                                  | -             | -                                       | -                          | 16.70                                   | 16.70                                  | -               | -                                       | -                          | 16.70                                   | -                                       |
| Technical Know-how                                    | 27.24                                  | -             | -                                       | -                          | 27.24                                   | 12.24                                  | 2.44            | -                                       | -                          | 14.68                                   | 12.56                                   |
| Trade Mark and Brands                                 | 223.17                                 | -             | -                                       | -                          | 223.17                                  | 196.72                                 | 5.15            | -                                       | -                          | 201.87                                  | 21.30                                   |
| Mining Rights                                         | 280.17                                 | 48.06         | -                                       | 0.38                       | 328.61                                  | 110.03                                 | 44.88           | -                                       | (63.06)                    | 91.85                                   | 236.76                                  |
| Non-Compete Fees                                      | 21.50                                  | -             | -                                       | -                          | 21.50                                   | 21.50                                  | -               | -                                       | -                          | 21.50                                   | -                                       |
| Mining Reserve                                        | 5,635.02                               | -             | -                                       | 17.70                      | 5,652.72                                | 586.03                                 | 108.11          | -                                       | 64.91                      | 759.05                                  | 4,893.67                                |
| Jetty Rights                                          | 275.57                                 | 8.20          | -                                       | (32.88)                    | 250.89                                  | 66.12                                  | 14.84           | -                                       | (4.07)                     | 76.89                                   | 174.00                                  |
| Surface Rights                                        | 84.52                                  | 25.03         | -                                       | -                          | 109.55                                  | 5.14                                   | 2.79            | -                                       | -                          | 7.93                                    | 101.62                                  |
| <b>Total Intangible Assets</b>                        | <b>11,906.93</b>                       | <b>337.44</b> | <b>3.22</b>                             | <b>(26.04)</b>             | <b>12,221.55</b>                        | <b>3,315.04</b>                        | <b>607.99</b>   | <b>0.48</b>                             | <b>(4.88)</b>              | <b>3,918.63</b>                         | <b>8,302.92</b>                         |
| Intangible Assets Under Development                   |                                        |               |                                         |                            |                                         |                                        |                 |                                         |                            |                                         | 128.30                                  |
| <b>Total Intangible Assets</b>                        |                                        |               |                                         |                            |                                         |                                        |                 |                                         |                            |                                         | <b>8,431.22</b>                         |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## Year ended 31<sup>st</sup> March 2023

| Particulars                                           | Gross Block                      |           |                                     |                                   |                                                                                | Accumulated Amortisation |                                   |                                  |                                                | Net Block |                                                                                |                         |                                   |
|-------------------------------------------------------|----------------------------------|-----------|-------------------------------------|-----------------------------------|--------------------------------------------------------------------------------|--------------------------|-----------------------------------|----------------------------------|------------------------------------------------|-----------|--------------------------------------------------------------------------------|-------------------------|-----------------------------------|
|                                                       | As at 1 <sup>st</sup> April 2022 | Additions | On Acquisition - Refer Note 4.3 (e) | Translation Difference Add/(Less) | Derecognition on Conversion from Subsidiary to Joint Venture Refer Note. 412.5 | Deductions/ Adjustments  | As at 31 <sup>st</sup> March 2023 | As at 1 <sup>st</sup> April 2022 | Translation Difference Add/(Less) For the Year |           | Derecognition on Conversion from Subsidiary to Joint Venture Refer Note. 412.5 | Deductions/ Adjustments | As at 31 <sup>st</sup> March 2023 |
| INTANGIBLE ASSETS (other than internally generated)   |                                  |           |                                     |                                   |                                                                                |                          |                                   |                                  |                                                |           |                                                                                |                         |                                   |
| Computer Software                                     | 758.55                           | 156.85    | -                                   | -                                 | (185.59)                                                                       | (8.16)                   | 721.65                            | 457.20                           | 138.10                                         | -         | (80.56)                                                                        | 507.21                  | 214.44                            |
| Value of Licence/Right-to-Use Infrastructure          | 97.02                            | -         | -                                   | -                                 | -                                                                              | -                        | 97.02                             | 43.42                            | 8.41                                           | -         | -                                                                              | 51.83                   | 45.19                             |
| Power Purchase Agreements                             | 43.89                            | -         | -                                   | -                                 | -                                                                              | -                        | 43.89                             | 6.58                             | 1.76                                           | -         | -                                                                              | 8.34                    | 35.55                             |
| Power Line Rights                                     | 59.35                            | -         | -                                   | 5.00                              | -                                                                              | -                        | 64.35                             | 26.60                            | 2.46                                           | 2.28      | -                                                                              | 31.34                   | 33.01                             |
| Rights to Manage and Operate Manufacturing Facilities | 666.50                           | -         | -                                   | -                                 | -                                                                              | -                        | 666.50                            | 184.52                           | 44.49                                          | -         | -                                                                              | 229.01                  | 437.49                            |
| Group Management Rights                               | 197.70                           | -         | -                                   | -                                 | -                                                                              | -                        | 197.70                            | -                                | -                                              | -         | -                                                                              | -                       | 197.70                            |
| Customer Relationship                                 | 369.90                           | -         | -                                   | -                                 | -                                                                              | -                        | 369.90                            | 77.01                            | 16.84                                          | -         | -                                                                              | 93.85                   | 276.05                            |
| Distribution Network                                  | 1,533.03                         | -         | -                                   | -                                 | -                                                                              | -                        | 1,533.03                          | 613.19                           | 133.68                                         | -         | -                                                                              | 746.87                  | 786.16                            |
| Value in Force                                        | 1,649.00                         | -         | -                                   | -                                 | -                                                                              | -                        | 1,649.00                          | 522.18                           | 109.93                                         | -         | -                                                                              | 632.11                  | 1,016.89                          |
| Order Back Log                                        | 16.70                            | -         | -                                   | -                                 | -                                                                              | -                        | 16.70                             | 16.70                            | -                                              | -         | -                                                                              | 16.70                   | -                                 |
| Technical Know-how                                    | 27.24                            | -         | -                                   | -                                 | -                                                                              | -                        | 27.24                             | 9.82                             | 2.42                                           | -         | -                                                                              | 12.24                   | 15.00                             |
| Trade Mark and Brands                                 | 223.17                           | -         | -                                   | -                                 | -                                                                              | -                        | 223.17                            | 188.90                           | 7.82                                           | -         | -                                                                              | 196.72                  | 26.45                             |
| Mining Rights                                         | 266.37                           | 13.80     | -                                   | -                                 | -                                                                              | -                        | 280.17                            | 91.12                            | 18.91                                          | -         | -                                                                              | 110.03                  | 170.14                            |
| Non-Compete Fees                                      | 21.50                            | -         | -                                   | -                                 | -                                                                              | -                        | 21.50                             | 21.50                            | -                                              | -         | -                                                                              | 21.50                   | -                                 |
| Mining Reserves                                       | 5,486.86                         | -         | 148.16                              | -                                 | -                                                                              | -                        | 5,635.02                          | 458.82                           | 127.21                                         | -         | -                                                                              | 586.03                  | 5,048.99                          |
| Jetty Rights                                          | 246.80                           | 53.43     | -                                   | -                                 | -                                                                              | (24.66)                  | 275.57                            | 50.60                            | 16.27                                          | -         | (0.75)                                                                         | 66.12                   | 209.45                            |
| Surface Rights                                        | -                                | 84.52     | -                                   | -                                 | -                                                                              | -                        | 84.52                             | -                                | 5.14                                           | -         | -                                                                              | 5.14                    | 79.38                             |
| Total Intangible Assets                               | 11,663.58                        | 308.60    | 148.16                              | 5.00                              | (185.59)                                                                       | (32.82)                  | 11,906.93                         | 2,768.16                         | 633.44                                         | 2.28      | (80.56)                                                                        | 3,315.04                | 8,591.89                          |
| Intangible Assets Under Development                   |                                  |           |                                     |                                   |                                                                                |                          |                                   |                                  |                                                |           |                                                                                |                         |                                   |
| Total Intangible Assets                               | 47.50                            |           |                                     |                                   |                                                                                |                          |                                   |                                  |                                                |           |                                                                                |                         |                                   |
| 8,639.39                                              |                                  |           |                                     |                                   |                                                                                |                          |                                   |                                  |                                                |           |                                                                                |                         |                                   |

### 2.5.1 Based on written down value, the balance amortisation period of Material Intangible Assets:

| Intangible Assets    | As at 31 <sup>st</sup> March 2024                  | As at 31 <sup>st</sup> March 2023                  |
|----------------------|----------------------------------------------------|----------------------------------------------------|
| Distribution Network | 0.25 - 18.25 Years                                 | 0.25 - 19.25 Years                                 |
| Mining Reserve       | Over the period of the respective mining agreement | Over the period of the respective mining agreement |
| Value in Force       | 8.25 Years                                         | 9.25 Years                                         |



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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.5.2 Intangible Assets Under Development

### Intangible Assets Under Development Ageing Schedule :

As at 31<sup>st</sup> March 2024

₹ in crore

| Intangible Assets Under Development | Amount in Intangible Assets Under Development for a period of |             |             |                   | Total         |
|-------------------------------------|---------------------------------------------------------------|-------------|-------------|-------------------|---------------|
|                                     | Less than 1 Year                                              | 1-2 Years   | 2-3 Years   | More than 3 Years |               |
| Projects in Progress                | 123.40                                                        | 4.39        | 0.46        | 0.05              | 128.30        |
| Projects Temporarily Suspended      | -                                                             | -           | -           | -                 | -             |
| <b>Total</b>                        | <b>123.40</b>                                                 | <b>4.39</b> | <b>0.46</b> | <b>0.05</b>       | <b>128.30</b> |

As at 31<sup>st</sup> March 2023

₹ in crore

| Intangible Assets Under Development | Amount in Intangible Assets Under Development for a period of |             |             |                   | Total        |
|-------------------------------------|---------------------------------------------------------------|-------------|-------------|-------------------|--------------|
|                                     | Less than 1 Year                                              | 1-2 Years   | 2-3 Years   | More than 3 Years |              |
| Projects in Progress                | 42.92                                                         | 4.49        | 0.09        | -                 | 47.50        |
| Projects Temporarily Suspended      | -                                                             | -           | -           | -                 | -            |
| <b>Total</b>                        | <b>42.92</b>                                                  | <b>4.49</b> | <b>0.09</b> | <b>-</b>          | <b>47.50</b> |

## 2.6 NON-CURRENT ASSETS - INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

### Investments in Equity Accounted Investees

₹ in crore

|                                                               | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Joint Ventures (Note 4.14)</b>                             |                                      |                                      |
| Share in Net Assets                                           | 4,102.55                             | 4,040.67                             |
| Goodwill                                                      | 5.15                                 | 5.15                                 |
| Equity Investments in Joint Ventures - At Cost                | <b>4,107.70</b>                      | <b>4,045.82</b>                      |
| Impairment in Value of Investments                            | (4.15)                               | (1.65)                               |
| Share in Profit/Reserves of Joint Ventures (Post-Acquisition) | (11.05)                              | 339.15                               |
|                                                               | 4,092.50                             | <b>4,383.32</b>                      |
| <b>Associates (Note 4.14)</b>                                 |                                      |                                      |
| Share in Net Assets                                           | 3,270.27                             | 3,672.85                             |
| Goodwill (refer note 2.39 A)                                  | 1,707.51                             | 1,891.74                             |
| Equity Investments in Associates - At Cost                    | <b>4,977.78</b>                      | <b>5,564.59</b>                      |
| Impairment in Value of Investments                            | (0.22)                               | (0.22)                               |
| Share in Profit/Reserves of Joint Ventures (Post-Acquisition) | 1,412.75                             | 1,069.15                             |
|                                                               | 6,390.31                             | 6,633.52                             |
|                                                               | <b>10,482.81</b>                     | <b>11,016.84</b>                     |

**2.6.1** The investments in the Company's Joint Ventures, namely, AV Group NB Inc., AV Terrace Bay Inc., Birla Jingwei Fibres Company Limited and Aditya Group AB are subject to maintenance of specified holding by the Company, until the credit facility provided by certain lenders to the respective companies is outstanding. Without guaranteeing the repayments to the lenders, the Company has also agreed that the affairs of the Joint Ventures will be managed through its nominee directors on the Boards of respective borrowing companies, in a manner that they are able to meet their respective financial obligations.



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.7 INVESTMENTS OF INSURANCE BUSINESS - NON-CURRENT

|                                                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Investments in various Mutual Funds</b>                        |                                      |                                      |
| Carried at Fair Value through Profit or Loss (FVTPL) <sup>#</sup> | 27.73                                | -                                    |
|                                                                   | <b>27.73</b>                         | -                                    |
| <b>Investments in Equity Instruments</b>                          |                                      |                                      |
| Carried at FVTPL <sup>#</sup>                                     | 3,653.04                             | 2,624.66                             |
| Carried at FVTPL                                                  | 296.41                               | 202.78                               |
| Carried at FVTOCI <sup>#</sup>                                    | 29.89                                | 75.31                                |
| Carried at FVTOCI                                                 | 0.88                                 | 0.85                                 |
|                                                                   | <b>3,980.22</b>                      | <b>2,903.60</b>                      |
| <b>Investments in Government or Trust Securities</b>              |                                      |                                      |
| Carried at Amortised Cost <sup>#</sup>                            | 24,307.45                            | 17,855.29                            |
| Carried at FVTPL <sup>#</sup>                                     | 7.80                                 | -                                    |
| Carried at FVTOCI <sup>#</sup>                                    | 6,292.14                             | 5,738.00                             |
|                                                                   | <b>30,607.39</b>                     | <b>23,593.29</b>                     |
| <b>Investments in Debentures</b>                                  |                                      |                                      |
| Carried at Amortised Cost <sup>#</sup>                            | 7,637.73                             | 6,918.45                             |
| Carried at FVTOCI <sup>#</sup>                                    | 7,018.97                             | 6,055.48                             |
| Carried at FVTPL <sup>#</sup>                                     | 44.22                                | 52.61                                |
|                                                                   | <b>14,700.92</b>                     | <b>13,026.54</b>                     |
| <b>Other Non-Current Investments</b>                              |                                      |                                      |
| Carried at FVTOCI                                                 | 53.39                                | -                                    |
|                                                                   | <b>53.39</b>                         | -                                    |
|                                                                   | <b>49,369.65</b>                     | <b>39,523.43</b>                     |

<sup>#</sup> Quoted Investments

### 2.7.1 Aggregate Book Value of:

|                                                     | ₹ in crore       |                  |
|-----------------------------------------------------|------------------|------------------|
| Quoted Investments                                  | 49,018.97        | 39,319.80        |
| Unquoted Investments                                | 350.68           | 203.63           |
|                                                     | <b>49,369.65</b> | <b>39,523.43</b> |
| <b>Aggregate Market Value of Quoted Investments</b> | <b>49,765.18</b> | <b>39,263.24</b> |

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.8 OTHER INVESTMENTS - NON-CURRENT (Fully Paid-up)

₹ in crore

|                                                                                                             | Face Value  | Units          | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------|-------------|----------------|--------------------------------------|--------------------------------------|
| <b>Investments in Equity Instruments</b>                                                                    |             |                |                                      |                                      |
| <b>Carried at FVTOCI (Note 4.9 (A))</b>                                                                     |             |                |                                      |                                      |
| Thai Rayon Public Company Limited, Thailand <sup>#</sup>                                                    | Thai Baht 1 | 1,39,88,570    | 131.05                               | 156.28                               |
| P.T. Indo Bharat Rayon Co. Limited, Indonesia                                                               | USD 100     | 5,000          | 1,407.54                             | 676.46                               |
| Vodafone Idea Limited <sup>#</sup>                                                                          | ₹ 10        | 3,31,75,66,167 | 4,395.78                             | 1,924.19                             |
| Hindalco Industries Limited <sup>#</sup>                                                                    | ₹ 1         | 8,80,48,812    | 4,932.93                             | 3,569.06                             |
| Indo Phil Textile Mills Inc., Philippines                                                                   | Peso 10     | 4,22,496       | 2.10                                 | 2.40                                 |
| Birla International Limited - British Virgin Islands                                                        | USD 100     | 2,500          | 5.90                                 | 5.46                                 |
| Aditya Birla Fashion and Retail Limited <sup>#</sup>                                                        | ₹ 10        | 9,76,71,271    | 2,007.63                             | 2,093.59                             |
| Birla Management Centre Services Private Limited                                                            | ₹ 10        | 9,000          | 17.86                                | 13.90                                |
|                                                                                                             |             |                | 12,900.79                            | <b>8,441.34</b>                      |
| <b>Carried at FVTPL (Note 4.9 (A))</b>                                                                      |             |                |                                      |                                      |
| MOIL Limited <sup>#</sup>                                                                                   | ₹ 10        | 24,490         | 0.68                                 | 0.35                                 |
| Amplus Sunshine Private Limited                                                                             | ₹ 10        | 38,67,848      | 4.80                                 | 4.80                                 |
| Amplus Coastal Power Private Limited                                                                        | ₹ 10        | 17,12,279      | 1.76                                 | 1.76                                 |
| Amplus Dakshin Private Limited (PY 1,21,85,777 Shares)                                                      | ₹ 10        | 2,64,87,381    | 26.49                                | 12.19                                |
| Lalganj Power Private Limited (PY 1,48,32,882 Shares)                                                       | ₹ 10        | 1,33,89,522    | 17.70                                | 19.61                                |
| Raj Mahal Coal Mining Limited                                                                               | ₹ 10        | 10,00,000      | 1.00                                 | 1.00                                 |
| Green Infra Wind Power Generation Limited                                                                   | ₹ 10        | 1,92,000       | 0.19                                 | 0.19                                 |
| NU Power Wind Farm Limited <sup>@</sup> (Equity Shares of ₹ 10 each aggregating to CY ₹ 1,000 (PY ₹ 1,000)) | ₹ 10        | 100            | @                                    | @                                    |
| Watsun Infrabuild Private Limited                                                                           | ₹ 10        | 6,42,600       | 0.64                                 | 0.64                                 |
| VSN Onsite Private Limited (PY 78,52,649 Shares)                                                            | ₹ 10        | 87,16,450      | 11.32                                | 10.15                                |
| Solbridge Energy Private Limited                                                                            | ₹ 10        | 17,38,490      | 2.21                                 | 2.21                                 |
| Sunroot Energy Private Limited                                                                              | ₹ 10        | 86,06,393      | 8.61                                 | 8.61                                 |
| VSV Offsite Private Limited                                                                                 | ₹ 10        | 3,88,890       | 0.53                                 | 0.53                                 |
| Amplus Alpha Solar Private Limited (PY 29,73,864 Shares)                                                    | ₹ 10        | 70,98,864      | 7.10                                 | 2.97                                 |
| Clean Max Theia Private Limited                                                                             | ₹ 10        | 2,28,91,488    | 41.20                                | 41.20                                |
| Ostro Alpha Wind Private Limited                                                                            | ₹ 10        | 69,66,635      | 8.36                                 | 8.36                                 |
| Amplus Ages Private Limited                                                                                 | ₹ 10        | 4,82,72,246    | 48.27                                | -                                    |
| Amplus Helios Private Limited                                                                               | ₹ 10        | 43,21,728      | 4.32                                 | -                                    |
| Clean Max Terra Private Limited                                                                             | ₹ 10        | 1,51,00,000    | 27.18                                | -                                    |
| Dalavaipuram Renewables Private Limited                                                                     | ₹ 10        | 57,15,631      | 5.72                                 | -                                    |
| Veh Radiant Energy Private Limited                                                                          | ₹ 10        | 88,10,000      | 17.62                                | -                                    |
| Renew Surya Spark Private Limited                                                                           | ₹ 10        | 71,60,946      | 7.16                                 | 7.16                                 |
|                                                                                                             |             |                | 242.86                               | <b>121.73</b>                        |



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₹ in crore

|                                                                                                                                                       | Face Value | Units     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|--------------------------------------|--------------------------------------|
| <b>Investments in Preference Shares</b>                                                                                                               |            |           |                                      |                                      |
| <b>Carried at FVTPL (Note 4.9 (A))</b>                                                                                                                |            |           |                                      |                                      |
| <b>Joint Ventures</b>                                                                                                                                 |            |           |                                      |                                      |
| 6% Non-Cumulative Redeemable Retractable, Non-Voting Preferred Shares of AV Group NB Inc., Canada, of aggregate value of Canadian Dollar 6.75 million | WPV        | 67,50,000 | 39.01                                | 36.45                                |
| 1% Redeemable Preference Shares of Aditya Group AB, Sweden, of aggregate value of USD 8 million                                                       | WPV        | 1,60,000  | 48.66                                | 49.11                                |
| <b>Others</b>                                                                                                                                         |            |           |                                      |                                      |
| 7% Non-Cumulative Non-Convertible Redeemable Preference Shares of Aditya Birla Health Services Limited                                                | ₹ 100      | 60,00,000 | 58.03                                | 57.91                                |
| 8% Cumulative and Redeemable Preference Shares of Aditya Birla Fashion and Retail Limited (PY 5,00,000)                                               | ₹ 10       | -         | -                                    | 1.02                                 |
| 8.10% Preference Share of Kotak Mahindra Bank (PY 7,00,00,000)                                                                                        | ₹ 5        | -         | -                                    | 35.00                                |
|                                                                                                                                                       |            |           | 145.70                               | 179.49                               |
| <b>Investments in Debentures or Bonds and Other Investments (Note 4.9 (A)) #</b>                                                                      |            |           |                                      |                                      |
| <b>Carried at FVTPL</b>                                                                                                                               |            |           |                                      |                                      |
| Tax-Free Bonds                                                                                                                                        |            |           | -                                    | 162.07                               |
| Taxable Corporate Bonds                                                                                                                               |            |           | 1,487.48                             | 280.89                               |
|                                                                                                                                                       |            |           | 1,487.48                             | 442.96                               |
| <b>Investments in Bonds/Debentures</b>                                                                                                                |            |           |                                      |                                      |
| Carried at Amortised Cost <sup>#</sup> (PY 10,00,000)                                                                                                 | ₹ 257      | -         | -                                    | 106.97                               |
| Carried at Fair Value through Profit or Loss (FVTPL) <sup>#</sup>                                                                                     | ₹ 1,000    | 4,00,000  | 40.23                                | -                                    |
| Carried at Amortised Cost (PY 1,00,00,000)                                                                                                            | ₹ 75       | -         | -                                    | 29.23                                |
| Carried at Fair Value through Profit or Loss (FVTPL) ₹ 10,00,000                                                                                      |            | 20        | 2.03                                 | -                                    |
|                                                                                                                                                       |            |           | 42.26                                | 136.20                               |
| <b>Other Investments</b>                                                                                                                              |            |           |                                      |                                      |
| <b>Carried at Amortised Cost</b>                                                                                                                      |            |           |                                      |                                      |
| Investments in Security Receipts                                                                                                                      |            |           | -                                    | 13.18                                |
| Certificate of Deposits                                                                                                                               |            |           | 125.00                               | 125.00                               |
| <b>Carried at FVTPL</b>                                                                                                                               |            |           |                                      |                                      |
| Investments in Security Receipts                                                                                                                      |            |           | 152.80                               | 124.93                               |
| Investments in Alternate Funds                                                                                                                        |            |           | -                                    | 9.98                                 |
| Investments in Limited Liability Partnership                                                                                                          |            |           | 26.60                                | 26.60                                |
|                                                                                                                                                       |            |           | 179.40                               | 161.51                               |
| <b>Carried at FVTPL (Note 4.9 (A))</b>                                                                                                                |            |           |                                      |                                      |
| Investments in Mutual Funds                                                                                                                           |            |           | 47.76                                | 6.49                                 |
|                                                                                                                                                       |            |           | 15,171.25                            | 9,502.90                             |

WPV - Without Par Value

<sup>#</sup>Quoted Investments

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.8.1 Aggregate Book Value of:

₹ in crore

|                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Quoted Investments                           | 12,995.78                            | 8,293.40                             |
| Unquoted Investments                         | 2,175.47                             | 1,209.50                             |
|                                              | <b>15,171.25</b>                     | <b>9,502.90</b>                      |
| Aggregate Market Value of Quoted Investments | 12,995.78                            | 8,293.40                             |

## 2.8.2 Category-wise Other Non-Current Investments:

₹ in crore

|                                                  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Quoted</b>                                    |                                      |                                      |
| Financial Investments Measured at FVTOCI         |                                      |                                      |
| Equity Shares                                    | 11,467.39                            | 7,743.12                             |
| <b>Sub-Total (a)</b>                             | <b>11,467.39</b>                     | <b>7,743.12</b>                      |
| Financial Investments Measured at FVTPL          |                                      |                                      |
| Debentures or Bonds                              | 1,527.71                             | 442.96                               |
| Equity Shares                                    | 0.68                                 | 0.35                                 |
| <b>Sub-Total (b)</b>                             | <b>1,528.39</b>                      | <b>443.31</b>                        |
| Financial Investments Measured at Amortised Cost |                                      |                                      |
| Debentures or Bonds                              | -                                    | 106.97                               |
| <b>Sub-Total (c)</b>                             | <b>-</b>                             | <b>106.97</b>                        |
| <b>Total (d) [a + b + c]</b>                     | <b>12,995.78</b>                     | <b>8,293.40</b>                      |
| <b>Unquoted</b>                                  |                                      |                                      |
| Financial Investments Measured at FVTOCI         |                                      |                                      |
| Equity Shares                                    | 1,433.40                             | 698.22                               |
| <b>Sub-Total (e)</b>                             | <b>1,433.40</b>                      | <b>698.22</b>                        |
| Financial Investments Measured at FVTPL          |                                      |                                      |
| Equity Shares                                    | 242.18                               | 121.38                               |
| Mutual Funds                                     | 47.76                                | 6.49                                 |
| Preference Shares                                | 145.70                               | 179.49                               |
| Debentures or Bonds                              | 2.03                                 | -                                    |
| Private Equity Investment Funds                  | 179.40                               | 161.51                               |
| <b>Sub-Total (f)</b>                             | <b>617.07</b>                        | <b>468.87</b>                        |
| Financial Investments Measured at Amortised Cost |                                      |                                      |
| Private Equity Investment Funds                  | -                                    | 13.18                                |
| Certificate of Deposits/NCD                      | 125.00                               | -                                    |
| Government or Trust Securities                   | -                                    | 29.23                                |
| <b>Sub-Total (g)</b>                             | <b>125.00</b>                        | <b>42.41</b>                         |
| <b>Total (h) [e + f + g]</b>                     | <b>2,175.47</b>                      | <b>1,209.50</b>                      |
| <b>Total (d + h)</b>                             | <b>15,171.25</b>                     | <b>9,502.90</b>                      |





# NOTES

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## 2.9 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS - NON-CURRENT

₹ in crore

|                                                           | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Carried at Fair Value through Profit or Loss</b>       |                                      |                                      |
| <b>Quoted Investments</b>                                 |                                      |                                      |
| Mutual Funds                                              | 492.66                               | 337.82                               |
| Equity Instruments                                        | 17,602.35                            | 13,795.91                            |
| Government or Trust Securities                            | 8,657.91                             | 6,311.66                             |
| Debentures                                                | 5,425.06                             | 6,372.52                             |
| <b>Unquoted Investments</b>                               |                                      |                                      |
| Other Non-Current Investments                             | -                                    | 25.04                                |
|                                                           | <b>32,177.98</b>                     | <b>26,842.95</b>                     |
|                                                           | -                                    | -                                    |
| <b>2.9.1</b> Aggregate Book Value of Quoted Investments   | 32,177.98                            | 26,817.91                            |
| <b>2.9.2</b> Aggregate Market Value of Quoted Investments | 32,177.98                            | 26,817.91                            |
| <b>2.9.3</b> Aggregate Value of Unquoted Investments      | -                                    | 25.04                                |

## 2.10 TRADE RECEIVABLES - NON-CURRENT

₹ in crore

|                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------|--------------------------------------|--------------------------------------|
| Considered Good * | 1.80                                 | 6.82                                 |
|                   | <b>1.80</b>                          | <b>6.82</b>                          |

\*Trade Receivables ageing schedule - All amount are Not Due

## 2.11 LOANS - NON-CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

|                                                                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Secured, Considered Good                                              | 76,294.85                            | 54,836.40                            |
| Unsecured, Considered Good                                            | 14,116.81                            | 14,384.69                            |
| Secured, Receivables which have significant increase in Credit Risk   | 1,855.30                             | 2,353.72                             |
| Unsecured, Receivables which have significant increase in Credit Risk | 793.76                               | 599.30                               |
| Less: Expected Credit Loss Allowance                                  | (1,844.74)                           | (1,729.07)                           |
| Loans to Related Parties (Note 4.7.2)                                 | -                                    | 12.83                                |
| Loans Against Insurance Policies                                      | 514.09                               | 396.47                               |
| Loans to Employees                                                    | 19.33                                | 16.78                                |
|                                                                       | <b>91,749.40</b>                     | <b>70,871.12</b>                     |

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.12 OTHER FINANCIAL ASSETS - NON-CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

|                                                                  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Security Deposits                                                | 670.87                               | 530.88                               |
| Less: Provision on Deposits                                      | (3.32)                               | (0.44)                               |
| Deposits to Related Party (Note 4.7.2)                           | 7.37                                 | 70.78                                |
| Derivative Assets - Carried at Fair Value                        | 435.94                               | 446.97                               |
| Government Grant Receivables                                     | 771.83                               | 527.83                               |
| Less: Provision towards Government Incentive                     | (9.62)                               | (6.70)                               |
| Fixed Deposits with Banks with maturity more than 12 months*     | 380.32                               | 481.39                               |
| Receivables towards Divested Business <sup>\$</sup>              | 42.13                                | 44.24                                |
| Less: Provision towards Divested Businesses                      | (7.00)                               | (9.11)                               |
| Advance against Equity (Note 4.7.2)                              | 61.36                                | -                                    |
| Less: Provision against Advance against Equity (Note 3.11 (iii)) | (61.36)                              | -                                    |
| Re-insurance Assets                                              | 1,011.96                             | 921.90                               |
| Advances to Body Corporates                                      | 0.04                                 | 740.53                               |
| Other Receivables                                                | 13.07                                | 11.43                                |
|                                                                  | <b>3,313.59</b>                      | <b>3,759.70</b>                      |

\*Includes:

|                                                                                               |        |        |
|-----------------------------------------------------------------------------------------------|--------|--------|
| Money Margin with Exchange                                                                    | 132.24 | 247.98 |
| Towards Issue of Bank Guarantee                                                               | 162.21 | 128.66 |
| Lodged as Security with Government Departments                                                | 0.34   | 0.67   |
| Lien Marked in favour of Insurance Regulatory Development Authority of India (IRDA) and Banks | 7.57   | 10.05  |

<sup>\$</sup>The Company has to receive from purchaser ₹ 35.13 crore (Previous Year ₹ 35.13 crore) towards Tax Refund.

## 2.13 (A) DEFERRED TAX ASSETS (NET)

₹ in crore

| Current Year                                                                                                | As at<br>1 <sup>st</sup> April 2023 | Recognised in<br>Profit or Loss | OCI         | As at<br>31 <sup>st</sup> March 2024 |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|-------------|--------------------------------------|
| <b>Deferred Tax Assets:</b>                                                                                 |                                     |                                 |             |                                      |
| Provision Allowed Under Tax on Payment Basis                                                                | 8.71                                | 22.38                           | 4.77        | 35.86                                |
| Unabsorbed Losses                                                                                           | 209.83                              | (28.99)                         | -           | 180.84                               |
| Unrealised Profits Arising on Intragroup Stock Transfers                                                    | (2.25)                              | 5.41                            | -           | 3.16                                 |
| Expected Credit Loss Allowance                                                                              | 453.76                              | 22.77                           | -           | 476.53                               |
| Others                                                                                                      | 31.38                               | 6.27                            | 0.74        | 38.39                                |
|                                                                                                             | <b>701.43</b>                       | <b>27.84</b>                    | <b>5.51</b> | <b>734.78</b>                        |
| <b>Deferred Tax Liabilities:</b>                                                                            |                                     |                                 |             |                                      |
| Impact of difference between Tax Depreciation and Depreciation/Amortisation charged for financial reporting | 309.48                              | (25.89)                         | -           | 283.59                               |
| Others (Fair Value of Borrowings and Contingent Liabilities)                                                | 9.69                                | 18.70                           | 0.21        | 28.60                                |
|                                                                                                             | <b>319.17</b>                       | <b>(7.19)</b>                   | <b>0.21</b> | <b>312.19</b>                        |
| <b>Deferred Tax Assets (Net)</b>                                                                            | <b>382.26</b>                       | <b>35.03</b>                    | <b>5.30</b> | <b>422.59</b>                        |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Previous Year                                                                                               | As at<br>1 <sup>st</sup> April 2022 | Recognised in  |               | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------|---------------|--------------------------------------|
|                                                                                                             |                                     | Profit or Loss | OCI           |                                      |
| <b>Deferred Tax Assets:</b>                                                                                 |                                     |                |               |                                      |
| Provision Allowed Under Tax on Payment Basis                                                                | 29.67                               | (18.20)        | (2.76)        | 8.71                                 |
| Unabsorbed Losses                                                                                           | 142.22                              | 69.26          | (1.65)        | 209.83                               |
| Unrealised Profits Arising on Intragroup Stock Transfers                                                    | 15.09                               | (17.34)        | -             | (2.25)                               |
| Expected Credit Loss Allowance                                                                              | 283.80                              | 169.96         | -             | 453.76                               |
| Others                                                                                                      | 30.90                               | 2.09           | (1.61)        | 31.38                                |
|                                                                                                             | <b>501.68</b>                       | <b>205.77</b>  | <b>(6.02)</b> | <b>701.43</b>                        |
| <b>Deferred Tax Liabilities:</b>                                                                            |                                     |                |               |                                      |
| Impact of difference between Tax Depreciation and Depreciation/Amortisation charged for financial reporting | 244.98                              | 64.50          | -             | 309.48                               |
| Others (Fair Value of Borrowings and Contingent Liabilities)                                                | 10.66                               | (1.84)         | 0.87          | 9.69                                 |
|                                                                                                             | <b>255.64</b>                       | <b>62.66</b>   | <b>0.87</b>   | <b>319.17</b>                        |
| <b>Deferred Tax Assets (Net)</b>                                                                            | <b>246.04</b>                       | <b>143.11</b>  | <b>(6.89)</b> | <b>382.26</b>                        |

## 2.13 (B) DEFERRED TAX LIABILITIES (NET)

₹ in crore

| Current Year                                                 | As at<br>1 <sup>st</sup> April 2023 | Recognised in  |               | As at<br>31 <sup>st</sup> March 2024 |
|--------------------------------------------------------------|-------------------------------------|----------------|---------------|--------------------------------------|
|                                                              |                                     | Profit or Loss | OCI           |                                      |
| <b>Deferred Tax Liabilities:</b>                             |                                     |                |               |                                      |
| Accumulated Depreciation and Amortisation                    | 8,430.76                            | 475.42         | -             | 8,906.18                             |
| Fair Valuation of Investments                                | 60.08                               | 0.93           | 580.81        | 641.82                               |
| Fair Valuation of Assets Acquired on Merger                  | 402.67                              | (40.61)        | 6.11          | 368.17                               |
| Income Taxable on Receipt Basis                              | -                                   | 36.65          | -             | 36.65                                |
| Others (including Ind AS 116 transition impact)              | 379.54                              | 64.19          | -             | 443.73                               |
|                                                              | <b>9,273.05</b>                     | <b>536.58</b>  | <b>586.92</b> | <b>10,396.55</b>                     |
| <b>Deferred Tax Assets:</b>                                  |                                     |                |               |                                      |
| Expenses Allowable in Instalments in Income Tax              | 3.56                                | 1.27           | -             | 4.83                                 |
| Provisions Allowed Under Tax on Payment Basis                | 343.32                              | 5.44           | -             | 348.76                               |
| Unabsorbed Losses                                            | 192.81                              | 124.61         | -             | 317.42                               |
| Income Tax Interest Offered for Tax, to be claimed in future | 21.11                               | 0.22           | -             | 21.33                                |
| MAT Credit Entitlement                                       | 0.06                                | (0.06)         | -             | -                                    |
| Others (including Ind AS 116 transition impact)              | 268.82                              | 9.77           | 8.95          | 287.54                               |
|                                                              | <b>829.67</b>                       | <b>141.25</b>  | <b>8.95</b>   | <b>979.88</b>                        |
| <b>Deferred Tax Liabilities (Net)</b>                        | <b>8,443.38</b>                     | <b>395.33</b>  | <b>577.97</b> | <b>9,416.67</b>                      |

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Previous Year                                                | As at<br>1 <sup>st</sup> April 2022 | Recognised in  |                 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------|-------------------------------------|----------------|-----------------|--------------------------------------|
|                                                              |                                     | Profit or Loss | OCI             |                                      |
| <b>Deferred Tax Liabilities:</b>                             |                                     |                |                 |                                      |
| Accumulated Depreciation and Amortisation                    | 8,055.86                            | 374.90         | -               | 8,430.76                             |
| Fair Valuation of Investments                                | 490.29                              | (35.84)        | (394.37)        | 60.08                                |
| Fair Valuation of Assets Acquired on Merger                  | 435.19                              | (20.89)        | (11.63)         | 402.67                               |
| Others (including Ind AS 116 transition impact)              | 356.55                              | 22.27          | 0.72            | 379.54                               |
|                                                              | <b>9,337.90</b>                     | <b>340.44</b>  | <b>(405.28)</b> | <b>9,273.05</b>                      |
| <b>Deferred Tax Assets:</b>                                  |                                     |                |                 |                                      |
| Expenses Allowable in Instalments in Income Tax              | 6.84                                | (3.28)         | -               | 3.56                                 |
| Provisions Allowed Under Tax on Payment Basis                | 373.10                              | (29.73)        | (0.05)          | 343.32                               |
| Unabsorbed Losses                                            | 177.48                              | 15.33          | -               | 192.81                               |
| Income Tax Interest Offered for Tax, to be claimed in future | 29.31                               | (8.20)         | -               | 21.11                                |
| MAT Credit Entitlement                                       | 0.07                                | (0.01)         | -               | 0.06                                 |
| Others (including Ind AS 116 transition impact)              | 224.43                              | 7.38           | 37.01           | 268.82                               |
|                                                              | <b>811.23</b>                       | <b>(18.51)</b> | <b>36.96</b>    | <b>829.67</b>                        |
| <b>Deferred Tax Liabilities (Net)</b>                        | <b>8,526.67</b>                     | <b>358.95</b>  | <b>(442.24)</b> | <b>8,443.38</b>                      |

In respect of Deferred Taxes, all items are attributable to origination and reversal of temporary differences.

**2.13.1** During the previous year, Company has opted for lower tax regime in terms of provision of Section 115BAA of Income-tax Act, 1961. Provision for current and deferred tax expenses has been recognised accordingly.

**2.13.2** The Company has not recognized deferred tax asset on losses of ₹ 497.36 crore reported under the head Exceptional Items, as presently it is not probable of recovery. Such losses will expire after a period of eight years from the end of the year in which actual transfer of shares will take place.

Further, Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of carry forward of unabsorbed depreciation and unused tax losses of ₹ 1,755.35 crore and ₹ 278.05 crore respectively as of 31<sup>st</sup> March 2024.

## 2.14 OTHER NON-CURRENT ASSETS

₹ in crore

|                                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
| Capital Advances                                    |                                      |                                      |
| Unsecured, Considered Good                          | 3,317.64                             | 3,442.32                             |
| Unsecured, Considered Doubtful                      | 14.89                                | 12.36                                |
| Less: Allowance for Doubtful                        | (14.89)                              | (12.36)                              |
| Balances with Government Authorities                |                                      |                                      |
| Unsecured, Considered Good                          | 565.00                               | 742.40                               |
| Prepaid Expenses                                    | 24.47                                | 8.80                                 |
| Deferred Acquisition Costs/Staff Cost/Rent Expenses | 1.13                                 | 1.54                                 |
| Other Advances                                      | 13.11                                | 81.16                                |
|                                                     | <b>3,921.35</b>                      | <b>4,276.22</b>                      |



# NOTES

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## 2.15 INVENTORIES

(Valued at lower of cost and net realisable value, unless otherwise stated)

₹ in crore

|                                              | As at 31 <sup>st</sup> March 2024 |                 |                  | As at 31 <sup>st</sup> March 2023 |                 |                  |
|----------------------------------------------|-----------------------------------|-----------------|------------------|-----------------------------------|-----------------|------------------|
|                                              | In Hand                           | In Transit      | Total            | In Hand                           | In Transit      | Total            |
| Raw Materials                                | 2,257.30                          | 1,410.81        | 3,668.11         | 1,943.46                          | 1,230.15        | 3,173.61         |
| Work-in-Progress                             | 1,703.66                          | -               | 1,703.66         | 1,592.29                          | -               | 1,592.29         |
| Finished Goods                               | 1,584.34                          | 412.63          | 1,996.97         | 1,526.51                          | 294.73          | 1,821.24         |
| Stock-in-Trade                               | 92.58                             | 4.96            | 97.54            | 121.76                            | 2.52            | 124.28           |
| Stores and Spare Parts (Including Fuel)      | 3,777.68                          | 2,271.24        | 6,048.92         | 3,764.87                          | 665.00          | 4,429.87         |
| Waste/Scrap (valued at Net Realisable Value) | 29.58                             | -               | 29.58            | 17.86                             | -               | 17.86            |
|                                              | <b>9,445.14</b>                   | <b>4,099.64</b> | <b>13,544.78</b> | <b>8,966.75</b>                   | <b>2,192.40</b> | <b>11,159.15</b> |

The Company follows adequate provisioning policy for writing down the Value of Inventories towards slow moving, non-moving and surplus inventories.

Write down of inventories (net of reversals) for the year is ₹ 53.76 crore (Previous Year ₹ 68.19 crore). Inventory values shown above are net of write down.

**2.15.1** Working Capital Borrowings are secured by hypothecation of inventories of the respective companies.

## 2.16 INVESTMENTS OF INSURANCE BUSINESS - CURRENT

₹ in crore

|                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Investments in Mutual Funds</b>                   |                                      |                                      |
| Carried at Fair Value through Profit or Loss (FVTPL) | 9.60                                 | 1.27                                 |
| <b>Investments in Government or Trust Securities</b> |                                      |                                      |
| Carried at Amortised Cost <sup>#</sup>               | 7.33                                 | 14.35                                |
| Carried at FVTOCI <sup>#</sup>                       | 98.18                                | 99.29                                |
| <b>Investments in Debentures/Bonds</b>               |                                      |                                      |
| Carried at Amortised Cost <sup>#</sup>               | 249.17                               | 127.81                               |
| Carried at FVTOCI <sup>#</sup>                       | 510.14                               | 132.68                               |
| <b>Other Current Investments</b>                     |                                      |                                      |
| Carried at Amortised Cost <sup>#</sup>               | 260.68                               | 417.04                               |
| Carried at Amortised Cost                            | -                                    | 10.28                                |
| Carried at FVTOCI <sup>#</sup>                       | 279.78                               | 97.97                                |
| Carried at FVTOCI                                    | 25.07                                | -                                    |
|                                                      | <b>1,439.95</b>                      | <b>900.69</b>                        |

<sup>#</sup>Quoted Investments

### 2.16.1 Aggregate Book Value of

₹ in crore

|                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Quoted Investments                           | 1,405.28                             | 889.14                               |
| Unquoted Investments                         | 34.67                                | 11.55                                |
|                                              | <b>1,439.95</b>                      | <b>900.69</b>                        |
| Aggregate Market Value of Quoted Investments | <b>1,405.28</b>                      | <b>889.89</b>                        |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.17 OTHER INVESTMENTS - CURRENT

|                                                                                                             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| ₹ in crore                                                                                                  |                                      |                                      |
| <b>Investments in Equity Shares: Carried at FVTOCI</b>                                                      |                                      |                                      |
| Larsen & Toubro Limited# (Previous Year 14,95,993 Shares)                                                   | -                                    | 323.76                               |
| <b>Investments in Mutual Funds</b>                                                                          |                                      |                                      |
| Carried at FVTPL                                                                                            | 9,046.97                             | 8,315.44                             |
| <b>Investments in Government Securities</b>                                                                 |                                      |                                      |
| Carried at FVTPL <sup>#</sup>                                                                               | 1.81                                 | 33.14                                |
| <b>Investments in Bonds</b>                                                                                 |                                      |                                      |
| Carried at FVTPL <sup>#</sup>                                                                               | 298.77                               | 534.69                               |
| Carried at FVTOCI <sup>#</sup>                                                                              | 169.18                               | 65.33                                |
| <b>Investments in Debentures</b>                                                                            |                                      |                                      |
| Carried at FVTPL                                                                                            | 6,065.23                             | 3,449.97                             |
| Carried at Amortised Cost <sup>#</sup>                                                                      | 3.85                                 | 74.83                                |
| <b>Investments in Security Receipts</b>                                                                     |                                      |                                      |
| Carried at FVTPL                                                                                            | 420.87                               | 385.28                               |
| <b>Other Investments</b>                                                                                    |                                      |                                      |
| Carried at FVTPL (Certificate of Deposits)                                                                  | 50.00                                | 190.00                               |
| Carried at FVTPL                                                                                            | 429.97                               | 414.11                               |
| Carried at Amortised Cost (Fixed Deposit with Financial Institutions with maturity less than twelve months) | 350.00                               | 119.09                               |
|                                                                                                             | <b>16,836.65</b>                     | <b>13,905.64</b>                     |

<sup>#</sup>Quoted Investments

|                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
| ₹ in crore                                                 |                                      |                                      |
| <b>2.17.1 Aggregate Book Value of:</b>                     |                                      |                                      |
| Quoted Investments                                         | 473.61                               | 1,031.75                             |
| Unquoted Investments                                       | 16,363.04                            | 12,873.89                            |
|                                                            | <b>16,836.65</b>                     | <b>13,905.64</b>                     |
| <b>2.17.2 Aggregate Market Value of Quoted Investments</b> | 473.61                               | 1,031.75                             |

## 2.18 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS - CURRENT

|                                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------|--------------------------------------|--------------------------------------|
| ₹ in crore                                          |                                      |                                      |
| <b>Carried at Fair Value through Profit or Loss</b> |                                      |                                      |
| <b>Quoted Investments</b>                           |                                      |                                      |
| Mutual Funds                                        | 70.08                                | -                                    |
| Government or Trust Securities                      | 1,358.42                             | 1,675.63                             |
| Debentures                                          | 1,389.05                             | 567.08                               |
| Other Current Investments                           | 864.18                               | 1,314.20                             |
| Other Current Assets                                | 66.55                                | (39.81)                              |
| <b>Unquoted Investments</b>                         |                                      |                                      |
| Other Current Investments                           | 78.93                                | 145.74                               |
|                                                     | <b>3,827.21</b>                      | <b>3,662.84</b>                      |



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₹ in crore

|                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>2.18.1</b> Aggregate Book Value of Quoted Investments   | 3,748.28                             | 3,517.10                             |
| <b>2.18.2</b> Aggregate Market Value of Quoted Investments | 3,748.28                             | 3,517.10                             |
| <b>2.18.3</b> Aggregate Value of Unquoted Investments      | 78.93                                | 145.74                               |

## 2.19 TRADE RECEIVABLES

₹ in crore

|                                                                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Secured, Considered Good* <sup>@</sup>                                                               | 1,056.79                             | 935.51                               |
| <b>Unsecured*<sup>@</sup></b>                                                                        |                                      |                                      |
| Considered Good                                                                                      | 5,916.09                             | 4,979.59                             |
| Trade Receivables which have significant increase in Credit Risk                                     | 43.39                                | 124.14                               |
| Credit Impaired                                                                                      | 140.82                               | 33.18                                |
|                                                                                                      | 7,157.09                             | <b>6,072.42</b>                      |
| Less: Allowance for Trade Receivables which have significant increase in credit risk/credit impaired | 177.69                               | 157.32                               |
|                                                                                                      | <b>6,979.40</b>                      | <b>5,915.10</b>                      |
| Trade receivables are interest and non-interest bearing, and are generally up to 180 days terms.     |                                      |                                      |
| * Includes amount in respect of which the Company holds Letters of Credit/ Guarantees from Banks.    | 428.27                               | 129.05                               |
| <sup>@</sup> Includes amount due from Related Parties (Note 4.7.2)                                   | 31.48                                | 17.17                                |

**2.19.1** Working Capital Borrowings are secured by hypothecation of book debts of the Company.

**2.19.2** Trade Receivables include pass through amounts representing dues from client and exchange forward transactions not fully settled as at the reporting date of stock and security broking business.

**2.19.3** Trade Receivables include amount receivable from customers pertaining to amount funded to them for settlement of trade as part of normal business activity.

**2.19.4** Trade Receivables Ageing Schedule

### As at 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                                   | Outstanding for the following periods from the due date of payment |                      |           |           |                      | Total           |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------|-----------|-----------|----------------------|-----------------|
|                                                                               | Less than<br>6 Months                                              | 6 months -<br>1 Year | 1-2 Years | 2-3 Years | More than<br>3 Years |                 |
| Undisputed Trade Receivables - Considered Good                                | 2,027.39                                                           | 42.14                | 10.54     | 0.45      | 3.11                 | 2,083.63        |
| Undisputed Trade Receivables - which have significant increase in Credit Risk | 11.03                                                              | 13.03                | 14.63     | 0.21      | 0.45                 | 39.35           |
| Undisputed Trade Receivables - Credit-Impaired                                | 3.42                                                               | 2.16                 | 24.49     | 9.52      | 34.10                | 73.69           |
| Disputed Trade Receivables - Considered Good                                  | 0.01                                                               | 0.12                 | 0.71      | -         | 5.71                 | 6.55            |
| Disputed Trade Receivables - which have significant increase in Credit Risk   | -                                                                  | 0.06                 | 1.93      | -         | 2.05                 | 4.04            |
| Disputed Trade Receivables - Credit-Impaired                                  | 0.09                                                               | 0.08                 | 2.65      | 9.70      | 54.61                | 67.13           |
| <b>Total (A)</b>                                                              |                                                                    |                      |           |           |                      | <b>2,274.39</b> |
| <b>Not Due (B)</b>                                                            |                                                                    |                      |           |           |                      | <b>4,829.67</b> |
| <b>Less: Loss Allowance (C)</b>                                               |                                                                    |                      |           |           |                      | <b>177.69</b>   |
| <b>Net Total (A+B-C)</b>                                                      |                                                                    |                      |           |           |                      | <b>6,926.37</b> |
| <b>Add: Unbilled Revenue</b>                                                  |                                                                    |                      |           |           |                      | <b>53.03</b>    |
| <b>Grand Total</b>                                                            |                                                                    |                      |           |           |                      | <b>6,979.40</b> |

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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## As at 31<sup>st</sup> March 2023

₹ in crore

| Particulars                                                                   | Outstanding for the following periods from the due date of payment |                   |           |           |                   | Total           |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------|-------------------|-----------|-----------|-------------------|-----------------|
|                                                                               | Less than 6 Months                                                 | 6 months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |                 |
| Undisputed Trade Receivables - Considered Good                                | 1,545.01                                                           | 30.37             | 21.84     | 0.19      | 3.15              | 1,600.56        |
| Undisputed Trade Receivables - which have significant increase in Credit Risk | 1.32                                                               | 11.54             | 13.21     | 0.13      | 0.68              | 26.88           |
| Undisputed Trade Receivables - Credit-Impaired                                | 2.30                                                               | 1.41              | 18.79     | 5.20      | 35.90             | 63.60           |
| Disputed Trade Receivables - Considered Good                                  | 0.16                                                               | 0.40              | 0.74      | -         | 5.54              | 6.84            |
| Disputed Trade Receivables - which have significant increase in Credit Risk   | -                                                                  | 0.15              | 3.34      | 1.38      | 2.49              | 7.36            |
| Disputed Trade Receivables - Credit-Impaired                                  | 0.08                                                               | 4.39              | 3.58      | 3.13      | 48.30             | 59.48           |
| <b>Total (A)</b>                                                              |                                                                    |                   |           |           |                   | <b>1,764.72</b> |
| <b>Not Due (B)</b>                                                            |                                                                    |                   |           |           |                   | <b>4,284.62</b> |
| <b>Less: Loss Allowance (C)</b>                                               |                                                                    |                   |           |           |                   | <b>157.32</b>   |
| <b>Net Total (A+B-C)</b>                                                      |                                                                    |                   |           |           |                   | <b>5,892.02</b> |
| <b>Add: Unbilled Revenue</b>                                                  |                                                                    |                   |           |           |                   | <b>23.08</b>    |
| <b>Grand Total</b>                                                            |                                                                    |                   |           |           |                   | <b>5,915.10</b> |

## 2.20 CASH AND CASH EQUIVALENTS

₹ in crore

|                                                            | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Balances with Banks                                        |                                   |                                   |
| In Current Account                                         | 1,356.33                          | 1,550.36                          |
| In Deposit Account - Original Maturity of 3 months or less | 844.88                            | 641.22                            |
| In EEFC Account                                            | 12.45                             | 0.61                              |
| Cheques in Hand                                            | 167.17                            | 82.82                             |
| Cash on Hand                                               | 6.82                              | 37.55                             |
|                                                            | <b>2,387.65</b>                   | <b>2,312.56</b>                   |

**2.20.1** There is no restriction with regard to cash and cash equivalents as at the end of each reporting period and prior periods.



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## 2.21 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crore

|                                                                                                                                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Earmarked Balance with Banks                                                                                                          |                                      |                                      |
| In Government Treasury Savings Account                                                                                                | 0.03                                 | 0.03                                 |
| In Escrow Account                                                                                                                     | 14.31                                | -                                    |
| Rights Issue Account <sup>#</sup>                                                                                                     | 10.15                                | -                                    |
| Unclaimed Dividend (including Unclaimed Fractional Warrants)                                                                          | 33.04                                | 32.80                                |
| Bank Deposits (with original maturity more than 3 months but less than 12 months) <sup>\$</sup>                                       | 2,203.58                             | 1,367.99                             |
|                                                                                                                                       | <b>2,261.11</b>                      | <b>1,400.82</b>                      |
| <sup>#</sup> Represents balance pending for utilisation of Rights Issue proceeds kept in separate bank account (refer note 2.25.5(a)) |                                      |                                      |
| <sup>\$</sup> Bank Deposits include:                                                                                                  |                                      |                                      |
| Earmarked for specific purpose                                                                                                        | 177.13                               | 161.78                               |
| Lodged as Security with Government Departments                                                                                        | 34.47                                | 32.89                                |
| Margin Money with Exchange                                                                                                            | 16.79                                | 94.11                                |
| Towards Issue of Bank Guarantee                                                                                                       | 517.39                               | 12.09                                |
| The Company is in the process of transferring Fixed Deposits in its own name                                                          | 4.74                                 | 4.50                                 |

**2.21.1** There are no amounts due and outstanding to be credited to the Investors Education and Protection Fund as at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.

## 2.22 LOANS - CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

₹ in crore

|                                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------|--------------------------------------|--------------------------------------|
| Loans and Advances of Financial Services Business |                                      |                                      |
| Secured                                           | 15,989.93                            | 8,447.11                             |
| Unsecured                                         | 15,255.49                            | 13,999.71                            |
| Less: Expected Credit Loss Allowance              | (134.93)                             | (125.35)                             |
| Loans against Insurance Policies                  | 3.43                                 | 9.26                                 |
| Loans to Related Parties (Note 4.7.2)             | 44.91                                | -                                    |
| Others (include Loans to Employees, etc.)         | 12.85                                | 11.35                                |
|                                                   | <b>31,171.68</b>                     | <b>22,342.08</b>                     |

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## 2.23 OTHERS FINANCIAL ASSET - CURRENT

(Unsecured, Considered Good, Carried at Amortised Cost, unless otherwise stated)

|                                                                  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Derivative Assets - Carried at FVTPL                             | 444.98                               | 62.38                                |
| Interest Accrued on Investments                                  | 135.58                               | 61.18                                |
| Unclaimed Amount of Policyholders                                | 152.61                               | 197.52                               |
| Government Grants Receivable                                     | 847.84                               | 829.01                               |
| Re-insurance Assets                                              | 351.96                               | 353.02                               |
| Other Receivables from Related Parties (Note 4.7.2)              | 92.78                                | 12.62                                |
| Security Deposits                                                | 230.59                               | 220.55                               |
| Receivable under Sale and Leaseback Arrangement                  | 75.02                                | -                                    |
| Others (Insurance Claims, Railways Claims and other Receivables) | 1,281.21                             | 612.64                               |
|                                                                  | <b>3,612.57</b>                      | <b>2,348.92</b>                      |

## 2.24 OTHER CURRENT ASSETS

(Unsecured, Considered Good, unless otherwise stated)

|                                                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Balances with Government Authorities                                | 1,898.94                             | 1,284.39                             |
| Less: Loss Allowance                                                | (12.82)                              | (59.59)                              |
| Advances to Suppliers                                               | 1,312.55                             | 1,523.04                             |
| Less: Loss Allowance                                                | (41.14)                              | (4.48)                               |
| Deferred Acquisition Costs                                          | 0.33                                 | 0.71                                 |
| Advance to Related Parties (Note 4.7.2)                             | -                                    | 2.49                                 |
| Others (includes Balance with Gratuity Trust and Prepayments, etc.) | 823.75                               | 806.71                               |
|                                                                     | <b>3,981.61</b>                      | <b>3,553.27</b>                      |

## 2.25 EQUITY SHARE CAPITAL

### 2.25.1 Authorised

|                                                                                                                | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| 2,06,25,00,000 Equity Shares of ₹ 2/- each (Previous Year 2,06,25,00,000 Shares of ₹ 2/- each)                 | 412.50                               | 412.50                               |
| 11,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each (Previous Year 11,00,000 Shares of ₹ 100 each) | 11.00                                | 11.00                                |
|                                                                                                                | <b>423.50</b>                        | <b>423.50</b>                        |





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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.25.2 Issued, Subscribed and Fully Paid-up

|                                   |                                                                                                                                                                                                                                                      | ₹ in crore                           |                                      |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                   |                                                                                                                                                                                                                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>(a) Issued</b>                 |                                                                                                                                                                                                                                                      |                                      |                                      |
|                                   | 68,05,53,161 Equity Shares of Face Value ₹ 2 each (Previous Year 65,84,32,126 Equity Shares of ₹ 2 each) [Refer Note 2.25.5 (a)]                                                                                                                     | 136.11                               | 131.69                               |
|                                   |                                                                                                                                                                                                                                                      | <b>136.11</b>                        | <b>131.69</b>                        |
| <b>(b) Subscribed and Paid-up</b> |                                                                                                                                                                                                                                                      |                                      |                                      |
|                                   | 65,84,79,226 Equity Shares of ₹ 2 each (Previous Year 65,84,32,126 Equity Shares of ₹ 2 each) (fully paid-up)                                                                                                                                        | 131.69                               | 131.68                               |
|                                   | 2,20,70,910 Equity Shares of ₹ 2 each (Previous Year Nil Equity Shares of ₹ 2 each) ₹ 0.50 each paid up.                                                                                                                                             | 1.10                                 | -                                    |
| <b>Share Capital Suspense</b>     |                                                                                                                                                                                                                                                      |                                      |                                      |
|                                   | 28,295 Equity Shares of ₹ 2/- each (Previous Year 28,295 of ₹ 2/- each) to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash | 0.01                                 | 0.01                                 |
|                                   |                                                                                                                                                                                                                                                      | <b>132.80</b>                        | <b>131.69</b>                        |

### Shares Kept in Abeyance

Pursuant to provision of Section 126 of the Companies Act, 2013, the issue of 61,985 Equity Shares (Previous Year 61,985 Equity Shares) are kept in abeyance.

2,077 Right Equity Shares were issued and kept in abeyance against 61,985 fully paid equity shares of Face Value ₹ 2 each and 948 Right Equity Shares were issued and kept in abeyance against 28,295 fully paid equity shares of Face Value ₹ 2 each which aggregates to 3,025 Right Equity Shares kept in abeyance.

## 2.25.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

|                                   | Number of Shares            |                             | ₹ in crore                  |                             |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                   | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| At the beginning of the year      | 65,84,60,421                | 65,83,23,721                | 131.69                      | 131.67                      |
| Increase during the year towards: |                             |                             |                             |                             |
| Equity shares under Rights Issue  | 2,20,70,910                 | -                           | 1.10                        | -                           |
| Exercise of Options               | 47,100                      | 1,36,700                    | 0.01                        | 0.02                        |
| <b>At the end of the year</b>     | <b>68,05,78,431</b>         | <b>65,84,60,421</b>         | <b>132.80</b>               | <b>131.69</b>               |

## 2.25.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2 per share. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company.

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## 2.25.5 Right Issue

- (a) On 4<sup>th</sup> January 2024, the Board of Directors of the Company approved issue of 2,20,73,935 equity shares of face value of ₹ 2 each (the “Rights Equity Shares”) at a price of ₹ 1,812 per Rights Equity Share (including premium of ₹ 1,810 per Rights Equity Share), in the ratio of 6 Rights Equity Shares for every 179 existing fully-paid equity shares held by the eligible equity shareholders as on 10<sup>th</sup> January 2024, the record date.

On 2<sup>nd</sup> February 2024, the Rights Issue Committee 2023 of the Company approved allotment of 2,20,67,231 partly paid-up Equity Shares at an issue price of ₹ 1,812 per Equity Share [(including a premium of ₹ 1,810 per Equity Share) of which ₹ 453 per Equity Share has been received on application (₹ 0.50 has been paid-up on application as share capital and ₹ 452.50 as a premium per equity share)], to eligible equity shareholders. Further, allotment of 6,704 Rights Equity Shares was kept in abeyance pending regulatory/other clearances, out of which the Committee approved allotment of 3,679 partly paid-up equity shares to eligible equity shareholders on 7<sup>th</sup> March 2024 and balance 3,025 shares have been kept in abeyance.

The object of the Rights issue is to enlarge the capital base of the Company. The net proceeds to be utilised for Repayment or prepayment, in full or in part, of certain borrowings availed by the Company and for other General corporate purposes.

The Company has raised ₹ 999.81 crore on application. The total expense on Rights Issue aggregates to ₹ 16.08 crore (excluding taxes of ₹ 2.32 crore) has been adjusted against securities premium. During the year ended 31<sup>st</sup> March 2024, the Company has utilised ₹ 975 crore for repayment of borrowings as mentioned above. Further ₹ 10.15 crore pending utilisation have been kept in a separate bank account, which includes issue related expenses of ₹ 1.65 crore paid by the company from its own account (other than monitoring account) and also includes interest of ₹ 2.09 crore received on FDs placed from the unutilised proceeds during the year. (note 2.21).

- (b) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the Offer document.

## 2.25.6 The Company does not have any Holding Company.

## 2.25.7 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

|                                                                                                                                                                                     | As at 31 <sup>st</sup> March 2024 |           | As at 31 <sup>st</sup> March 2023 |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------|-----------------------------------|-----------|
|                                                                                                                                                                                     | No. of Shares*                    | % Holding | No. of Shares                     | % Holding |
| Birla Group Holdings Private Limited                                                                                                                                                | 12,99,73,507                      | 19.10%    | 12,50,04,398                      | 18.98%    |
| Life Insurance Corporation of India                                                                                                                                                 | 5,50,02,589                       | 8.08%     | 6,15,47,074                       | 9.35%     |
| IGH Holdings Private Limited                                                                                                                                                        | 4,51,95,313                       | 6.64%     | 4,24,36,393                       | 6.45%     |
| * Includes partly paid up shares                                                                                                                                                    |                                   |           |                                   |           |
| <b>2.25.8</b> Equity Shares of ₹ 2/- each (Previous Year ₹ 2/- each) represented by Global Depository Receipts (GDRs) (GDR holders have voting rights as per the Deposit Agreement) | 5,70,88,831                       | 8.39%     | 5,68,53,028                       | 8.63%     |



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## 2.25.9 Shareholding of Promoters and Promoters Group:

| Sr. No. | Name of the Promoter                                                     | As at 31 <sup>st</sup> March 2024 |               |                          | As at 31 <sup>st</sup> March 2023 |               |                          |
|---------|--------------------------------------------------------------------------|-----------------------------------|---------------|--------------------------|-----------------------------------|---------------|--------------------------|
|         |                                                                          | No. of Shares <sup>#</sup>        | % Holding     | % Change during the year | No. of Shares                     | % Holding     | % Change during the year |
| 1       | Birla Group Holdings Private Limited                                     | 12,99,73,507                      | 19.10%        | 0.11%                    | 12,50,04,398                      | 18.99%        | 0.00%                    |
| 2       | IGH Holdings Private Limited                                             | 4,51,95,313                       | 6.64%         | 0.19%                    | 4,24,36,393                       | 6.45%         | 0.00%                    |
| 3       | Hindalco Industries Limited                                              | 2,91,68,472                       | 4.29%         | 0.00%                    | 2,82,22,468                       | 4.29%         | 0.00%                    |
| 4       | Umang Commercial Company Private Limited                                 | 2,78,09,466                       | 4.09%         | 0.03%                    | 2,67,46,262                       | 4.06%         | 0.00%                    |
| 5       | Pilani Investment and Industries Corporation Limited                     | 2,64,49,922                       | 3.89%         | 0.14%                    | 2,47,14,527                       | 3.75%         | 0.00%                    |
| 6       | P.T. Indo Bharat Rayon*                                                  | 2,00,04,020                       | 2.94%         | -0.10%                   | 2,00,04,020                       | 3.04%         | 0.00%                    |
| 7       | Thai Rayon Public Company Limited*                                       | 47,74,666                         | 0.70%         | -0.03%                   | 47,74,666                         | 0.73%         | 0.00%                    |
| 8       | Anatole Investments Pte Ltd.*                                            | 44,59,323                         | 0.66%         | -0.02%                   | 44,59,323                         | 0.68%         | 0.00%                    |
| 9       | P T Sunrise Bumi Textiles*                                               | 12,68,750                         | 0.19%         | -0.01%                   | 12,68,750                         | 0.19%         | 0.00%                    |
| 10      | Kumar Mangalam Birla                                                     | 11,30,202                         | 0.17%         | 0.00%                    | 10,86,993                         | 0.17%         | 0.00%                    |
| 11      | P T Elegant Textile Industry*                                            | 8,08,750                          | 0.12%         | 0.00%                    | 8,08,750                          | 0.12%         | 0.00%                    |
| 12      | Birla Institute of Technology and Science                                | 6,61,205                          | 0.10%         | 0.00%                    | 6,61,205                          | 0.10%         | 0.00%                    |
| 13      | Rajashree Birla                                                          | 5,74,829                          | 0.08%         | 0.00%                    | 5,52,850                          | 0.08%         | 0.00%                    |
| 14      | Renuka Investments & Finance Limited                                     | 2,50,302                          | 0.04%         | 0.00%                    | 2,42,185                          | 0.04%         | 0.00%                    |
| 15      | Vasavadatta Bajaj                                                        | 1,23,249                          | 0.02%         | 0.00%                    | 1,18,537                          | 0.02%         | 0.00%                    |
| 16      | Aditya Vikram Kumar Mangalam Birla HUF (Karta- Mr. Kumar Mangalam Birla) | 93,287                            | 0.01%         | 0.00%                    | 89,720                            | 0.01%         | 0.00%                    |
| 17      | Birla Industrial Finance (India) Limited                                 | 90,962                            | 0.01%         | 0.00%                    | 87,485                            | 0.01%         | 0.00%                    |
| 18      | Birla Consultants Limited                                                | 90,856                            | 0.01%         | 0.00%                    | 87,382                            | 0.01%         | 0.00%                    |
| 19      | Neerja Birla                                                             | 75,967                            | 0.01%         | 0.00%                    | 73,062                            | 0.01%         | 0.00%                    |
| 20      | Birla Industrial Investments (India) Limited                             | 19,400                            | 0.00%         | 0.00%                    | 18,657                            | 0.00%         | 0.00%                    |
| 21      | Surya Kiran Investments Pte Limited*                                     | 5,000                             | 0.00%         | 0.00%                    | 5,000                             | 0.00%         | 0.00%                    |
| 22      | Vikram Holdings Pvt. Ltd.                                                | 781                               | 0.00%         | 0.00%                    | 750                               | 0.00%         | 0.00%                    |
| 23      | Rajratna Holdings Private Limited                                        | 697                               | 0.00%         | 0.00%                    | 670                               | 0.00%         | 0.00%                    |
| 24      | Vaibhav Holdings Private Limited                                         | 697                               | 0.00%         | 0.00%                    | 670                               | 0.00%         | 0.00%                    |
|         |                                                                          | <b>29,30,29,623</b>               | <b>43.06%</b> | <b>0.32%</b>             | <b>28,14,64,723</b>               | <b>42.75%</b> | <b>0.00%</b>             |

\* GDRs held by Promoter Group

<sup>#</sup>Includes partly paid up shares

₹ in crore

|                                                                                                                                                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| 2.25.10 Shares reserved for issue under options and contracts, including the terms and amounts                                                                                             | 20,34,148                            | 20,36,941                            |
| For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company (Note 4.5)                                                                            |                                      |                                      |
| 2.25.11 Aggregate number of Equity Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date                                |                                      |                                      |
| Equity Shares of ₹ 2 each issued in the financial year 2017-2018 as fully paid-up to the shareholders of Aditya Birla Nuvo Limited (ABNL), pursuant to the Composite Scheme of Arrangement | -                                    | 19,04,62,665                         |

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## 2.26 OTHER EQUITY - ATTRIBUTABLE TO OWNERS OF THE COMPANY

₹ in crore

|                                                    | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| a) Equity Component of Other Financial Instruments | 3.00                                 | 3.00                                 |
| b) Capital Reserve                                 | 146.31                               | 146.31                               |
| c) Legal Reserve                                   | 0.39                                 | 0.29                                 |
| d) Securities Premium                              | 28,863.59                            | 27,256.09                            |
| e) General Reserve                                 | 43,421.87                            | 38,421.45                            |
| f) Debenture Redemption Reserve                    | 48.07                                | 35.32                                |
| g) Special Reserve Fund                            | 1,616.56                             | 971.40                               |
| h) Treasury Shares Held by ESOP Trust              | (471.13)                             | (387.32)                             |
| i) Retained Earnings                               | 12,014.51                            | 12,980.04                            |
| j) Employee Share Options Outstanding              | 543.79                               | 410.57                               |
| k) Debt Instruments through OCI                    | (34.29)                              | (47.74)                              |
| l) Equity Instruments through OCI                  | 2,056.86                             | (1,514.53)                           |
| m) Hedging Reserve                                 | (136.39)                             | (105.65)                             |
| n) Foreign Currency Translation Reserve            | 446.46                               | 441.07                               |
|                                                    | <b>88,519.60</b>                     | <b>78,610.30</b>                     |

Movement of each item of other equity is presented statement of changes in equity.

### The Description of the nature and purpose of each reserve within other equity is as follows: -

- a. **Equity Component of Other Financial Instruments:** Inter-Corporate Deposits (ICD) are recorded at fair value on initial recognition under Ind AS while carried at transaction value under previous GAAP. The impact (i.e., difference between IGAAP and Ind AS) represents a capital contribution.
- b. **Capital Reserve:** Capital Reserves are mainly the reserves created during various business combination carried out by the Group for the gain arising on bargain purchase.
- c. **Legal Reserve:** Legal Reserve represents profit transferred as per the legal requirements in a Joint Venture of the Company.
- d. **Securities Premium:** Securities Premium is credited when shares are issued at premium. It can be used to issue bonus shares, write-off equity related expenses like underwriting costs, etc.
- e. **General Reserve:** The Group has transferred a portion of net profit of the Group Company's before declaring dividend to General Reserve, pursuant to the earlier provision of the Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.
- f. **Debenture Redemption Reserve (DRR):** The Group has issued redeemable Non-Convertible Debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), requires to create DRR out of the profits available for payment of dividend. DRR is required to be created for an amount, which is equal to 25% of the value of debentures issued. However, as per the amendment in the Companies (Share Capital and Debentures) Rules, 2014, vide dated 16<sup>th</sup> August 2019, this requirement is no more applicable excluding unlisted companies, which are required to create DRR at 10% of the value outstanding of the debentures.
- g. **Special Reserve Fund:** Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 Percent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.



# NOTES

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Further, as per Section 29C(i) of the National Housing Bank Act, 1987, the Housing Finance subsidiary of the Group is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose, any special reserve created by the Group under Section 36(1) (viii) of the Income-tax Act, 1961, is considered to be an eligible transfer.

- h. Treasury Shares held under ESOP Trust:** The Group has formed an Employee Welfare Trust for purchasing Group's shares to be allotted to eligible employees under Employees Stock Options Scheme, 2018 (ESOS 2018). As per Ind AS 32 - Financial Instruments: Presentation, re-acquired Equity Shares of the Group are called Treasury Shares and deducted from equity.
- i. Retained Earnings:** Amount of retained earnings represents accumulated profit and losses of the Group as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI. Actuarial Gain/(Loss) arising out of Actuarial valuation is immediately transferred to Retained Earnings.
- j. Employee Share Option Outstanding:** The Group has share option schemes, under which options to subscribe for the Group Company's shares have been granted to certain employees Including Key Managerial Personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Key Management Personnel, as part of their remuneration.
- k. Debt Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of debt instruments measured at fair value through OCI, net of amount reclassified to profit or loss on disposal off such instruments.
- l. Equity Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of Equity Shares (other than Investments in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI.
- m. Hedging Reserve:** It represents the effective portion of the fair value of forward contracts, designated as cash flow hedge.
- n. Foreign Currency Translation Reserve:** Foreign Currency Translation Reserve represents the exchange rate variation in opening equity share capital and reserves and surplus, in respect of Joint Ventures of the Company and Subsidiaries of UltraTech, being foreign operations.

## 2.27 BORROWINGS - NON-CURRENT

(Carried at Amortised Cost, except otherwise stated)

|                                                      | ₹ in crore                           |                                      |
|------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Secured</b>                                       |                                      |                                      |
| Non-Convertible Debentures {Note (a)}                | 21,338.11                            | 15,864.93                            |
| <b>Term Loans from Banks</b>                         |                                      |                                      |
| Rupee Term Loans from Banks {Note (b)}               | 44,837.19                            | 36,578.83                            |
| Foreign Currency Loans {Note (c)}                    | 3,347.83                             | 1,931.24                             |
| Subsidised Government Loans {Note (d)}               | 172.48                               | 168.10                               |
| <b>Unsecured</b>                                     |                                      |                                      |
| Non-Convertible Debentures {Note (e)}                | 9,023.27                             | 7,920.18                             |
| <b>Term Loans from Banks</b>                         |                                      |                                      |
| Rupee Term Loans from Banks {Note (f)}               | 2,111.90                             | -                                    |
| Foreign Currency Loans {Note (g)}                    | 1,251.24                             | 821.74                               |
| Term Loans from Others {Note (h)}                    | 601.64                               | 17.59                                |
| Subsidised Government Loans {Note (i)}               | 85.47                                | 111.86                               |
| Preference Shares classified as Liability {Note (j)} | 11.14                                | 11.19                                |
| Foreign Currency Bonds {Note (k)}                    | 3,336.20                             | 3,286.80                             |
|                                                      | <b>86,116.47</b>                     | <b>66,712.46</b>                     |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## Nature of Security, Repayment Terms and Break-up of Current and Non-Current:

₹ in crore

| Secured Long-Term Borrowings:                                                                                                                                                                                                                                                | Repayment Terms                                                                                                                                                                                                                                                                                                                                 | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(a) Non-Convertible Debentures (NCDs)</b>                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| (ai) NCDs of NBFCs and NHFCs                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| Debentures Secured by way of mortgage on the immovable property and first pari-passu charge on certain financial assets of the Subsidiary Companies:                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                 | -                                    | -                                    |
| Repayment Terms: Maturing after 3 years, Rate of Interest 6.25% to 11.50% p.a.                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                 | 13,351.95                            | 6,926.13                             |
| Repayment Terms: Maturing between 1 to 3 years, Rate of Interest 5.12% to 9.29% p.a.                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                 | 7,486.16                             | 8,438.80                             |
| Repayment Terms: Maturing within 1 year, Rate of Interest 6.25% to 9.29% p.a.                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                 | 2,564.00                             | 2,586.02                             |
| (aii) Other NCDs*                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| 7.53% NCDs (Redeemable at par on 21 <sup>st</sup> August 2026)                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                 | 500.00                               | 500.00                               |
|                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                 | <b>23,902.11</b>                     | <b>18,450.95</b>                     |
| Less: Amount disclosed as current maturities of long-term debts under the head                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| Current Borrowings' (Note 2.32)                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                 | 2,564.00                             | 2,586.02                             |
|                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                 | <b>21,338.11</b>                     | <b>15,864.93</b>                     |
| * The NCDs are secured by way of first charge, having pari-passu rights, on the Subsidiary's PPE (save and except stocks and book debts), both present and future, situated at certain locations, in favour of Debenture Trustees. Interest on the NCDs is payable annually. |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| <b>Term Loans from Banks</b>                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| <b>(b) Rupee Term Loans \$</b>                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| (bi) Borrowings of NBFCs and NHFCs                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| Repayment Terms: Maturing after 3 years, Rate of Interest 2.94% to 9.15% p.a.                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                 | 12,159.01                            | 12,417.76                            |
| Repayment Terms: Maturing between 1 to 3 years, Rate of Interest 2.94% to 8.80% p.a.                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                 | 27,039.17                            | 21,703.08                            |
| Repayment Terms: Maturing within 1 year, Rate of Interest 2.94% to 8.80% p.a.                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                 | 15,557.66                            | 12,237.71                            |
| \$ The term loans from banks are secured by way of first pari passu charge on the receivables of the respective subsidiaries Company.                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| (bii) Other Borrowings ^^                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| Axis Bank Limited                                                                                                                                                                                                                                                            | Repaid during the year                                                                                                                                                                                                                                                                                                                          | -                                    | 11.40                                |
| Axis Bank Limited                                                                                                                                                                                                                                                            | Repaid during the year                                                                                                                                                                                                                                                                                                                          | -                                    | 15.91                                |
| Axis Bank Limited                                                                                                                                                                                                                                                            | The loan is repayable in 58 structured quarterly instalments beginning from 31 <sup>st</sup> December 2022. The letter of credit on its maturity will be converted into a term loan with Axis Bank having the repayment terms as mentioned above. The maturity of the loan is 31 <sup>st</sup> March 2037.-Rate of Interest 8.63% to 8.68% p.a. | 62.73                                | 84.09                                |
| Axis Bank Limited                                                                                                                                                                                                                                                            | The loan is repayable in 69 structured quarterly instalment after the end of moratorium period as per the loan agreement which shall not exceed 30 <sup>th</sup> June 2041.The letter of credit on its maturity will be converted into a term loan having the repayment terms as mentioned above.-Rate of Interest 8.16% to 8.34% p.a.          | 52.84                                | 23.19                                |
| Axis Bank Limited                                                                                                                                                                                                                                                            | The loan is repayable in 58 structured quarterly instalments beginning from 31 <sup>st</sup> December 2022 and ending on 31 <sup>st</sup> March 2037 with bullet of 20% on 31 <sup>st</sup> March 2037. -Rate of Interest 8.75% to 9.35% p.a.                                                                                                   | 12.42                                | 5.70                                 |
| Axis Bank Limited                                                                                                                                                                                                                                                            | The loan is repayable in 58 structured quarterly instalments beginning from 31 <sup>st</sup> December 2022 last instalment falling due in March 2037.-Rate of Interest 9.22% to 9.67% p.a.                                                                                                                                                      | 2.06                                 | 2.39                                 |
| Axis Bank Limited                                                                                                                                                                                                                                                            | The loan is repayable in 58 structured quarterly instalments beginning from 31 <sup>st</sup> December 2022. The letter of credit on its maturity will be converted into a term loan with Axis Bank having the repayment terms as mentioned above. The maturity of the loan is 31 <sup>st</sup> March 2037.-Rate of Interest 8.67% to 8.88% p.a. | 5.33                                 | 5.33                                 |



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₹ in crore

| Secured Long-Term Borrowings: | Repayment Terms                                                                                                                                                                                                                                                                                                                                                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Axis Bank Limited             | The loan is repayable in 57 structured quarterly instalments beginning from 31 <sup>st</sup> March 2023 last instalment falling due in March 2037.-Rate of Interest 9.32% to 9.72% p.a.                                                                                                                                                                               | 10.53                                | 10.90                                |
| Axis Bank Limited             | The loan is repayable in 76 structured quarterly instalments as per the loan agreement. The letter of credit on its maturity will be converted into a term loan with Axis Bank having the repayment terms as mentioned above.-Rate of Interest 7.66% to 8.99% p.a.                                                                                                    | 2.55                                 | 22.46                                |
| Axis Bank Limited             | Repaid during the year                                                                                                                                                                                                                                                                                                                                                | -                                    | 28.89                                |
| Axis Bank Limited             | The loan is repayable in 58 structured quarterly instalments beginning from 31 <sup>st</sup> December 2022 and ending on 31 <sup>st</sup> March 2037 with bullet of 20% on 31 <sup>st</sup> March 2037. The letter of credit on its maturity will be converted into a term loan having the repayment terms as mentioned above. - Rate of Interest 5.30% to 8.50% p.a. | 14.79                                | -                                    |
| Axis Bank Limited             | The loan is repayable in 52 quarterly instalments starting from 16 <sup>th</sup> June 2023 last installment falling due in March 2036. Rate of Interest 8.88% to 9.33% p.a.                                                                                                                                                                                           | 23.75                                | -                                    |
| Axis Bank Limited             | The loan is repayable in 76 structured quarterly instalments as per the loan agreement which shall not exceed 30 <sup>th</sup> June 2043. - Rate of Interest 9.64% to 9.72% p.a.                                                                                                                                                                                      | 44.19                                | -                                    |
| Axis Bank Limited             | The loan is repayable in 53 structured quarterly instalments, last installment falling due in March 2037.-Rate of Interest 10.00% to 10.31% p.a.                                                                                                                                                                                                                      | 16.20                                | -                                    |
| Bank of Baroda                | Term Loan shall be repaid in 70 structured quarterly instalments starting 31 <sup>st</sup> December 2022 and ending on 31 <sup>st</sup> March 2040-Rate of Interest 8.50% to 8.90% p.a.                                                                                                                                                                               | 175.31                               | 191.01                               |
| Canara Bank                   | The loan is repayable in 78 structured quarterly instalments beginning from 30 <sup>th</sup> August 2024. The maturity of the loan is 31 <sup>st</sup> December 2043.-Rate of Interest 8.65% to 8.75% p.a.                                                                                                                                                            | 65.03                                | -                                    |
| Citibank N.A.                 | The loan is repayable in 74 quarterly instalments starting from 15 <sup>th</sup> February 2019 last installment falling due in March 2037.-Rate of Interest 7.80% to 8.34% p.a.                                                                                                                                                                                       | 18.81                                | 20.29                                |
| Deutsche Bank AG              | Repaid during the year                                                                                                                                                                                                                                                                                                                                                | -                                    | 227.37                               |
| Federal Bank                  | The loan is repayable in 36 structured quarterly instalments after the end of moratorium period as per the loan agreement which shall not exceed 27 <sup>th</sup> December 2029. Rate of Interest 8.35% p.a.                                                                                                                                                          | 324.91                               | 335.53                               |
| Federal Bank                  | The loan is repayable in 76 structured quarterly instalments after the end of moratorium period as per the loan agreement which shall not exceed 31 <sup>st</sup> March 2043. Rate of Interest 8.59% p.a.                                                                                                                                                             | 136.38                               | 5.17                                 |
| Federal Bank                  | The loan is repayable in 76 structured quarterly instalments after the end of moratorium period as per the loan agreement which shall not exceed 31 <sup>st</sup> December 2044. Rate of Interest 8.45% p.a.                                                                                                                                                          | 198.80                               | -                                    |
| Federal Bank                  | The loan is repayable in 76 structured quarterly instalments after the end of moratorium period as per the loan agreement which shall not exceed 30 <sup>th</sup> June 2043. Rate of Interest 8.30% p.a.                                                                                                                                                              | 190.57                               | -                                    |
| Federal Bank                  | The loan is repayable in 76 structured quarterly instalments after the end of moratorium period as per the loan agreement. The letter of credit on its maturity will be converted into a term loan having the repayment terms as mentioned above. The loan shall not exceed 30 <sup>th</sup> June 2043. Rate of Interest 7.38% to 8.58%                               | 357.91                               | -                                    |

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₹ in crore

| Secured Long-Term Borrowings: | Repayment Terms                                                                                                                                                                                                                                                                                                                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Federal Bank                  | The loan is repayable in 76 structured quarterly instalment after the end of moratorium period as per the loan agreement. The letter of credit on its maturity will be converted into a term loan with Federal Bank having the repayment terms as mentioned above. The loan shall not exceed 31 <sup>st</sup> January 2043.- Rate of Interest 7.86% to 8.59% | 54.32                                | -                                    |
| Federal Bank                  | The loan is repayable in 76 structured quarterly instalment after the end of moratorium period as per the loan agreement. The letter of credit on its maturity will be converted into a term loan with Federal Bank having the repayment terms as mentioned above. The loan shall not exceed 31 <sup>st</sup> March 2043.- Rate of Interest 8.45% to 8.59%   | 93.69                                | -                                    |
| Federal Bank                  | The loan is repayable in 76 structured quarterly instalments after the end of moratorium period as per the loan agreement which shall not exceed 31 <sup>st</sup> January 2043. Rate of Interest 8.55%                                                                                                                                                       | 23.37                                | 1.99                                 |
| ICICI Bank Ltd.               | The loan is repayable in 72 structured quarterly instalments. The maturity of the loan shouldn't exceed beyond 31 <sup>st</sup> December 2038.- Rate of Interest 8.12% to 9.43% p.a.                                                                                                                                                                         | 70.91                                | 75.72                                |
| ICICI Bank Ltd.               | The loan is repayable in 76 equal quarterly instalments beginning from 31 <sup>st</sup> March 2019. The ABRL has opted for moratorium for repayment of principal and interest falling due to the bank from March 2020 to May 2020 granted by Reserve Bank of India as a relief measure for COVID -19.-Rate of Interest 8.80% to 9.25% p.a.                   | 51.60                                | 55.29                                |
| ICICI Bank Ltd.               | The loan is repayable in 76 equal quarterly instalments which should not exceed the maturity date i.e. 31 <sup>st</sup> December 2038.-Rate of Interest 7.80% to 9.40% p.a.                                                                                                                                                                                  | 11.53                                | 12.32                                |
| ICICI Bank Ltd.               | The loan is repayable in 74 quarterly instalments which should not exceed the maturity date i.e., 31 <sup>st</sup> March 2038. -Rate of Interest 8.86% to 9.32% p.a.                                                                                                                                                                                         | 20.64                                | 22.08                                |
| ICICI Bank Ltd.               | Repaid during the year                                                                                                                                                                                                                                                                                                                                       | -                                    | 111.94                               |
| ICICI Bank Ltd.               | The loan is repayable in 78 structured quarterly instalments beginning from 31 <sup>st</sup> March 2024 last installment falling due in June 2043.-Rate of Interest 8.44% to 8.98% p.a.                                                                                                                                                                      | 251.68                               | 190.88                               |
| ICICI Bank Ltd.               | The loan is repayable in 78 structured quarterly instalments beginning from 30 <sup>th</sup> September 2024. The letter of credit on its maturity will be converted into a term loan with ICICI Bank having the repayment terms as mentioned above. The maturity of the loan is 31 <sup>st</sup> December 2043. - Rate of Interest 9.08% to 9.70% p.a.       | 502.38                               | 15.78                                |
| ICICI Bank Ltd.               | The loan is repayable in 78 structured quarterly instalments beginning from 30 <sup>th</sup> September 2024. The maturity of the loan is 31 <sup>st</sup> December 2043.- Rate of Interest 8.57% to 9.83% p.a.                                                                                                                                               | 81.47                                | 81.54                                |
| ICICI Bank Ltd.               | The loan is repayable in 78 structured quarterly instalments beginning from 31 <sup>st</sup> March 2024. The letter of credit on its maturity will be converted into a term loan with ICICI Bank having the repayment terms as mentioned above. The maturity of the loan is 30 <sup>th</sup> June 2043. Rate of Interest 8.41% to 8.89% p.a.                 | 114.19                               | -                                    |
| ICICI Bank Ltd.               | The loan is repayable in 78 structured quarterly instalments beginning from 31 <sup>st</sup> March 2024. The maturity of the loan is 30 <sup>th</sup> June 2043. Rate of Interest 8.12% to 9.98% p.a.                                                                                                                                                        | 103.61                               | -                                    |
| ICICI Bank Ltd.               | The loan is repayable in 78 structured quarterly instalments beginning from 31 <sup>st</sup> March 2024. The letter of credit on its maturity will be converted into a term loan with ICICI Bank having the repayment terms as mentioned above. The maturity of the loan is 30 <sup>th</sup> June 2043. - Rate of Interest 8.44% to 9.03% p.a.               | 19.00                                | -                                    |



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₹ in crore

| Secured Long-Term Borrowings:                                                  | Repayment Terms                                                                                                                                                                                                                                                                                                                                | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| ICICI Bank Ltd.                                                                | The loan is repayable in 76 structured quarterly instalments beginning from 31 <sup>st</sup> March 2025 last installment falling due in 31 <sup>st</sup> December 2043. - Rate of Interest 9.28% to 9.85% p.a.                                                                                                                                 | 306.91                               | 308.49                               |
| IndusInd Bank                                                                  | The loan is repayable in 76 structured quarterly instalments beginning from 30 <sup>th</sup> June 2024 last installment falling due in March 2043. Rate of Interest 8.99% to 9.35% p.a.                                                                                                                                                        | 326.08                               | 307.99                               |
| Kotak Bank Ltd.                                                                | The loan is repayable in 70 quarterly instalments starting from 31 <sup>st</sup> December 2021 last installment falling due in March 2039.-Rate of Interest 8.69% to 8.94% p.a.                                                                                                                                                                | 108.51                               | 112.84                               |
| Kotak Bank Ltd.                                                                | The loan is repayable in 73 structured quarterly instalments beginning from 31 <sup>st</sup> December 2021. The maturity of the loan is 31 <sup>st</sup> December 2039.- Rate of Interest 8.77% to 9.03% p.a.                                                                                                                                  | 13.57                                | 14.04                                |
| Kotak Bank Ltd.                                                                | Term Loan shall be repaid in 70 structured quarterly instalments starting 31 <sup>st</sup> December 2022 and ending on 31 <sup>st</sup> March 2040. Rate of Interest 8.85% to 9.30% p.a.                                                                                                                                                       | 244.31                               | 162.88                               |
| RBL Bank Limited                                                               | The loan is repayable in 76 structured quarterly instalments beginning from 30 <sup>th</sup> November 2023. The letter of credit on its maturity will be converted into a term loan having the repayment terms as mentioned above. The maturity of the loan is 25 <sup>th</sup> November 2042. Rate of Interest 8.07% to 8.45% p.a.            | 18.52                                | 18.49                                |
| RBL Bank Limited                                                               | The loan is repayable in 76 structured quarterly instalments beginning from 31 <sup>st</sup> March 2023. The letter of credit on its maturity will be converted into a term loan with RBL Bank having the repayment terms as mentioned above. The maturity of the loan is 31 <sup>st</sup> December 2041. Rate of Interest 8.08% to 8.40% p.a. | 74.42                                | 74.36                                |
| RBL Bank Limited                                                               | The loan is repayable in 76 structured quarterly instalments as per the loan agreement. The letter of credit on its maturity will be converted into a term loan with RBL Bank Limited. The loan shall not exceed 31 <sup>st</sup> December 2041.- Rate of Interest 8.04% to 8.26% p.a.                                                         | 15.50                                | 15.50                                |
| RBL Bank Limited                                                               | Repaid during the year                                                                                                                                                                                                                                                                                                                         | -                                    | 52.81                                |
| RBL Bank Limited                                                               | The loan is repayable in 69 structured quarterly instalment after the end of moratorium period as per the loan agreement which shall not exceed 30 <sup>th</sup> June 2041. Rate of Interest 8.95% to 9.84% p.a.                                                                                                                               | 63.20                                | 18.97                                |
| RBL Bank Limited                                                               | The loan is repayable in 68 structured quarterly instalments. The maturity of the loan shouldn't exceed beyond 31 <sup>st</sup> March 2039. - Rate of Interest 9.44% to 9.68% p.a.                                                                                                                                                             | 8.91                                 | 9.27                                 |
| Standard Chartered Bank                                                        | Repaid during the year                                                                                                                                                                                                                                                                                                                         | -                                    | 44.74                                |
| Standard Chartered Bank                                                        | Repaid during the year                                                                                                                                                                                                                                                                                                                         | -                                    | 52.27                                |
| Union Bank                                                                     | The loan is repayable in 75 structured quarterly instalments beginning from 30 <sup>th</sup> June 2025 last installment falling due in 31 <sup>st</sup> December 2043. - Rate of Interest 8.13% to 8.33% p.a.                                                                                                                                  | 1,496.12                             | -                                    |
|                                                                                |                                                                                                                                                                                                                                                                                                                                                | <b>60,545.39</b>                     | <b>49,108.37</b>                     |
| Less: Amount disclosed as current maturities of long-term debts under the head |                                                                                                                                                                                                                                                                                                                                                |                                      |                                      |
| Current Borrowings (Note 2.32)                                                 |                                                                                                                                                                                                                                                                                                                                                | 15,708.20                            | 12,529.54                            |
|                                                                                |                                                                                                                                                                                                                                                                                                                                                | <b>44,837.19</b>                     | <b>36,578.83</b>                     |

^^ The above mentioned loans are secured by way of first charge, having pari passu rights, on the Subsidiary's Property Plant and Equipments, both present and future, situated at certain locations and current assets, in favour of Subsidiary's lenders.

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₹ in crore

| Secured Long-Term Borrowings: Repayment Terms                                                                                                                                    |                                                           | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(c) Term Loan from Banks in Foreign Currency</b>                                                                                                                              |                                                           |                                      |                                      |
| External Commercial Borrowings                                                                                                                                                   | Rate of Interest 7.01% to 9.00% p.a.                      | 3,347.83                             | 1,931.24                             |
| (Secured by pari pasu charge on the receivables of the subsidiary)                                                                                                               | Maturing between 1 to 3 years                             |                                      |                                      |
|                                                                                                                                                                                  |                                                           | <b>3,347.83</b>                      | <b>1,931.24</b>                      |
| <b>(d) Subsidised Government Loans</b>                                                                                                                                           |                                                           |                                      |                                      |
| Department of Industries and Commerce, Karnataka -Sales Tax Deferment<br>Loan is secured by bank guarantee and corporate guarantees.                                             | Varied Annual Payments from August 2032 to March 2035.    | 172.48                               | 151.92                               |
| Uttar Pradesh Financial Corporation - Sales Tax Deferment Loan is secured by bank guarantee and corporate guarantees.                                                            | Varied Annual Payments upto December 2024                 | 17.48                                | 50.80                                |
| Term Loan secured by way of first pari passu charge by hypothecation of the entire movable property, plant and equipment of the Company's Excel Fibre Division Plant at Kharach. | 9 half yearly instalments from 1 <sup>st</sup> April 2020 | -                                    | 56.59                                |
| Rate of interest @5%                                                                                                                                                             |                                                           |                                      |                                      |
| Less: Amount disclosed as current maturities of long-term debts under the head Current Borrowings' (Note 2.32)                                                                   |                                                           | 17.48                                | 91.21                                |
|                                                                                                                                                                                  |                                                           | <b>172.48</b>                        | <b>168.10</b>                        |
| <b>Total Secured Borrowings (I)</b>                                                                                                                                              |                                                           | <b>69,695.61</b>                     | <b>54,543.10</b>                     |

₹ in crore

| Unsecured Long-Term Borrowings:                                                     |  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------|--|--------------------------------------|--------------------------------------|
| <b>(e) Debentures</b>                                                               |  |                                      |                                      |
| (e1) Non-Convertible Debentures (NCDs)                                              |  |                                      |                                      |
| 7.25% Series 23-24/II NCDs (Redeemable at par on 22 <sup>nd</sup> March 2034)       |  | 1,249.51                             | -                                    |
| 6.99% Series 21-22/I NCDs (Redeemable at par on 4 <sup>th</sup> April 2031)         |  | 997.72                               | 997.45                               |
| 7.50% Series 22-23/I NCDs (Redeemable at par on 10 <sup>th</sup> Jun 2027)          |  | 997.69                               | 997.50                               |
| 7.63% Series 22-23/II NCDs (Redeemable at par on 1 <sup>st</sup> December 2027)     |  | 998.55                               | 998.50                               |
| 7.35% Series 23-24/I NCDs (Redeemable at par on 31 <sup>st</sup> July 2026)         |  | 998.61                               | -                                    |
| 6.68% NCDs (Redeemable at par on 20 <sup>th</sup> February 2025)                    |  | 250.00                               | 250.00                               |
| 7.60% Series 19-20/II NCDs (Redeemable at par on 4 <sup>th</sup> June 2024)         |  | 717.49                               | 716.33                               |
| 7.64% NCDs (Redeemable at par on 4 <sup>th</sup> June 2024)                         |  | 229.08                               | 229.27                               |
| 7.85% Series 19-20/I NCDs (Redeemable at par on 15 <sup>th</sup> April 2024)        |  | 499.87                               | 499.37                               |
| 4.57% NCDs (Redeemable at par on 29 <sup>th</sup> December 2023)                    |  | -                                    | 1,000.00                             |
| 5.90% 1 <sup>st</sup> Series NCDs (Redeemable at par on 16 <sup>th</sup> June 2023) |  | -                                    | 499.85                               |
| 9.00% 30 <sup>th</sup> Series NCDs (Redeemable at par on 10 <sup>th</sup> May 2023) |  | -                                    | 200.12                               |





# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Unsecured Long-Term Borrowings:                                                                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| (e2) Subordinate Debentures                                                                                       |                                      |                                      |
| Unsecured Debenture: 7.57% p.a. (Redeemable in August, 2035)                                                      | 952.70                               | 653.96                               |
| Subordinate Debts - Debentures 7.34% to 9.76% p.a. (Redeemable from July 2026 to January 2031)                    | 2,628.50                             | 2,377.80                             |
| Perpetual Debts 8.70% p.a. (Maturing in July 2027)                                                                | 200.00                               | 200.00                               |
|                                                                                                                   | <b>10,719.72</b>                     | <b>9,620.15</b>                      |
| Less: Amount disclosed as current maturities of long-term debts under the head<br>Current Borrowings' (Note 2.32) | 1,696.45                             | 1,699.97                             |
|                                                                                                                   | <b>9,023.27</b>                      | <b>7,920.18</b>                      |

₹ in crore

| Unsecured Long-Term Borrowings:                                                                                   | Repayment Terms                                                                                                                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(f) Rupee Term Loans from Banks</b>                                                                            |                                                                                                                                                              |                                      |                                      |
| HDFC Bank (1 months T Bill + 125 bps)                                                                             | 28 <sup>th</sup> September 2033                                                                                                                              | 250.00                               | -                                    |
| HDFC Bank (1 months T Bill + 125 bps)                                                                             | 28 <sup>th</sup> June 2033                                                                                                                                   | 500.00                               | -                                    |
| Axis Bank (3 months T Bill + 130 bps)                                                                             | 1 <sup>st</sup> April 2033                                                                                                                                   | 1,300.00                             | -                                    |
| Axis Bank (3 months T Bill + 130 bps)                                                                             | 1 <sup>st</sup> April 2033                                                                                                                                   | 70.00                                | -                                    |
|                                                                                                                   |                                                                                                                                                              | <b>2,120.00</b>                      | -                                    |
| Less: Amount disclosed as current maturities of long-term debts under the head<br>Current Borrowings' (Note 2.32) |                                                                                                                                                              | 8.10                                 | -                                    |
|                                                                                                                   |                                                                                                                                                              | <b>2,111.90</b>                      | -                                    |
| <b>(g) Term Loans from Banks in Foreign Currency</b>                                                              |                                                                                                                                                              |                                      |                                      |
| Sumitomo Mitsui Banking Corporation<br>Singapore Branch (USD Dollar: ₹ 10 crore)                                  | Bullet Payment in June 2027                                                                                                                                  | 834.21                               | 821.74                               |
| Interest payable annually is linked to Compounded Secured Overnight Financing Rate (SOFR)                         |                                                                                                                                                              |                                      |                                      |
| State Bank of India, Gift City (USD Dollar 5 crore)                                                               | Bullet Payment in March 2026                                                                                                                                 | 417.03                               | -                                    |
| Interest payable semi-annually linked to Compounded SOFR+ Spread                                                  |                                                                                                                                                              |                                      |                                      |
|                                                                                                                   |                                                                                                                                                              | <b>1,251.24</b>                      | <b>821.74</b>                        |
| Less: Amount disclosed as current maturities of long-term debts under the head<br>Current Borrowings' (Note 2.32) |                                                                                                                                                              | -                                    | -                                    |
|                                                                                                                   |                                                                                                                                                              | <b>1,251.24</b>                      | <b>821.74</b>                        |
| <b>(h) Term Loan from Others</b>                                                                                  |                                                                                                                                                              |                                      |                                      |
| Term Loan from CISCO (Rate of Interest 6%)                                                                        | 30 <sup>th</sup> October 2028                                                                                                                                | 4.47                                 | -                                    |
| Term loans from Financial Institution                                                                             | Between 1-20 Quarterly instalments from 1 <sup>st</sup> April 2024 April till 28 <sup>th</sup> February 2029, with interest ranging from 7.75% to 9.41% p.a. | 41.59                                | 17.59                                |
| Inter Corporate Borrowings                                                                                        | Rate of Interest 7% to 9% p.a.                                                                                                                               | 569.53                               | -                                    |
| (Maturity between 1 to 3 years - ₹ 494.53 crore)                                                                  |                                                                                                                                                              |                                      |                                      |
| (Maturity after 3 years - ₹ 75 crore)                                                                             |                                                                                                                                                              |                                      |                                      |
|                                                                                                                   |                                                                                                                                                              | <b>615.59</b>                        | <b>17.59</b>                         |
| Less: Amount disclosed as current maturities of long-term debts under the head<br>Current Borrowings' (Note 2.32) |                                                                                                                                                              | 13.95                                | -                                    |
|                                                                                                                   |                                                                                                                                                              | <b>601.64</b>                        | <b>17.59</b>                         |

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Unsecured Long-Term Borrowings:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Repayment Terms                             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(i) Subsidised Government Loans</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             |                                      |                                      |
| Commercial Tax Department, Hyderabad                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Varied Annual payments upto October 2026    | 79.76                                | 112.28                               |
| From Government of Uttar Pradesh - Refer Note 4.12.1(a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Repayable on 1 <sup>st</sup> August 2030    | 5.65                                 | -                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Repayable on 17 <sup>th</sup> November 2025 | 2.57                                 | 2.36                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Repayable on 17 <sup>th</sup> May 2025      | 5.02                                 | 4.65                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Repayable on 29 <sup>th</sup> October 2024  | 7.39                                 | 6.85                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Repaid during the year                      | -                                    | 6.04                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Repaid during the year                      | -                                    | 5.67                                 |
| From Government of Karnataka - Refer Note 4.12.1(a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Repayable on 24 <sup>th</sup> January 2030  | 4.73                                 | -                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Repayable on 25 <sup>th</sup> March 2028    | 7.08                                 | 6.54                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Repayable on 17 <sup>th</sup> June 2027     | 12.56                                | 11.68                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                             | <b>124.76</b>                        | <b>156.07</b>                        |
| Less: Amount disclosed as current maturities of long-term debts under the head 'Current Borrowings' (Note 2.32)                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                             | 39.29                                | 44.21                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                             | <b>85.47</b>                         | <b>111.86</b>                        |
| <b>(j) Preference Shares Issued by Subsidiaries</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                                      |                                      |
| Compulsory Convertible Preference Shares (CCPS) carry cumulative dividend @0.001% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             | 11.14                                | 11.19                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                             | <b>11.14</b>                         | <b>11.19</b>                         |
| <b>(k) Foreign Currency Bonds</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                             |                                      |                                      |
| 2.80% Sustainability Linked Bonds (US Dollars 400 million; Previous Year : US Dollars 400 million)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Bullet Payment in February 2031             | 3,336.20                             | 3,286.80                             |
| Subsidiary (UltraTech) has issued unsecured fixed rate US Dollar denominated notes (in the form of "Sustainability Linked Bonds"), aggregating to USD 400 million, due on 16 <sup>th</sup> February, 2031, bearing coupon of 2.80% per annum payable semi-annually. The Bonds are linked to 'Sustainability Performance Target, (SPT) of reducing Scope 1 GHG emissions by 22.2% from a 2017 baseline. If SPT is not achieved by observation date in 2030, the coupon will step up by 0.75% for last two coupons. The Bonds are listed on the Singapore Exchange Securities Trading Limited. |                                             |                                      |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                             | <b>3,336.20</b>                      | <b>3,286.80</b>                      |
| <b>Total Unsecured Borrowings (II)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             | <b>16,420.86</b>                     | <b>12,169.36</b>                     |
| <b>Total Non-Current Borrowings (I + II)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                             | <b>86,116.47</b>                     | <b>66,712.46</b>                     |

## 2.28 POLICYHOLDER'S LIABILITIES - NON-CURRENT

₹ in crore

|                                 | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Insurance Contract Liabilities  | 59,132.60                            | 47,733.88                            |
| Investment Contract Liabilities | 23,485.19                            | 19,278.15                            |
|                                 | <b>82,617.79</b>                     | <b>67,012.03</b>                     |



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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.29 OTHER FINANCIAL LIABILITIES - NON-CURRENT

(Carried at Amortised Cost, unless otherwise stated)

|                                                           | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Security and Other Deposits                               | 20.43                                | 13.19                                |
| Derivative Liabilities at Fair Value                      | 90.07                                | 13.42                                |
| Deferred Premium Payables                                 | 245.55                               | 327.29                               |
| Other Liabilities (includes Interest Accrued But Not Due) | 95.40                                | 44.67                                |
|                                                           | <b>451.45</b>                        | <b>398.57</b>                        |

₹ in crore

## 2.30 PROVISIONS - NON-CURRENT

|                                                                                 | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| For Employee Benefits (Unfunded Gratuity, Pension and Long-Term Incentive Plan) | 463.93                               | 405.16                               |
| For Mine Restoration Expenditure (Note 2.37.1 (a))                              | 379.91                               | 355.74                               |
| For Other Provisions (Note 2.37.1 (e))                                          | 24.66                                | 4.91                                 |
|                                                                                 | <b>868.50</b>                        | <b>765.81</b>                        |

₹ in crore

## 2.31 OTHER NON-CURRENT LIABILITIES

|                                                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Deferred Government Subsidies                         | 18.50                                | 10.75                                |
| Other Liabilities (mainly Income Received in Advance) | 6.00                                 | 5.49                                 |
|                                                       | <b>24.50</b>                         | <b>16.24</b>                         |

₹ in crore

## 2.32 BORROWINGS - CURRENT

(Carried at Amortised Cost, unless otherwise stated)

|                                                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Secured</b>                                                                       |                                      |                                      |
| Loans Repayable on Demand - Cash Credits/Working Capital Borrowings                  |                                      |                                      |
| From Banks (secured by hypothecation of stocks and book debts of the Company)        | 8,190.90                             | 4,673.62                             |
| Collateralised borrowing and lending obligation (CBLO) against Government Securities | 299.98                               | 199.99                               |
| <b>Unsecured</b>                                                                     |                                      |                                      |
| Loans Repayable on Demand - Cash Credits/Working Capital Borrowings                  | 3,988.23                             | 4,006.27                             |
| Loan from Banks (includes Commercial Papers)                                         | 1,376.85                             | 493.42                               |
| Loan from Others (Commercial Papers)                                                 | 13,080.73                            | 7,614.60                             |
| Loans from Other Body Corporates                                                     | 1,902.18                             | 592.12                               |
| Debenture/Bond                                                                       | -                                    | 104.49                               |
| Current Maturities of Long-Term Debts (Note 2.27)                                    | 20,146.87                            | 16,950.95                            |
|                                                                                      | <b>48,985.74</b>                     | <b>34,635.46</b>                     |

₹ in crore

**2.32.1** Rate of Interest on these borrowing during the year was in the range of 2.94% to 10.5%

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 2.33 POLICYHOLDER'S LIABILITIES - CURRENT

₹ in crore

|                                                  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| Insurance Contract Liabilities                   | 1,655.07                             | 1,786.37                             |
| Investment Contract Liabilities                  | 9.66                                 | 9.16                                 |
| Fair Value Changes of Policyholder's Investments | 1,105.95                             | 282.37                               |
|                                                  | <b>2,770.68</b>                      | <b>2,077.90</b>                      |

## 2.34 TRADE PAYABLES

₹ in crore

|                                                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Total Outstanding Due to Micro and Small Enterprises <sup>#</sup> | 433.32                               | 351.52                               |
| Due to Related Parties (Note 4.7.2)                               | 155.43                               | 117.68                               |
| Acceptances                                                       | 1,410.12                             | 1,274.75                             |
| Supplier's Credit <sup>\$</sup>                                   | 1,989.83                             | 1,634.40                             |
| Others                                                            | 11,368.36                            | 9,974.92                             |
|                                                                   | <b>15,357.06</b>                     | <b>13,353.27</b>                     |

<sup>#</sup>This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

<sup>\$</sup>Supplier's Credit of subsidiary (Ultratech) represents the extended interest bearing credit offered by the supplier which is secured against Usance Letter of Credit (LC). Under this arrangement, the supplier is eligible to receive payment from negotiating with bank prior to the expiry of the extended credit period. The interest of the extended credit period payable to the bank on maturity of the LC has been presented under Finance Cost. As on 31<sup>st</sup> March 2024, confirmed supplier's invoice that are outstanding and subject to the above arrangement included in Others is ₹ 1,046.29 crore. (31<sup>st</sup> March 2023 : ₹ 467.24 crore)

₹ in crore

| Particulars                                 | Unbilled (A)    | Not Due (B)     | Outstanding for the following Periods from the Due Date of Payment |              |              |                      |                 | Grand Total<br>(A+B+C) |
|---------------------------------------------|-----------------|-----------------|--------------------------------------------------------------------|--------------|--------------|----------------------|-----------------|------------------------|
|                                             |                 |                 | Less than<br>1 Year                                                | 1-2 Years    | 2-3 Years    | More than 3<br>Years | Total (C)       |                        |
| <b>As at 31<sup>st</sup> March 2024</b>     |                 |                 |                                                                    |              |              |                      |                 |                        |
| Micro and Small Enterprises                 | 0.50            | 397.86          | 32.47                                                              | 1.56         | 0.37         | 0.47                 | 34.87           | 433.23                 |
| Others                                      | 2,768.46        | 7,766.01        | 4,291.09                                                           | 60.74        | 7.45         | 11.36                | 4,370.64        | 14,905.11              |
| Disputed Dues – Micro and Small Enterprises | -               | -               | 0.09                                                               | -            | -            | -                    | 0.09            | 0.09                   |
| Disputed Dues – Others                      | -               | -               | -                                                                  | 13.88        | 0.67         | 4.08                 | 18.63           | 18.63                  |
| <b>Total</b>                                | <b>2,768.96</b> | <b>8,163.87</b> | <b>4,323.65</b>                                                    | <b>76.18</b> | <b>8.49</b>  | <b>15.91</b>         | <b>4,424.23</b> | <b>15,357.06</b>       |
| <b>As at 31<sup>st</sup> March 2023</b>     |                 |                 |                                                                    |              |              |                      |                 |                        |
| Micro and Small Enterprises                 | 1.49            | 297.10          | 50.10                                                              | 0.72         | 0.44         | 0.22                 | 51.48           | 350.07                 |
| Others                                      | 2,956.07        | 5,169.51        | 4,785.01                                                           | 8.97         | 5.35         | 7.03                 | 4,806.36        | 12,931.94              |
| Disputed Dues – Micro and Small Enterprises | -               | -               | 1.14                                                               | 0.31         | -            | -                    | 1.45            | 1.45                   |
| Disputed Dues – Others                      | 2.61            | -               | 22.33                                                              | 16.07        | 7.78         | 21.02                | 67.20           | 69.81                  |
| <b>Total</b>                                | <b>2,960.17</b> | <b>5,466.61</b> | <b>4,858.58</b>                                                    | <b>26.07</b> | <b>13.57</b> | <b>28.27</b>         | <b>4,926.49</b> | <b>13,353.27</b>       |



# NOTES

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## 2.35 OTHER FINANCIAL LIABILITIES - CURRENT

(Carried at Amortised Cost, unless otherwise stated)

|                                                                                               | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest Accrued But Not Due on Borrowings                                                    | 1,534.76                             | 1,223.54                             |
| Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when due) | 32.79                                | 32.56                                |
| Security and Other Deposits (Trade Deposits)                                                  | 2,390.83                             | 2,246.17                             |
| Liabilities for Capital Goods @ # (refer note 4.12.3)                                         | 2,733.22                             | 2,068.70                             |
| Accrued Expenses Related to Employees                                                         | 1,229.15                             | 1,126.57                             |
| Derivative Liabilities - Carried at FVTPL                                                     | 26.15                                | 112.21                               |
| Book Overdraft                                                                                | 1,922.22                             | -                                    |
| Margin Money from Customers                                                                   | 1,105.40                             | 638.39                               |
| Due to Life Insurance Policyholders                                                           | 1,156.64                             | 1,272.70                             |
| Other Payables (including Retention Money, Liquidated Damages, etc.)                          | 1,660.47                             | 1,138.17                             |
|                                                                                               | <b>13,791.63</b>                     | <b>9,859.01</b>                      |

#Includes acceptances of ₹ 75.79 crore (Previous Year ₹ 0.33 crore) towards Capital Goods.

## 2.36 OTHER CURRENT LIABILITIES

|                                         | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------|--------------------------------------|--------------------------------------|
| Statutory Liabilities                   | 2,752.01                             | 2,684.84                             |
| Contract Liabilities                    | 916.84                               | 710.31                               |
| Deferred Government Subsidies           | 31.63                                | 31.26                                |
| Other Payables (including Legal Claims) | 3,270.38                             | 3,011.74                             |
|                                         | <b>6,970.86</b>                      | <b>6,438.15</b>                      |

## 2.37 PROVISIONS - CURRENT

|                                                                    | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| For Employee Benefits (Gratuity, Compensated Absences and Pension) | 560.74                               | 495.07                               |
| For Assets Transfer Cost {Note 2.37.1 (b)}                         | 212.90                               | 161.58                               |
| For Provision Against Contingent Liabilities {Note 2.37.1 (c)}     | 14.47                                | 42.47                                |
| For Warranty Provision {Note 2.37.1 (d)}                           | 1.05                                 | 0.99                                 |
| For Other Provisions {Note 2.37.1 (e)}                             | 0.79                                 | 22.36                                |
| For Estimated Exposure in Joint Venture {Note 2.37.1 (f)}          | 436.00                               | -                                    |
|                                                                    | <b>1,225.95</b>                      | <b>722.47</b>                        |



# NOTES

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## 2.37.1 Movement of provisions during the year as required by Ind AS 37 - “Provisions, Contingent Liabilities and Contingent Asset”

| ₹ in crore                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                      |                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>(a) Provision for Mine Restoration Expenditure*</b>                                                                                                                                                                                                                                                                                                                                                                                                                              |                                      |                                      |
| Opening Balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 355.74                               | 327.21                               |
| Add: Provision during the Year                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 3.85                                 | 14.88                                |
| Add: Unwinding of Discount on Mine Restoration Provision                                                                                                                                                                                                                                                                                                                                                                                                                            | 20.54                                | 14.22                                |
| Less: Utilisation during the Year                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (0.22)                               | (0.57)                               |
| <b>Closing Balance (considered as Non-Current)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>379.91</b>                        | <b>355.74</b>                        |
| * Mines Restoration Expenses are incurred on an ongoing basis until the respective mines are not fully restored, in accordance with the requirements of the mining agreement. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenses.                                                                                                                                                                                             |                                      |                                      |
| <b>(b) Provision for Assets Transfer Cost*</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                      |                                      |
| Opening Balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 161.58                               | 215.57                               |
| Add: Provision during the Year                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 72.00                                | -                                    |
| Less: Utilisation during the Year                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (5.68)                               | -                                    |
| Less: Unused Amount Reversed                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (15.00)                              | (53.99)                              |
| <b>Closing Balance (considered as Current)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>212.90</b>                        | <b>161.58</b>                        |
| * Provision for asset transfer cost relates to merger of Aditya Birla Nuvo Limited (ABNL), Aditya Birla Chemical Limited (ABCL), acquisition of Cement business of CTIL and merger of Ultratech Nathdwara Cement Limited and its wholly owned subsidiaries which has been made based on substantial degree of estimation. Outflow against the same is expected at the time of regulatory process of registration of assets owned by the above Companies in the name of the Company. |                                      |                                      |
| <b>(c) Provision Against Contingent Liabilities*</b>                                                                                                                                                                                                                                                                                                                                                                                                                                |                                      |                                      |
| Opening Balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 42.47                                | 42.70                                |
| Less: Utilisation during the Year                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (27.84)                              | -                                    |
| Less: Unused Amount Reversed                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (0.16)                               | (0.23)                               |
| <b>Closing Balance (considered as Current)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>14.47</b>                         | <b>42.47</b>                         |
| * During earlier year, as per Ind AS 103 (Business Combination), the Group had to recognise, on the acquisition date, the contingent liabilities assumed in a business combination, if it was a present obligation that arises from past events and its fair value can be measured reliably, even if it is not probable that an outflow of resources will be required to settle the obligation.                                                                                     |                                      |                                      |
| <b>(d) Warranty</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                      |                                      |
| Opening Balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.99                                 | 1.82                                 |
| Add: Provision during the Year                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0.23                                 | -                                    |
| Less: Unused Amount Reversed                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (0.17)                               | (0.83)                               |
| <b>Closing Balance (Considered as Current)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1.05</b>                          | <b>0.99</b>                          |
| Considering the past experience of returns and replacements claims, provision is recognised for expected warranty claims on Insulators product during the year of sale. Provision is generally expected to settle (or reverse) within 1 to 5 years, based on claims received.                                                                                                                                                                                                       |                                      |                                      |
| <b>(e) Other Provisions *</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                      |                                      |
| Opening Balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 27.27                                | 22.17                                |
| Add: Provision during the Year                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1.87                                 | 5.10                                 |
| Less: Unused amount reversed                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (3.69)                               | -                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>25.45</b>                         | <b>27.27</b>                         |
| <b>Closing Balance (considered as Non-Current)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>24.66</b>                         | <b>4.91</b>                          |
| <b>Closing Balance (considered as Current)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>0.79</b>                          | <b>22.36</b>                         |
| * The provision is for anticipated liability, which is made on the basis of the Management expectation as expected timing of any resulting outflow of economic benefits is uncertain.                                                                                                                                                                                                                                                                                               |                                      |                                      |

### (f) Estimated Exposure in Joint Venture

AV Terrace Bay Inc., Canada (“AVTB”), a joint venture of the Company, operating in paper-grade pulp business, temporarily idled its business operations due to prevailing market conditions. Based on observable evidence, the Company has created a provision of ₹ 436 crore towards its estimated exposure (Note 3.11(iii)).



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## 2.38 MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of subsidiaries with material non-controlling interest is provided below

### (A) UltraTech Cement Limited (Consolidated)<sup>#</sup>

₹ in crore

|                                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Proportion of Interest Held by Non-Controlling Entities                    | 42.73%                               | 42.73%                               |
| Accumulated Balances of Non-Controlling Interest                           | 25,683.08                            | 23,178.63                            |
| <b>Summarised Financial Information for the Consolidated Balance Sheet</b> |                                      |                                      |
| Current Assets                                                             | 23,158.37                            | 20,742.90                            |
| Non-Current Assets                                                         | 77,643.64                            | 70,644.06                            |
| Current Liabilities                                                        | 26,905.96                            | 23,431.79                            |
| Non-Current Liabilities                                                    | 13,612.63                            | 13,575.00                            |
| Dividend Paid to Non-Controlling Interest                                  | 466.91                               | 466.91                               |

₹ in crore

|                                                                                           | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Profit/(Loss) Allocated to Non-Controlling Interest:                                      | 2,993.24                                  | 2,163.83                                  |
| <b>Summarised Financial Information for the Consolidated Statement of Profit and Loss</b> |                                           |                                           |
| Revenue from Operations                                                                   | 70,908.14                                 | 63,239.98                                 |
| Profit for the Year                                                                       | 7,005.00                                  | 5,063.96                                  |
| Other Comprehensive Income/(Loss)                                                         | 33.14                                     | (17.48)                                   |
| Total Comprehensive Income                                                                | 7,038.14                                  | 5,046.48                                  |
| <b>Summarised Financial Information for Consolidated Cash Flows</b>                       |                                           |                                           |
| Net Cash Generated from Operating Activities                                              | 10,897.54                                 | 9,068.51                                  |
| Net Cash Used in Investing Activities                                                     | (8,788.12)                                | (7,187.07)                                |
| Net Cash Used in Financing Activities                                                     | (1,925.65)                                | (1,631.00)                                |
| Net Cash Inflow                                                                           | 183.77                                    | 250.44                                    |

The financial numbers mentioned above are before inter-company eliminations.

<sup>#</sup> Principal Place of Business: India.

### (B) Aditya Birla Capital Limited (Consolidated)<sup>#</sup>

₹ in crore

|                                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Proportion of Interest Held by Non-Controlling Entities                    | 47.32%                               | 45.85%                               |
| Accumulated Balances of Non-Controlling Interest                           | 22,008.22                            | 18,634.62                            |
| <b>Summarised Financial Information for the Consolidated Balance Sheet</b> |                                      |                                      |
| Current Assets                                                             | 50,223.99                            | 35,260.64                            |
| Non-Current Assets                                                         | 202,733.79                           | 167,042.00                           |
| Current Liabilities                                                        | 51,847.08                            | 36,418.99                            |
| Non-Current Liabilities                                                    | 151,811.45                           | 122,750.45                           |

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₹ in crore

|                                                                                           | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Profit/(loss) Allocated to Material Non-Controlling Interest:                             | 1,309.97                                  | 2,143.51                                  |
| <b>Summarised Financial Information for the Consolidated Statement of Profit and Loss</b> |                                           |                                           |
| Revenue from Operations                                                                   | 34,008.15                                 | 27,365.17                                 |
| Profit/(Loss) for the Year                                                                | 2,768.33                                  | 4,675.05                                  |
| Other Comprehensive Income                                                                | 28.26                                     | (33.37)                                   |
| Total Comprehensive Income/(Loss)                                                         | 2,796.59                                  | 4,641.68                                  |
| <b>Summarised Financial Information for Consolidated Cash Flows</b>                       |                                           |                                           |
| Net Cash Generated from/(Used in) Operating Activities                                    | (24,100.50)                               | (24,028.59)                               |
| Net Cash Generated from/(Used in) Investing Activities                                    | (4,590.29)                                | (2,649.87)                                |
| Net Cash Generated from/(Used in) Financing Activities                                    | 28,514.30                                 | 26,385.21                                 |
| Net Cash Inflow/(Outflow)                                                                 | (176.49)                                  | (293.25)                                  |

The financial numbers mentioned above are before inter-company eliminations.

#Principal Place of Business: India

## 2.39 INTEREST IN JOINT VENTURES AND ASSOCIATES

Below are the Associate and Joint Venture of the Group, which, in the opinion of the Management, are material to the Group, which have been accounted as per equity method of accounting.

### (A) Aditya Birla Sun Life AMC Limited (refer note 4.4.c)

| (1) Name of the Entity            | Principal Place of Business | Proportion of Ownership Interest     | Quoted Fair Value - Per Share        | Proportion of Ownership Interest     | Quoted Fair Value - Per Share        |
|-----------------------------------|-----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                                   |                             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 | As at<br>31 <sup>st</sup> March 2023 |
| Aditya Birla Sun Life AMC Limited | India                       | 45.14%                               | 455.00                               | 50.01%                               | 311.20                               |

- (i) It is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 and the principal activity is to act as an investment manager to Aditya Birla Sun Life Mutual Fund. It manages the investment portfolios of Aditya Birla Sun Life Mutual Fund, India Advantage Fund Ltd., Mauritius, India Excel (Mauritius) Fund and Aditya Birla Real Estate Fund. It is also registered under the SEBI (Portfolio Managers) Regulations, 1993, and provides portfolio management services and investment advisory services to offshore funds and high net worth investors. Aditya Birla Sun Life AMC Limited has set up two Alternate Investment Fund (AIF) one under Category III and the other under Category II with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. Aditya Birla Sun Life AMC Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.



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## (2) (a) Summarised Balance Sheet

₹ in crore

| Aditya Birla Sun Life AMC Limited (Consolidated) | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Current Assets</b>                            |                                      |                                      |
| Cash and Cash Equivalents                        | 39.10                                | 33.61                                |
| Other Assets                                     | 2,056.09                             | 1,757.16                             |
| <b>Total Current Assets</b>                      | <b>2,095.19</b>                      | <b>1,790.77</b>                      |
| <b>Total Non-Current Assets</b>                  | <b>8,308.46</b>                      | <b>7,932.07</b>                      |
| <b>Current Liabilities</b>                       |                                      |                                      |
| Financial Liabilities (excluding Trade Payables) | 86.04                                | 50.58                                |
| Other Liabilities                                | 127.22                               | 149.74                               |
| <b>Total Current Liabilities</b>                 | <b>213.26</b>                        | <b>200.32</b>                        |
| <b>Total Non-Current Liabilities</b>             | <b>1,858.31</b>                      | <b>1,822.60</b>                      |
| Net Assets                                       | 8,332.08                             | 7,699.92                             |
| Group Share in %                                 | 45.14%                               | 50.01%                               |
| Group Share in INR (refer note 4.4.c)            | 3,756.32                             | 3,850.72                             |
| Goodwill                                         | 1,707.51                             | 1,891.74                             |
| Carrying Amount*                                 | 5,463.83                             | 5,742.46                             |

\* This Includes ₹ 7.65 crore AMC stake classified as held for sale

## b) Summarised Statement of Profit and Loss

Aditya Birla Sun Life AMC Limited (Consolidated)

₹ in crore

|                                                        | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Revenue from Operations                                | 1,353.19                                  | 1,226.61                                  |
| Interest Income                                        | 20.54                                     | 15.33                                     |
| Depreciation and Amortisation                          | 67.51                                     | 67.23                                     |
| Income Tax Expenses                                    | 219.51                                    | 189.20                                    |
| Profit for the Year                                    | 755.73                                    | 571.76                                    |
| Group Share in the Statement of Profit and Loss        | 376.74                                    | 285.94                                    |
| Other Comprehensive Income/(Loss) for the Year         | (0.40)                                    | 5.49                                      |
| Group Share in Other Comprehensive Income for the Year | (0.18)                                    | 2.75                                      |
| Total Comprehensive Income for the Year                | 755.34                                    | 577.25                                    |
| Group Share in Total Comprehensive Income for the Year | 376.56                                    | 288.68                                    |
| Dividend Received                                      | 75.62                                     | 156.27                                    |

## c) Contingent Liabilities in respect of Associates

₹ in crore

| Particulars                                                                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Group Share in Contingent Liabilities in respect of Associates not being included in Note 4.1.1 | 7.22                                 | 96.19                                |

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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## (B) Aditya Birla Health Insurance Co. Limited

| (1) Name of the Entity                    | Principal Place of Business | Proportion of Ownership Interest  | Quoted Fair Value                 |  | Proportion of Ownership Interest  | Quoted Fair Value                 |  |
|-------------------------------------------|-----------------------------|-----------------------------------|-----------------------------------|--|-----------------------------------|-----------------------------------|--|
|                                           |                             | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2024 |  | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2023 |  |
| Aditya Birla Health Insurance Co. Limited | India                       | 45.89%                            | #                                 |  | 45.91%                            | #                                 |  |

# Unlisted equity - No quoted price available

- (i) Aditya Birla Health Insurance Co. Limited is registered with the Insurance Regulatory and Development Authority of India ("IRDAI") for conducting health insurance business, under Section 3 of the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015.

## (2) (a) Summarised Balance Sheet

|                                                  |  |                                   | ₹ in crore                        |  |
|--------------------------------------------------|--|-----------------------------------|-----------------------------------|--|
| Aditya Birla Health Insurance Co. Limited        |  | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |  |
| Current Assets                                   |  |                                   |                                   |  |
| Cash and Cash Equivalents                        |  | 145.49                            | 16.95                             |  |
| Other Assets                                     |  | 638.24                            | 711.30                            |  |
| <b>Total Current Assets</b>                      |  | <b>783.73</b>                     | <b>728.25</b>                     |  |
| <b>Total Non-Current Assets</b>                  |  | <b>3,083.09</b>                   | <b>2,636.37</b>                   |  |
| Current Liabilities                              |  |                                   |                                   |  |
| Financial Liabilities (excluding Trade Payables) |  | 306.89                            | 178.24                            |  |
| Other Liabilities                                |  | 2,501.01                          | 1,956.76                          |  |
| <b>Total Current Liabilities</b>                 |  | <b>2,807.90</b>                   | <b>2,135.00</b>                   |  |
| Non-Current Liabilities                          |  |                                   |                                   |  |
| Financial Liabilities (excluding Trade Payables) |  | 12.92                             | -                                 |  |
| Other Liabilities                                |  | 8.88                              | 29.47                             |  |
| <b>Total Non-Current Liabilities</b>             |  | <b>21.80</b>                      | <b>29.47</b>                      |  |
| Net Assets                                       |  | 1,037.12                          | 1,200.15                          |  |
| Group Share in %                                 |  | 45.89%                            | 45.91%                            |  |
| Group Share in INR (refer Note 4.12.5)           |  | 2,956.61                          | 3,032.67                          |  |
| Goodwill                                         |  | -                                 | -                                 |  |
| <b>Carrying Amount</b>                           |  | <b>2,956.61</b>                   | <b>3,032.67</b>                   |  |





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## b) Summarised Statement of Profit and Loss

### Aditya Birla Health Insurance Co. Limited

| Particulars                                                   | 31 <sup>st</sup> March 2024 | ₹ in crore                                                                      |
|---------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------|
|                                                               |                             | For period between 21 <sup>st</sup> October 2022 to 31 <sup>st</sup> March 2023 |
| Revenue from Operations                                       | 3,450.43                    | 1,251.30                                                                        |
| Interest Income                                               | 199.39                      | 79.61                                                                           |
| Interest Expenses                                             | 1.92                        | 1.06                                                                            |
| Depreciation and Amortisation                                 | 55.35                       | 21.70                                                                           |
| Profit/(Loss) for the Year                                    | (181.85)                    | (56.77)                                                                         |
| Group Share in the Statement of Profit and Loss               | (83.48)                     | (26.06)                                                                         |
| Other Comprehensive Income/(Loss) for the Year                | 15.20                       | 13.20                                                                           |
| Group Share in Other Comprehensive Income for the Year        | 6.98                        | 6.06                                                                            |
| Total Comprehensive Income/(Loss) for the Year                | (166.65)                    | (43.57)                                                                         |
| Group Share in Total Comprehensive Income/(Loss) for the Year | (76.50)                     | (20.00)                                                                         |

## c) Commitments and Contingent Liabilities in respect of Joint Ventures

| Particulars                                                                                         | As at<br>31 <sup>st</sup> March 2024 | ₹ in crore                           |
|-----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                                     |                                      | As at<br>31 <sup>st</sup> March 2023 |
| Group Share in Commitments in respect of Joint Ventures not being included in Note 4.2              | 12.20                                | 10.53                                |
| Group Share in Contingent Liabilities in respect of Joint Ventures not being included in Note 4.1.1 | 14.49                                | 5.74                                 |

## (C) Individually Immaterial Joint Ventures and Associates

- (1) The Group also has interest in number of individually immaterial Joint Ventures and Associates that are accounted for using equity method of accounting. Below is the combined financial information with respect to those entities:

| Particulars                                                         | As at<br>31 <sup>st</sup> March 2024 | ₹ in crore                           |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                     |                                      | As at<br>31 <sup>st</sup> March 2023 |
| Aggregate Carrying Amount of individually immaterial Associates     | 934.14                               | 891.17                               |
| Aggregate Carrying Amount of individually immaterial Joint Ventures | 1,135.89                             | 1,281.08                             |

| Particulars                              | Year ended<br>31 <sup>st</sup> March 2024 | ₹ in crore                                |
|------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                          |                                           | Year ended<br>31 <sup>st</sup> March 2023 |
| Aggregate Amount of Group Share of:      |                                           |                                           |
| <b>Joint Ventures:</b>                   |                                           |                                           |
| Profit/(Loss) from Continuing Operations | (234.45)                                  | (126.68)                                  |
| Other Comprehensive Income/(Loss)        | (39.60)                                   | (12.36)                                   |
| Total Comprehensive Income/(Loss)        | (274.05)                                  | (139.04)                                  |
| <b>Associates:</b>                       |                                           |                                           |
| Profit/(Loss) from Continuing Operations | 29.01                                     | 12.70                                     |
| Other Comprehensive Income/(Loss)        | 14.07                                     | (24.74)                                   |
| Total Comprehensive Income/(Loss)        | 43.08                                     | (12.04)                                   |

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## (2) Unrecognised Share of Profit/(Loss) of a Joint Venture as per Ind AS 112

| Particulars                                                       | ₹ in crore                                |                                           |
|-------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                   | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
| Unrecognised Share of Profit/(Loss) for the Year                  | (394.96)                                  | (74.25)                                   |
| Unrecognised Share Other Comprehensive Income/(Loss) for the Year | 9.11                                      | (16.44)                                   |
| Cumulative Share of Profit/(Loss)                                 | (469.22)                                  | (74.25)                                   |
| Cumulative Share of Other Comprehensive Income/(Loss)             | (7.33)                                    | (16.44)                                   |

- (D) As per the Shareholders' Agreements, Aditya Birla Sun Life Trustee, Aditya Birla Wellness Limited and Aditya Birla Power Composites Limited cannot distribute their profits until they obtain consent from other Joint Venture partners.
- (E) The Group holds, either directly or through its subsidiary, more than half of the Equity Shares holding in the following entities. However, as per the shareholders' agreement, the Group needs to jointly decide with other shareholders of the respective entity, on certain relevant activities. Hence, the same are being accounted as per equity method of accounting.
- Aditya Birla Sun Life Trustee Company Private Limited
  - Aditya Birla Wellness Limited
  - Aditya Birla Power Composites Limited

## 3.1 REVENUE FROM OPERATIONS (NOTE 4.6.1)

|                                                                           | ₹ in crore                                |                                           |
|---------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                           | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
| <b>(A1) Sale of Products and Services (other than Financial Services)</b> |                                           |                                           |
| Sale of Manufactured Products                                             | 92,094.76                                 | 83,857.22                                 |
| Sale of Traded Products                                                   | 3,495.82                                  | 5,248.92                                  |
| Sale of Services                                                          | 19.67                                     | 12.42                                     |
|                                                                           | <b>95,610.25</b>                          | <b>89,118.56</b>                          |
| <b>(A2) Sale of Financial Services</b>                                    |                                           |                                           |
| Income from Life Insurance Premium (Gross)                                | 15,048.15                                 | 13,372.66                                 |
| Less: Reinsurance Ceded                                                   | (535.94)                                  | (530.23)                                  |
| Income from Life Insurance Premium (Net)                                  | <b>14,512.21</b>                          | <b>12,842.43</b>                          |
| Income from Health Insurance Premium (Gross)                              | -                                         | 1,391.13                                  |
| Less: Reinsurance Ceded                                                   | -                                         | (240.63)                                  |
| Income from Health Insurance Premium (Net)                                | -                                         | <b>1,150.50</b>                           |
| Income from Other Financial Services                                      | <b>1,468.80</b>                           | <b>1,521.57</b>                           |
| <b>(A3) Interest and Dividend Income of Financial Services</b>            |                                           |                                           |
| <b>a. Interest Income</b>                                                 |                                           |                                           |
| <b>Interest on Loans</b>                                                  |                                           |                                           |
| On Financial Assets Measured at Amortised Cost                            | 13,433.07                                 | 8,980.66                                  |
| <b>Interest Income from Investments</b>                                   |                                           |                                           |
| On Financial Assets Measured at Fair Value through OCI                    | 958.29                                    | 780.17                                    |
| On Financial Assets Measured at Amortised Cost                            | 2,077.37                                  | 1,613.73                                  |
| On Financial Assets Classified at Fair Value through Profit or Loss       | 261.40                                    | 153.50                                    |



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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                                                   | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Interest on Deposits with Banks</b>                                                                            |                                           |                                           |
| On Financial Assets Measured at Fair Value through OCI                                                            | 3.15                                      | 0.31                                      |
| On Financial Assets Measured at Amortised Cost                                                                    | 128.09                                    | 4.29                                      |
| On Financial Assets Classified at Fair Value through Profit or Loss                                               | -                                         | 2.75                                      |
| <b>Interest on Deposits with Others</b>                                                                           |                                           |                                           |
| On Financial Assets Measured at Amortised Cost                                                                    | 144.51                                    | 108.96                                    |
| <b>b. Dividend Income</b>                                                                                         |                                           |                                           |
| On Financial Assets Measured at Fair Value through OCI                                                            | 77.73                                     | 51.80                                     |
|                                                                                                                   | <b>17,083.61</b>                          | <b>11,696.17</b>                          |
| <b>(A4) Net Gain/(Loss) on Fair Value Changes of Financial Services Business</b>                                  |                                           |                                           |
| <b>Net Gain/(Loss) on Financial Instruments at Fair Value through Profit or Loss</b>                              |                                           |                                           |
| On Trading Portfolio                                                                                              |                                           |                                           |
| Equity Investment at Fair Value through Profit or Loss                                                            | 505.96                                    | 131.04                                    |
| Debt Instrument at Fair Value through Profit or Loss                                                              | 280.53                                    | (3.34)                                    |
| <b>Net Gain/(Loss) on Financial Instruments at Fair Value through OCI</b>                                         |                                           |                                           |
| Debt Instrument at Fair Value through OCI                                                                         | 0.20                                      | 0.93                                      |
| <b>Net Gain/(Loss) on Financial Instruments at Amortised Cost</b>                                                 |                                           |                                           |
| Debt Instruments at Amortised Cost                                                                                | 10.23                                     | 8.21                                      |
| <b>Others</b>                                                                                                     |                                           |                                           |
| Gain/(Loss) on Sale of Debt Instrument at Fair Value through OCI                                                  | (3.95)                                    | 0.58                                      |
| Gain/(Loss) on Sale of Investment in Associate (refer note 4.4 c)                                                 | 52.18                                     | -                                         |
|                                                                                                                   | <b>845.15</b>                             | <b>137.42</b>                             |
| <b>Income on derecognised (assigned) loans</b>                                                                    |                                           |                                           |
| Reversal of expected credit loss on Financial Instruments (net of bad debts recovery) of Housing Finance Business | 7.42                                      | -                                         |
| Income on derecognised (assigned) loans                                                                           | 51.56                                     | -                                         |
|                                                                                                                   | <b>58.98</b>                              | <b>-</b>                                  |
| <b>Revenue From Contract with Customers (A)</b>                                                                   | <b>1,29,579.00</b>                        | <b>1,16,466.65</b>                        |
| <b>(B) Other Operating Revenues</b>                                                                               |                                           |                                           |
| Export Incentives                                                                                                 | 82.64                                     | 74.07                                     |
| Insurance Claims                                                                                                  | 61.21                                     | 77.02                                     |
| Sundry Balances Written Back (Net)                                                                                | 162.43                                    | 142.81                                    |
| Government Grants (4.12.1 b))                                                                                     | 698.14                                    | 406.97                                    |
| Scrap Sales (Net)                                                                                                 | 229.47                                    | 250.38                                    |
| Other Miscellaneous Incomes                                                                                       | 165.59                                    | 209.18                                    |
| <b>Total (B)</b>                                                                                                  | <b>1,399.48</b>                           | <b>1,160.43</b>                           |
| <b>REVENUE FROM OPERATIONS (A + B)</b>                                                                            | <b>1,30,978.48</b>                        | <b>1,17,627.08</b>                        |
| <b>(C) Revenue from Contracts with Customers Disaggregated based on Geography (Geographical Segment)</b>          |                                           |                                           |
| i) India (Country of Domicile)                                                                                    | 1,24,101.98                               | 1,11,018.99                               |
| ii) Rest of the World                                                                                             | 5,477.02                                  | 5,447.66                                  |
| <b>Revenue from Contract with Customers</b>                                                                       | <b>1,29,579.00</b>                        | <b>1,16,466.65</b>                        |

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                                                       | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>(D) Reconciling the Amount of Revenue Recognised in the Statement of Profit and Loss with the Contracted Price</b> |                                           |                                           |
| Gross Revenue                                                                                                         | 1,40,684.92                               | 1,25,428.94                               |
| Less: Discount, Incentives, Returns, Price Concession, etc.                                                           | (11,105.92)                               | (8,962.29)                                |
| <b>Net Revenue Recognised from Contracts with Customers</b>                                                           | <b>1,29,579.00</b>                        | <b>1,16,466.65</b>                        |

## Notes:

- The amounts receivable from customers become due after expiry of credit period, which on an average is less than 180 days. There is no significant financing component in any transaction with the customers.
- The Company provides, agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.
- The Group does not have any remaining performance obligation, as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein performance obligation is unsatisfied, to which transaction price has been allocated.

## (E) Reconciliation of Revenue Recognised from Contract Liabilities:

₹ in crore

| Particulars                                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Closing Contract Liabilities - Advances from Customers</b> | <b>916.84</b>                        | <b>710.31</b>                        |

The contract liabilities outstanding ₹ 710.31 crore (Previous Year ₹ 857.29 crore) at the beginning of the year, out of which ₹ 685.04 crore (Previous Year ₹ 804.69 crore) has been recognised as revenue during the year ended 31<sup>st</sup> March 2024, and balance amount has been refunded during the year.

## 3.2 OTHER INCOME

₹ in crore

|                                                                                                                                        | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Interest Income on:</b>                                                                                                             |                                      |                                      |
| Investments                                                                                                                            | 32.99                                | 69.60                                |
| Interest on Income Tax Refund                                                                                                          | 210.74                               | 14.27                                |
| Bank Accounts and Others (Measured at Amortised Cost)                                                                                  | 301.53                               | 303.34                               |
| <b>Dividend Income from:</b>                                                                                                           |                                      |                                      |
| Non-Current Investments (Measured at FVTOCI)                                                                                           | 27.33                                | 37.11                                |
| Current Investments (Measured at FVTOCI)                                                                                               | -                                    | 3.29                                 |
| Investments - Mutual Funds (Measured at FVTPL)                                                                                         | 0.16                                 | -                                    |
| <b>Gain/(Loss) on Financial Instruments</b>                                                                                            |                                      |                                      |
| On Sale of Investments (Net) - Mutual Funds (Measured at FVTPL)                                                                        | 192.27                               | 78.57                                |
| Fair Value Change of Investments Measured at FVTPL                                                                                     | 382.15                               | 184.81                               |
| Profit on Sale of Property, Plant and Equipment and Intangible Assets (Net)                                                            | 3.81                                 | -                                    |
| Exchange Rate Difference (Net)                                                                                                         | -                                    | 20.02                                |
| Gain on account of Fair Value of investment in Health Insurance Business on Conversion from Subsidiary to Joint Venture. (Note 4.12.5) | -                                    | 2,754.27                             |
| Miscellaneous Income                                                                                                                   | 113.12                               | 146.77                               |
|                                                                                                                                        | <b>1,264.10</b>                      | <b>3,612.05</b>                      |



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## 3.3 COST OF MATERIALS CONSUMED

₹ in crore

|                                                  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| Opening Stock                                    | 3,173.61                             | 2,959.17                             |
| Add: Purchases and Incidental Expenses           | 22,937.35                            | 21,849.12                            |
| Less: Sale of Raw Materials                      | 14.22                                | 16.67                                |
| Add/(Less): Foreign Currency Translation Reserve | 1.03                                 | 4.25                                 |
| Less: Closing Stock                              | 3,668.09                             | 3,173.61                             |
|                                                  | <b>22,429.68</b>                     | <b>21,622.26</b>                     |

₹ in crore

|                                        | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------|--------------------------------------|--------------------------------------|
| <b>3.4 PURCHASES OF STOCK-IN-TRADE</b> | <b>3,157.17</b>                      | <b>1,824.35</b>                      |

## 3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in crore

|                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Opening Stock</b>                                 |                                      |                                      |
| Finished Goods                                       | 1,821.24                             | 1,462.06                             |
| Stock-in-Trade                                       | 124.28                               | 42.62                                |
| Work-in-Progress                                     | 1,592.29                             | 1,177.01                             |
| Waste/Scrap                                          | 17.86                                | 19.00                                |
|                                                      | <b>3,555.67</b>                      | <b>2,700.69</b>                      |
| <b>Less: Closing Stock</b>                           |                                      |                                      |
| Finished Goods                                       | 1,996.97                             | 1,821.24                             |
| Stock-in-Trade                                       | 97.54                                | 124.28                               |
| Work-in-Progress                                     | 1,703.66                             | 1,592.29                             |
| Waste/Scrap                                          | 29.58                                | 17.86                                |
|                                                      | <b>3,827.75</b>                      | <b>3,555.67</b>                      |
| <b>(Increase)/Decrease in Stocks</b>                 | <b>(272.08)</b>                      | <b>(854.98)</b>                      |
| Add/(Less): Stock of Trial-Run Production            | 155.17                               | 25.82                                |
| Add/(Less): Exchange Translation Difference & others | (50.25)                              | (5.50)                               |
|                                                      | <b>(167.16)</b>                      | <b>(834.66)</b>                      |

## 3.6 EMPLOYEE BENEFITS EXPENSES

₹ in crore

|                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries, Wages and Bonus                                  | 7,072.57                             | 6,413.76                             |
| Contribution to Provident Funds (Notes 4.8 (xix) and (xx)) | 327.60                               | 292.96                               |
| Contribution to Gratuity Fund (Note 4.8.1)                 | 117.70                               | 110.52                               |
| Staff Welfare Expenses                                     | 304.71                               | 256.73                               |
| Expenses on Employee Stock Options Scheme (Note 4.5)       | 140.60                               | 119.89                               |
|                                                            | <b>7,963.18</b>                      | <b>7,193.86</b>                      |



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## 3.7 FINANCE COSTS RELATING TO NBFC'S/ HFC'S BUSINESS

₹ in crore

|                               | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------|--------------------------------------|--------------------------------------|
| (Measured at Amortised Cost)  |                                      |                                      |
| Interest Expenses             | 7,573.54                             | 4,689.79                             |
| Interest on Lease Liabilities | 41.37                                | 27.98                                |
| Other Borrowing Costs         | 7.80                                 | 5.69                                 |
|                               | <b>7,622.71</b>                      | <b>4,723.46</b>                      |

## 3.8 OTHER FINANCE COSTS

₹ in crore

|                                                                                                                                                           | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| (Measured at Amortised Cost)                                                                                                                              |                                      |                                      |
| Interest Expenses                                                                                                                                         | 1,839.78                             | 1,219.59                             |
| Interest on Lease Liabilities                                                                                                                             | 80.64                                | 70.22                                |
| Other Borrowing Costs @                                                                                                                                   | 6.88                                 | 13.47                                |
| Unwinding of Discount on Mine Restoration Provision                                                                                                       | 20.54                                | 14.22                                |
| Exchange (Gain)/Loss on Lease Liabilities and Foreign Currency Borrowings (Net)                                                                           | 4.32                                 | 54.54                                |
|                                                                                                                                                           | <b>1,952.16</b>                      | <b>1,372.04</b>                      |
| Less: Capitalised                                                                                                                                         | 297.44                               | 51.77                                |
|                                                                                                                                                           | <b>1,654.72</b>                      | <b>1,320.27</b>                      |
| Borrowing costs are capitalised using rates based on specific borrowings ranging from 6.93% to 7.85% per annum. (Previous Year 4.57% to 7.50% per annum.) |                                      |                                      |
| @ Includes Interest on Income Tax.                                                                                                                        | 0.19                                 | 4.11                                 |

## 3.9 DEPRECIATION AND AMORTISATION EXPENSES

₹ in crore

|                                                          | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation on Property, Plant and Equipment (Note 2.1) | 4,032.78                             | 3,612.47                             |
| Depreciation on Investment Property (Note 2.3)           | 0.43                                 | 0.44                                 |
| Amortisation on Intangible Assets (Note 2.5)             | 607.99                               | 633.44                               |
| Depreciation on Right-of-Use Assets (Note 2.2)           | 372.03                               | 293.96                               |
| Obsolescence                                             | -                                    | 22.58                                |
|                                                          | <b>5,013.23</b>                      | <b>4,562.89</b>                      |
| Depreciation Transferred to Pre-Operative Expenses       | (11.91)                              | (11.30)                              |
|                                                          | <b>5,001.32</b>                      | <b>4,551.59</b>                      |



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## 3.10 OTHER EXPENSES

₹ in crore

|                                                                                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Consumption of Stores, Spare Parts and Components and Incidental Expenses                         | 1,986.52                             | 1,712.41                             |
| Consumption of Packing Materials                                                                  | 2,228.40                             | 2,231.14                             |
| Processing and Other Charges                                                                      | 306.61                               | 484.91                               |
| Repairs to Machinery, Buildings and Other Assets                                                  | 2,092.97                             | 1,824.74                             |
| Advertisement, Sales Promotion and Other Selling Expenses                                         | 3,701.95                             | 3,721.86                             |
| Impairment on financial instrument, Bad Debts and Allowance for Doubtful Debts and Advances (Net) | 1,361.91                             | 989.27                               |
| Insurance                                                                                         | 357.21                               | 291.43                               |
| Lease Rent                                                                                        | 220.01                               | 241.66                               |
| Rates and Taxes                                                                                   | 332.74                               | 281.06                               |
| Exchange Rate Difference (Net)                                                                    | 7.87                                 | -                                    |
| Miscellaneous Expenses                                                                            | 4,209.91                             | 3,412.71                             |
| Less: Captive Consumption of Cement                                                               | (95.86)                              | (71.95)                              |
|                                                                                                   | <b>16,710.24</b>                     | <b>15,119.24</b>                     |

## 3.11 EXCEPTIONAL ITEMS:

₹ in crore

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| (i) During the previous year, the Company has provided for Interest payable on customs duty on account of decision to pay customs duty on import of capital goods cleared at zero duty under EPCG scheme in earlier years                                                                                                                                                                                                                                                                                  | -                                    | (88.03)                              |
| (ii) Stamp duty on Business Combination (Refer Note - 4.3 c)                                                                                                                                                                                                                                                                                                                                                                                                                                               | (72.00)                              | -                                    |
| (iii) During the year, due to prevailing market conditions, AV Terrace Bay Inc., Canada ("AVTB"), a joint venture of the Company, operating in paper-grade pulp mills, undertook the temporary idling of its pulp plant. Based on the observable evidence. Provision has been made against share application money paid amounting to ₹ 61.36 crore. Further, a provision has been created towards its estimated exposure of ₹ 436 crore. Total charge of ₹ 497.36 crore recognised as an exceptional item. | (497.36)                             | -                                    |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>(569.36)</b>                      | <b>(88.03)</b>                       |

## 3.12 TAX EXPENSES

### A. Major components of income tax expenses for the year

₹ in crore

|                                           | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Current Tax</b>                        |                                      |                                      |
| Current income tax charge                 | 3,506.93                             | 3,433.54                             |
| Write back of tax relating to prior years | (93.07)                              | (0.87)                               |
|                                           | <b>3,413.86</b>                      | <b>3,432.67</b>                      |
| <b>Deferred Tax</b>                       |                                      |                                      |
| Deferred Tax Expense                      | 360.30                               | 215.84                               |
|                                           | <b>360.30</b>                        | <b>215.84</b>                        |
| <b>Total Tax Expense</b>                  | <b>3,774.16</b>                      | <b>3,648.51</b>                      |

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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## B. Reconciliation of Effective Tax Rate

₹ in crore

|                                                                                                    | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Applicable Tax Rate                                                                                | 25.17%                               | 25.17%                               |
| Income Not Considered for Tax Purpose                                                              | 0.89%                                | -0.35%                               |
| Tax impact of Gain on Fair Value of Investment in Health Insurance Business not considered for Tax | -                                    | -4.66%                               |
| Expenses Not Allowed for Tax Purpose                                                               | 1.58%                                | 0.81%                                |
| Additional Allowances for Tax Purpose                                                              | -1.21%                               | -2.13%                               |
| Taxes on Subsidiary Losses                                                                         | 0.36%                                | 0.29%                                |
| Effect of Changes in Tax Rate (Reversal of Deferred Tax Liabilities)                               | 0.05%                                | -0.74%                               |
| Tax Paid at Lower Rate                                                                             | -0.22%                               | 6.06%                                |
| Provision for Tax of earlier years Written Back                                                    | -0.45%                               | -0.03%                               |
| Lower Jurisdiction Tax Rate                                                                        | -0.30%                               | -0.12%                               |
| Others                                                                                             | 1.68%                                | 0.48%                                |
| <b>Effective Tax Rate</b>                                                                          | <b>27.55%</b>                        | <b>24.78%</b>                        |

## 3.13 OTHER COMPREHENSIVE INCOME

₹ in crore

|                                                                                                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Items that will not be reclassified to Profit and Loss</b>                                                                |                                      |                                      |
| Equity Instrument at Fair Value through Other Comprehensive Income                                                           | 4,537.68                             | (3,490.76)                           |
| Remeasurement of Defined Benefit Plans                                                                                       | (22.31)                              | 46.18                                |
| Share of Other Comprehensive Income of Associate and Joint Venture Companies accounted for using Equity Method of Accounting | (1.04)                               | 0.30                                 |
| Income Tax relating to items that will not be Reclassified to Profit or Loss                                                 | (599.30)                             | 387.85                               |
| <b>Items that will be Reclassified to Profit and Loss</b>                                                                    |                                      |                                      |
| Debt Instrument at Fair Value through Other Comprehensive Income                                                             | 53.88                                | (119.37)                             |
| Exchange Difference in translating the Financial Statements of Foreign Operations                                            | 42.52                                | 77.15                                |
| Effective Portion of Derivative Instruments designated as Cash Flow Hedge                                                    | (28.20)                              | (117.41)                             |
| Share of Other Comprehensive Income of Associate and Joint Venture Companies accounted for using Equity Method of Accounting | (30.23)                              | (22.41)                              |
| Income Tax relating to items that will be Reclassified to Profit or Loss                                                     | 9.47                                 | 57.69                                |
|                                                                                                                              | <b>3,962.47</b>                      | <b>(3,180.78)</b>                    |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 3.14 EARNINGS PER SHARE (EPS):

|                                                                                                                        | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| ₹ in crore                                                                                                             |                                      |                                      |
| <b>Net Profit for the Year Attributable to Equity Shareholders (₹ in crore)</b>                                        | 5,624.49                             | 6,827.26                             |
| <b>Basic EPS:</b>                                                                                                      |                                      |                                      |
| Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each                                | 66,15,68,570                         | 66,09,97,552                         |
| Less: Weighted-Average Number of Equity Shares held by the Company under ESOP Trust (Nos.) of Face Value of ₹ 2/- each | 21,19,017                            | 17,80,174                            |
| Weighted-Average Number of Equity Shares Outstanding (Nos.) for calculation of Basic EPS (Nos.)                        | <b>65,94,49,553</b>                  | <b>65,92,17,378</b>                  |
| Basic EPS (₹) (for Face Value of Shares of ₹ 2/- each)                                                                 | <b>85.29</b>                         | <b>103.57</b>                        |
| <b>Diluted EPS:</b>                                                                                                    |                                      |                                      |
| Weighted-Average Number of Equity Shares Outstanding (Nos.)                                                            | 65,94,49,553                         | 65,92,17,378                         |
| Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)                                  | 10,56,194                            | 5,55,999                             |
| Add: Weighted-Average Number of Equity Shares kept in Abeyance (Nos.)                                                  | 65,010                               | 61,985                               |
| Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)                             | <b>66,05,70,757</b>                  | <b>65,98,35,362</b>                  |
| <b>Diluted EPS (₹) (for Face Value of Shares of ₹ 2/- each)</b>                                                        | <b>85.15</b>                         | <b>103.47</b>                        |

Basic and Diluted earnings per share for the previous year has been retrospectively adjusted for the bonus element in respect of the Rights Issue made during the year ended 31<sup>st</sup> March 2024

## 4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

### 4.1.1 Claims/Disputed Liabilities not acknowledged as Debts:

| Particulars                              | Brief Description of Matter                                                                                                                                                                                          | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| ₹ in crore                               |                                                                                                                                                                                                                      |                                      |                                      |
| Customs Duty                             | Related to classification dispute, demand of duty on import of steam coal, caustic soda flakes and others                                                                                                            | 332.68                               | 294.42                               |
| Sales Tax/Purchase Tax/VAT/GST/Entry Tax | Related to stock transfer treated as inter-state sales, demand on freight component and levy of purchase tax on exempted supply, demand for non-submission of various forms, disallowance of input credit and others | 1,184.91                             | 1,093.13                             |
| Excise Duty/Cenvat Credit/Service Tax    | Related to valuation matter (Rule 8 vs. Rule 4), denial of Cenvat Credit on ISD/GTA and others                                                                                                                       | 1,860.45                             | 1,857.83                             |
| Income Tax                               | Non-deduction of tax at source on payment to non-resident, various disallowances and others                                                                                                                          | 59.70                                | 61.84                                |
| Land Related Matters                     | Demand of higher compensation                                                                                                                                                                                        | 281.81                               | 282.30                               |
| Royalty on Limestone/Marl/Shale          | Based on fixed conversion factor on limestone, royalty rate differences on Marl and additional royalty on mines transfer                                                                                             | 390.78                               | 382.12                               |
| Electricity Duty/Energy Development Cess | Related to electricity duty, minimum power consumption, Energy Development Cess and denial of Electricity Duty exemption                                                                                             | 286.79                               | 271.51                               |
|                                          | Related to Stamp Duty, claim raised by vendor/supplier, road tax matters, demand for fuel surcharge, water withdrawal charges by irrigation department, minimum Supply obligation and others                         | 1,109.93                             | 1,377.75                             |

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

- 4.1.2 a. UTCL (including the erstwhile UltraTech Nathdwara Cement Limited) had filed appeals against the orders of the Competition Commission of India (CCI) dated 31<sup>st</sup> August 2016 (Penalty of ₹ 1,616.83 crore) and 19<sup>th</sup> January 2017 (Penalty of ₹ 68.30 crore). Upon the National Company Law Appellate Tribunal ("NCLAT") disallowing its appeals against the CCI order dated 31<sup>st</sup> August 2016, UTCL filed appeals before the Hon'ble Supreme Court which has, by its order dated 5<sup>th</sup> October 2018, granted a stay against the NCLAT order. Consequently, UTCL has deposited an amount of ₹ 161.68 crore equivalent to 10% of the penalty of ₹ 1,616.83 crore. UTCL backed by legal opinions, believes that it has a good case in the matters and accordingly no provision has been recognised in the financial statements.
- b. In one of the case, UltraTech Cement Lanka Private Limited (UTCLPL) filed the appeal against the Director General of Customs and the Inquiring Officer Appointed in terms of the Customs Ordinance for the customs case No. PCAD/HQO/091/2016 initiated at the Sri Lankan customs, on the alleged basis that UTCLPL has not declared the unloading charges (stevedoring charges) paid to the Sri Lanka Ports Authority in relation to imported cement. UTCLPL has filed a case in the court of appeal, and the matter is scheduled for argument.
- c. Competition Commission of India (CCI) has passed an Order, dated 16<sup>th</sup> March 2020, under Section 4 of the Competition Act, 2002, imposing a penalty of ₹ 301.61 crore in respect of the Viscose Staple Fibre turnover of the Company. The Company filed an appeal before the National Company Law Appellate Tribunal (NCLAT) and NCLAT, vide Order, dated 4<sup>th</sup> November 2020, stayed the recovery of the penalty amount during the pendency of the Appeal and directed the Company to deposit 10% of the penalty amount by 19<sup>th</sup> November 2020, which the Company has complied. The Appeal is pending before the NCLAT.

Without considering that an Appeal is already pending against the aforesaid Order, the CCI passed another Order, dated 3<sup>rd</sup> June 2021, levying a penalty of ₹ 3.49 crore for non-compliance with the Order passed on 16<sup>th</sup> March 2020. The Company filed Writ Petition before the Hon'ble Delhi High Court against the Order of the CCI. The CCI appeared before the Hon'ble Delhi High Court and assured that no precipitative steps shall be taken against the Company till the disposal of the matter.

The Company believes that it has strong grounds against both these said orders, on merit, and accordingly, no provision has been made in the accounts.

## 4.1.3 Corporate Guarantees Issued by Subsidiaries as under:

|                                                                                                   | ₹ in crore                           |                                      |
|---------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                                   | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| a. To Financial Institutions/Government Authorities/Others for finance provided to Joint Ventures | 1.70                                 | 1.70                                 |
| b. Letter of Comfort Issued*                                                                      | 1,683.89                             | 2,138.34                             |

\* includes Corporate Guarantees given to National Housing Bank by the ABCL on behalf of its subsidiary Aditya Birla Housing Finance Limited (ABHFL) of ₹ 3,500 crore up to 31<sup>st</sup> March 2024 (31<sup>st</sup> March 2023 ₹ 3500 crore), against which the amount liable by ABHFL is ₹ 1607.52 crore (31<sup>st</sup> March 2023 ₹ 2057.11 crore). As per the terms of the Guarantee, on invocation, the Group's liability is capped at the outstanding amount. It includes Corporate Guarantees given by the Group on behalf of its clients of ₹ 76.37 crore as at 31<sup>st</sup> March 2024. (Previous Year 31<sup>st</sup> March 2023 ₹ 80.08 crore).





# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 4.2 CAPITAL, FINANCIAL AND OTHER COMMITMENTS

|                                              |                                                                                                                                                                                                                                                                                      | ₹ in crore                           |                                      |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                              |                                                                                                                                                                                                                                                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>4.2.1 Capital Commitments</b>             |                                                                                                                                                                                                                                                                                      |                                      |                                      |
| a.                                           | Estimated Amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances Paid)                                                                                                                                                                | 7,936.36                             | 9,476.70                             |
| <b>4.2.2 Financial and Other Commitments</b> |                                                                                                                                                                                                                                                                                      |                                      |                                      |
| (a)                                          | Financial Commitments                                                                                                                                                                                                                                                                |                                      |                                      |
|                                              | Joint Ventures @                                                                                                                                                                                                                                                                     | 122.86                               | 223.78                               |
| @                                            | As per the agreement with the Joint Ventures, the Company is committed to make additional contribution in proportion to their interest in Joint Ventures, if required. These commitments have not been recognised in the Consolidated Financial Statements.                          |                                      |                                      |
| (b)                                          | (i) Uncalled Liability on partly paid-up Investments of Insurance Business                                                                                                                                                                                                           | 149.81                               | 289.73                               |
| (c)                                          | The sanctioned but undisbursed amount of Aditya Birla Housing Finance Limited stands at ₹ 2892.38 crore. (31 <sup>st</sup> March 2023: ₹ 1,449.96 crore), whereas sanctioned but fully undisbursed amount stands at ₹ 1,824.55 crore (31 <sup>st</sup> March 2023: ₹ 1,066.44 crore) |                                      |                                      |
| (d)                                          | Undisbursed commitments where Aditya Birla Finance Limited does not have an unconditional right to cancel the undrawn / unavailed / unused portion of the loan at any time during the subsistence of the loan- ₹ Nil.                                                                |                                      |                                      |

## 4.3 BUSINESS COMBINATION

### a. Acquisition of Duqm Cement Projects International LLC. (Ind AS 103):

- I. During the previous year, Ultratech has entered into Share Sale and Purchase Agreement on 29<sup>th</sup> January 2023 with Seven Seas Company LLC and His Highness Al Sayyid Shihab Tariq Taimur Al Said for acquisition of 70% equity share of Duqm Cement Projects International LLC Located in Oman. The Company is mainly in the business of mining and extracting of limestone. The acquisition provides UTCL to secure raw materials for growing requirement of India Operations and create value for shareholders.

### II. Fair value of the Consideration Transferred:

Purchase consideration has been allocated on the basis of fair valuation determined by an independent valuer. Total enterprise value works out to ₹ 159.47 crore. The effective purchase consideration of ₹ 111.62 crore.

The fair value of identifiable assets acquired and liabilities assumed as on the acquisition date are as under:

| Particulars                 | ₹ in crore    |
|-----------------------------|---------------|
| Capital Work-in-Progress    | 11.30         |
| Mining Reserve              | 148.16        |
| Cash and Bank Balances      | 0.04          |
| <b>Total Assets</b>         | <b>159.50</b> |
| Other Current Liabilities   | 0.04          |
| <b>Fair Value of Assets</b> | <b>159.46</b> |

### III. Amount Recognised as Goodwill:

| Particulars                             | ₹ in crore    |
|-----------------------------------------|---------------|
| Fair Value of Consideration (70%)       | 111.62        |
| <b>Total Enterprise Value</b>           | <b>159.47</b> |
| Less: Fair Value of Net Assets Acquired | 159.46        |
| <b>Goodwill</b>                         | <b>0.01</b>   |

# NOTES

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## **b. Acquisition of Cement Business of Kesoram Industries :**

The Board of Directors of UTCL has approved a Composite Scheme of Arrangement between Kesoram Industries Limited ("Kesoram"), UTCL and their respective shareholders and creditors, in compliance with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

The Scheme, inter alia, provides for: (a) demerger of the Cement Business of Kesoram into UTCL; and (b) reduction and cancellation of the preference share capital of Kesoram. The Appointed Date for the Scheme is 1<sup>st</sup> April 2024. The Cement Business of Kesoram consists of 2 integrated cement units at Sedam (Karnataka) and Basantnagar (Telangana) with a total installed capacity of 10.75 MTPA and 0.66 MTPA packing plant at Solapur, Maharashtra. UTCL will issue 1 (one) equity share of face value ₹ 10/- each for every 52 (fifty-two) equity shares of Kesoram of face value ₹ 10/- each to the shareholders of Kesoram as on the record date defined in the Scheme. The Competition Commission of India has by its letter dated 19<sup>th</sup> March 2024 approved the proposed combination under Section 31(1) of the Competition Act, 2002. The Scheme is, inter alia, subject to receipt of requisite approvals from statutory and regulatory authorities, including from the stock exchanges, the Securities and Exchange Board of India (SEBI), the National Company Law Tribunals and the shareholders and creditors of UTCL.

## **c. Merger of UltraTech Nathdwara Cement Limited (UNCL) (a wholly-owned subsidiary of UTCL) and its wholly-owned subsidiaries viz. Swiss Merchandise Infrastructure Limited and Merit Plaza Limited**

The National Company Law Tribunal ("NCLT"), Mumbai and Kolkata Benches have by its order dated 18<sup>th</sup> December 2023 and 03<sup>rd</sup> April 2024 approved the Scheme of Amalgamation ("Scheme") of UltraTech Nathdwara Cement Limited (UNCL) (a wholly-owned subsidiary of UTCL) and UTCL's wholly-owned subsidiaries viz. Swiss Merchandise Infrastructure Limited ("Swiss") and Merit Plaza Limited ("Merit") with UTCL. The Appointed date of the Scheme is 01<sup>st</sup> April 2023. The said scheme has been made effective from 20<sup>th</sup> April 2024. Consequently, the above mentioned wholly owned subsidiaries of UTCL stand dissolved without winding up.

Since the amalgamated entities are under common control, the accounting of the said amalgamation in UTCL's Standalone Financials has been done applying Pooling of Interest method as prescribed in Appendix C of Ind AS 103 'Business Combinations'. While applying Pooling of Interest method, UTCL has recorded all assets, liabilities and reserves attributable to the wholly owned subsidiaries at their carrying values as appearing in the consolidated financial statements of UTCL.

The aforesaid scheme has no impact on the Consolidated Financial Statements of the Group since the scheme of amalgamation was with UTCL and its wholly owned subsidiaries.

Consequent to the amalgamation of the wholly owned subsidiaries into the UTCL, UTCL has not recognized Deferred Tax Assets on the unabsorbed Depreciation, business losses and other temporary differences since the scheme has been made effective from 20<sup>th</sup> April 2024. Costs related to amalgamation (including stamp duty on assets transferred) have been charged to Statement of Profit and Loss, shown under exceptional item during the year.

- d.** Aditya Birla Renewables Limited ("ABReL") and Aditya Birla Solar Limited ("ABSL"), both wholly owned Subsidiaries of the Company, had filed an application and Scheme of arrangement with the National Company Law Tribunal ("NCLT"), Mumbai on 27<sup>th</sup> March 2020. The NCLT has approved the Scheme of Amalgamation of ABSL with ABReL under the Sections 230 to 232 of the Companies Act, 2013 and rules applicable thereunder ("the Scheme") on 23<sup>rd</sup> June 2023. The Appointed Date of the Scheme is 1<sup>st</sup> April 2019 and the Scheme has been made effective from 24<sup>th</sup> July 2023 by filing a certified copy of the Order of the NCLT with the Registrar of Companies, Mumbai by ABSL and ABReL. The Scheme does not have any impact on the financial statement of the Company.
- e.** The Board of Directors of the ABCL, at its Meeting held on 11<sup>th</sup> March 2024, approved the Scheme of Amalgamation between Aditya Birla Finance Limited ("Amalgamating Company") (a wholly owned subsidiary of the ABCL) and ABCL, their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder ("Scheme"). The Scheme is subject to the



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sanction of National Company Law Tribunal (NCLT), Ahmedabad Bench and receipt of necessary approvals from the Reserve Bank of India, Stock Exchanges and Securities and Exchange Board of India, shareholders / creditors as may be directed by the NCLT and such other regulatory / statutory authorities, as may be required.

## 4.4 NON-CURRENT ASSETS/DISPOSAL GROUP HELD FOR SALE (IND AS 105)

- a. UTCL has identified certain assets which are not useful anymore as they are not productive and are not giving the desired results like Land, Diesel Generator Sets etc. which are available for sale in its present condition. UTCL is committed to plan the sale of asset and an active programme to locate a buyer and complete the plan have been initiated. UTCL expects to dispose off these assets in the due course.
- b. UltraTech Cement Middle East Investments Limited (UCMEIL), wholly owned subsidiary of UTCL has identified one of the assets "Waste Heat Recovery System" (WHRS), which is not useful anymore as it is not productive and not giving the desired result. The realisable value after considering the impairment, scrap and dismantling cost is reclassified as assets for disposal. UCMEIL is committed to plan the sale of this asset, is in the process of discussion with vendors and contractors and expects the same to be disposed off within the due course.
- c. During the year ABCL had sold 1,39,94,199 Equity Shares of Aditya Birla Sun Life AMC Limited ("ABSLAMC") representing 4.86% of the issued and paid-up equity share capital of the ABSLAMC, by way of an offer for sale through stock exchange mechanism, in order to achieve minimum public shareholding of the ABSLAMC as required under the applicable laws. Post completion of offer for sale, the shareholding percentage of ABCL in ABSLAMC stands at 45.14%. ABCL has recognised gain (excluding tax) amounting to ₹ 52.18 crore. To achieve the minimum public shareholding in ABSLAMC, Group is required to further dilute the stake of 3,94,463 equity shares and has accounted the same as "Assets held for sale"

## A. HOLDING COMPANY

### 4.5 SHARE BASED PAYMENTS

**4.5.1** 20,34,148 Equity Shares of Face Value of ₹ 2 each (Previous Year 20,36,941 Equity Shares of Face Value of ₹ 2 each) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006), Employee Stock Option Scheme, 2013 (ESOS-2013), Employee Stock Option Scheme, 2018 (ESOS-2018) and Employee Stock Option Scheme, 2022 (ESOS-2022).

- a. Under the ESOS-2006, the Company has granted 56,005 Options to its eligible employees, the details of which are given hereunder:

| Particulars                                             | Options                                                                                                                                     |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | Tranche V                                                                                                                                   |
| No. of Options Granted                                  | 56,005                                                                                                                                      |
| Grant Date                                              | 18 Oct 2013                                                                                                                                 |
| Grant Price (₹ Per Share) <sup>#</sup>                  | 532.00                                                                                                                                      |
| Market Price on the Date of Grant (₹)                   | 543.00                                                                                                                                      |
| Fair Value on the Date of Grant of Option (₹ Per Share) | 197.00                                                                                                                                      |
| Method of Settlement                                    | Equity                                                                                                                                      |
| Method of Accounting                                    | Intrinsic value for options vested before 1 <sup>st</sup> April 2015, and<br>Fair value for options vested after 1 <sup>st</sup> April 2015 |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant                                                                            |
| Normal Exercise Period                                  | 5 years from the date of vesting                                                                                                            |

<sup>#</sup>The Grant Price in respect of Tranche V has been revised in the earlier Financial Year post-demergers of Financial Service business of Grasim to ABCL, resulted in reduction of ₹ 14 per share from the earlier Exercise Price, i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).

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- b. Under the ESOS-2013, the Company has granted 9,64,960 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

| Particulars                                             | Options                                                          |             |             | RSUs                                                            |             |             |             |             |            |
|---------------------------------------------------------|------------------------------------------------------------------|-------------|-------------|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|------------|
|                                                         | Tranche I                                                        | Tranche III | Tranche IV  | Tranche I                                                       | Tranche II  | Tranche III | Tranche IV  | Tranche V   | Tranche VI |
| No. of Options / RSUs Granted                           | 6,27,015                                                         | 1,21,750    | 30,440      | 93,495                                                          | 40,420      | 31,010      | 16,665      | 4,165       |            |
| Grant Date                                              | 18 Oct 2013                                                      | 15 Jan 2016 | 02 Apr 2016 | 18 Oct 2013                                                     | 21 Nov 2013 | 29 Jan 2014 | 15 Jan 2016 | 02 Apr 2016 |            |
| Grant Price (₹ Per Share)#                              | 529.00                                                           | 686.00      | 757.00      | 2.00                                                            | 2.00        | 2.00        | 2.00        | 2.00        |            |
| Market Price on the Date of Grant (₹)#                  | 529.00                                                           | 686.00      | 757.00      | 529.00                                                          | 522.00      | 686.00      | 757.00      | 757.00      |            |
| Fair value on the date of Grant of option (₹ per share) | 199.00                                                           | 274.00      | 291.00      | 520.00                                                          | 498.00      | 495.00      | 687.00      | 750.00      |            |
| Method of Settlement                                    | Equity                                                           | Equity      | Equity      | Equity                                                          | Equity      | Equity      | Equity      | Equity      |            |
| Method of Accounting                                    | Intrinsic value for options vested before 1st April 2015 and     |             |             | Fair Value                                                      | Fair Value  | Fair Value  | Fair Value  | Fair Value  |            |
|                                                         | Fair value for options vested after 1st April 2015               |             |             |                                                                 |             |             |             |             |            |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant |             |             | Bullet vesting at the end of three years from the date of grant |             |             |             |             |            |
| Normal Exercise Period                                  | 5 years from the date of vesting                                 |             |             | 5 years from the date of vesting                                |             |             |             |             |            |

# The Grant Price and Market Price in respect of Tranches I, III and IV has been revised in the previous Financial Year post- demerger of Financial Service business of Grasim to ABCL, resulting in reduction of ₹ 14 per share from the earlier Exercise Price i.e. Face value of ABCL's share X 1.4 (share entitlement ratio).

- c. Under the ESOS-2018, the Company has granted 30,88,085 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company, the details of which are given hereunder:

| Particulars                                             | Options                                                          |             |             |                                                                              |             |             |                                                                  |              |             |             |             |
|---------------------------------------------------------|------------------------------------------------------------------|-------------|-------------|------------------------------------------------------------------------------|-------------|-------------|------------------------------------------------------------------|--------------|-------------|-------------|-------------|
|                                                         | Tranche I                                                        | Tranche II  | Tranche III | Tranche IV                                                                   | Tranche V   | Tranche VI  | Tranche VII                                                      | Tranche VIII | Tranche IX  | Tranche X   | Tranche XI  |
| No. of Options / RSUs Granted                           | 10,77,312                                                        | 26,456      | 53,480      | 2,54,141                                                                     | 68,784      | 2,96,220    | 41,361                                                           | 65,025       | 9,357       | 3,71,520    | 1,96,308    |
| Grant Date                                              | 17 Dec 2018                                                      | 24 Dec 2019 | 13 Mar 2020 | 12 Feb 2021                                                                  | 12 Feb 2021 | 13 Aug 2021 | 01 Sep 2021                                                      | 12 Nov 2021  | 24 May 2022 | 12 Aug 2022 | 14 Nov 2022 |
| Grant Price (₹ Per Share)                               | 847.20                                                           | 742.35      | 559.85      | 1,235.45                                                                     | 1,235.45    | 1,492.30    | 1,500.40                                                         | 1,844.35     | 1,457.40    | 1,600.05    | 1,708.45    |
| Market Price on the Date of Grant (₹)                   | 847.20                                                           | 742.35      | 559.85      | 1,235.45                                                                     | 1,235.45    | 1,492.30    | 1,500.40                                                         | 1,844.35     | 1,457.40    | 1,600.05    | 1,708.45    |
| Fair Value on the date of Grant of option (₹ per share) | 422.53                                                           | 347.48      | 266.70      | 524.74                                                                       | 596.77      | 618.78      | 624.41                                                           | 763.33       | 647.01      | 747.44      | 800.97      |
| Method of Settlement                                    | Equity                                                           | Equity      | Equity      | Equity                                                                       | Equity      | Equity      | Equity                                                           | Equity       | Equity      | Equity      | Equity      |
| Method of Accounting                                    | Fair Value                                                       | Fair Value  | Fair Value  | Fair Value                                                                   | Fair Value  | Fair Value  | Fair Value                                                       | Fair Value   | Fair Value  | Fair Value  | Fair Value  |
| Graded Vesting Plan                                     | 25% every year, commencing after one year from the date of grant |             |             | Bullet vesting at 25% every year, the end of one year from the date of grant |             |             | 33% every year, commencing after one year from the date of grant |              |             |             |             |
| Normal Exercise Period                                  | 5 years from the date of vesting                                 |             |             |                                                                              |             |             |                                                                  |              |             |             |             |



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| Particulars                                             | RSUs                                                               |             |             |             |             |             |             |              |             |             |             |             |
|---------------------------------------------------------|--------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
|                                                         | Tranche I                                                          | Tranche II  | Tranche III | Tranche IV  | Tranche V   | Tranche VI  | Tranche VII | Tranche VIII | Tranche IX  | Tranche X   | Tranche XI  | Tranche XII |
| No. of Options / RSUs Granted                           | 2,06,320                                                           | 66,179      | 5,066       | 28,393      | 13,172      | 36,243      | 54,674      | 5,007        | 8,344       | 9,500       | 13,030      | 1,134       |
| Grant Date                                              | 17 Dec 2018                                                        | 27 Mar 2019 | 24 Dec 2019 | 13 Mar 2020 | 12 Feb 2021 | 13 Aug 2021 | 13 Aug 2021 | 01 Sep 2021  | 01 Sep 2021 | 12 Nov 2021 | 12 Nov 2021 | 24 May 2022 |
| Grant Price (₹ Per Share)                               | 2.00                                                               | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 2.00         | 2.00        | 2.00        | 2.00        | 2.00        |
| Market Price on the Date of Grant (₹)                   | 847.20                                                             | 836.70      | 742.35      | 559.85      | 1,235.45    | 1,492.30    | 1,492.30    | 1,500.40     | 1,500.40    | 1,844.35    | 1,844.35    | 1,457.40    |
| Fair Value on the date of Grant of option (₹ per share) | 832.64                                                             | 822.29      | 726.19      | 547.29      | 1,210.08    | 1,451.10    | 1,457.59    | 1,458.98     | 1,478.63    | 1,793.79    | 1,817.99    | 1,417.18    |
| Method of Settlement                                    | Equity                                                             | Equity      | Equity      | Equity      | Equity      | Equity      | Equity      | Equity       | Equity      | Equity      | Equity      | Equity      |
| Method of Accounting                                    | Fair Value                                                         | Fair Value  | Fair Value  | Fair Value  | Fair Value  | Fair Value  | Fair Value  | Fair Value   | Fair Value  | Fair Value  | Fair Value  | Fair Value  |
| Graded Vesting Plan                                     | Bullet vesting at the end of three years from the date of grant    |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Bullet vesting at the end of three years from the date of grant    |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
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|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
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|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
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|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         | Graded vesting 50% each year over two years from the date of grant |             |             |             |             |             |             |              |             |             |             |             |
|                                                         |                                                                    |             |             |             |             |             |             |              |             |             |             |             |



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- d. Under the ESOS-2022, the Company has granted 569,412 Options and Performance Stock Units (PSUs) to the eligible employees of the Company, the details of which are given hereunder:

| Particulars                                             | Options                                                             |             |             | PSUs                                                            |             |             |
|---------------------------------------------------------|---------------------------------------------------------------------|-------------|-------------|-----------------------------------------------------------------|-------------|-------------|
|                                                         | Tranche I                                                           | Tranche II  | Tranche III | Tranche I                                                       | Tranche II  | Tranche III |
| No. of Options / PSUs Granted                           | 4,88,004                                                            | 6,383       | 4,700       | 68,943                                                          | 796         | 586         |
| Grant Date                                              | 10 Aug 2023                                                         | 01 Nov 2023 | 24 Jan 2024 | 10 Aug 2023                                                     | 01 Nov 2023 | 24 Jan 2024 |
| Grant Price (₹ Per Share)                               | 1,845.65                                                            | 1,886.70    | 2,049.60    | 2.00                                                            | 2.00        | 2.00        |
| Market Price on the Date of Grant (₹)                   | 1,845.65                                                            | 1,886.70    | 2,049.60    | 1,845.65                                                        | 1,886.70    | 2,049.60    |
| Fair Value on the date of Grant of option (₹ per share) | 846.56                                                              | 875.35      | 934.77      | 1,813.94                                                        | 1,854.34    | 2,014.56    |
| Method of Settlement                                    | Equity                                                              | Equity      | Equity      | Equity                                                          | Equity      | Equity      |
| Method of Accounting                                    | Fair Value                                                          | Fair Value  | Fair Value  | Fair Value                                                      | Fair Value  | Fair Value  |
| Graded Vesting Plan                                     | 33.33% every year, commencing after one year from the date of grant |             |             | Bullet vesting at the end of three years from the date of grant |             |             |
| Normal Exercise Period                                  | 5 years from the date of vesting                                    |             |             |                                                                 |             |             |

## 4.5.2 Under the Employee Stock Options Scheme - 2018 (ESOS-2018), the Company has granted 2,03,603 SAR (Previous Year 1,55,492 SAR)

The details are as under:

| Particulars               | SARs (Linked with the Company's market price)                                           |                                                |                                              |                                             | SARs (Linked with Aditya Birla Capital Limited's market price) |                                                                                         |  |  |
|---------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------|--|--|
|                           | Tranche - I Options                                                                     | Tranche - III Options                          | Tranche - V Options                          | Tranche - VI Options                        | Tranche - VII Options                                          | Tranche - IV Options                                                                    |  |  |
| Number of SARs            | 1,01,754                                                                                | 26,378                                         | 10,164                                       | 12,947                                      | 4,348                                                          | 13,065                                                                                  |  |  |
| Method of Accounting      | Fair Value                                                                              | Fair Value                                     | Fair Value                                   | Fair Value                                  | Fair Value                                                     | Fair Value                                                                              |  |  |
| Vesting Plan              | Graded Vesting - 25% every year                                                         | Bullet Vesting - 1 Year from the date of Grant | Bullet Vesting-end of 3 year from grant date | Graded Vesting- over 3 year from grant date | Graded Vesting- over 3 year from grant date                    | Bullet Vesting- 1 Year from the date of Grant                                           |  |  |
| Exercise Period           | 3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier |                                                |                                              |                                             |                                                                | 3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier |  |  |
| Grant Date                | 17 Dec 2018                                                                             | 12 Feb 2021                                    | 17 Dec 2018                                  | 30 Apr 2023                                 | 10 Aug 2023                                                    | 12 Feb 2021                                                                             |  |  |
| Grant Price (₹ Per Share) | 847.20                                                                                  | 1,235.45                                       | 1,492.30                                     | 1,600.05                                    | 1,845.65                                                       | 10.00                                                                                   |  |  |



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| Particulars               | SARs (Linked with the Company's market price)                                           |                                              |                                              |                                            |                                              |                                              |                                              |  |
|---------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|--------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|--|
|                           | Tranche - I RSU                                                                         | Tranche - II RSU                             | Tranche - IV RSU                             | Tranche - V RSU                            | Tranche - VI RSU                             | Tranche - VII RSU                            | Tranche - VIII RSU                           |  |
| Number of SARs            | 20,657                                                                                  | 1,319                                        | 2,268                                        | 1,761                                      | 2,939                                        | 5,460                                        | 543                                          |  |
| Method of Accounting      | Fair Value                                                                              | Fair Value                                   | Fair Value                                   | Fair Value                                 | Fair Value                                   | Fair Value                                   | Fair Value                                   |  |
| Vesting Plan              | Bullet Vesting-end of 3 year from grant date                                            | Bullet Vesting-end of 3 year from grant date | Bullet Vesting-end of 3 year from grant date | Graded Vesting-over 3 year from Grant date | Bullet Vesting-end of 3 year from grant date | Bullet Vesting-end of 3 year from grant date | Bullet Vesting-end of 3 year from grant date |  |
| Exercise Period           | 3 Years from the date of Vesting or 6 years from the date of grant whichever is earlier |                                              |                                              |                                            |                                              |                                              |                                              |  |
| Grant Date                | 17 Dec 2018                                                                             | 27 Mar 2019                                  | 27 Mar 2019                                  | 27 Mar 2019                                | 24 May 2022                                  | 30 Apr 2023                                  | 10 Aug 2023                                  |  |
| Grant Price (₹ Per Share) | 2.00                                                                                    | 2.00                                         | 2.00                                         | 2.00                                       | 2.00                                         | 2.00                                         | 2.00                                         |  |

## 4.5.3 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

### 4.5.3.1 For options referred to in 4.5.1(a), (b), (c) and (d)

| Particulars                              | Number of Options and RSUs |          |               |          |
|------------------------------------------|----------------------------|----------|---------------|----------|
|                                          | Current Year               |          | Previous Year |          |
|                                          | Nos.                       | WAEP (₹) | Nos.          | WAEP (₹) |
| Outstanding at the beginning of the year | 2,036,941                  | 1,049.13 | 1,696,470     | 872.00   |
| Granted during the year                  | 569,412                    | 1,619.81 | 759,378       | 1,242.90 |
| Exercised during the year                | 310,453                    | 730.69   | 309,869       | 576.39   |
| Lapsed during the year                   | 261,752                    | 1,330.13 | 109,038       | 990.90   |
| Outstanding at the end of the year       | 2,034,148                  | 1,221.32 | 2,036,941     | 1,049.13 |
| Options unvested at the end of the year  | 1,225,324                  | 1,352.65 | 1,092,397     | 1,201.52 |
| Exercisable at the end of the year       | 808,824                    | 1,022.36 | 944,544       | 872.89   |

The weighted average share price at the date of exercise for options was ₹ 1,979.50 per share (31<sup>st</sup> March 2023 ₹ 1,564.09 per share) and weighted average remaining contractual life, for the share options outstanding as at 31<sup>st</sup> March 2024 was 1.22 years (31<sup>st</sup> March 2023 : 2.17 years).

### 4.5.3.2 For options referred to in 4.5.2

| Particulars                              | Number of SARs |          |               |          |
|------------------------------------------|----------------|----------|---------------|----------|
|                                          | Current Year   |          | Previous Year |          |
|                                          | Nos.           | WAEP (₹) | Nos.          | WAEP (₹) |
| Outstanding at the beginning of the year | 124,393        | 718.30   | 147,401       | 741.73   |
| Granted during the year                  | 31,775         | 718.30   | 2,939         | 741.73   |
| Lapsed during the year                   | -              | -        | 203           | 741.73   |
| Exercised during the year                | 86,719         | 1,958.31 | 25,744        | 770.67   |
| Outstanding at the end of the year       | 69,449         | 1,033.53 | 124,393       | 718.30   |
| Options unvested at the end of the year  | 27,586         | 1,139.09 | 3,811         | 1,265.24 |
| Exercisable at the end of the year       | 41,863         | 963.97   | 120,582       | 719.00   |

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## 4.5.4 Fair Valuation

The fair value of options has been done by an independent firm of Chartered Accountants on the date of grant using Black-Scholes Model and Binomial Model.

The Key Assumptions in Black-Scholes Model and Binomial Model for calculating fair value as on the date of grant are:

### 4.5.4.1 For options referred to in 4.5.1(a), (b), (c) and (d)

| ESOS-2006             | Options                                              |  |
|-----------------------|------------------------------------------------------|--|
|                       | Tranche V                                            |  |
| Method used           | Black - Scholes Model                                |  |
| Risk-Free Rate        | 8.58%                                                |  |
| Option Life (Years)   | Vesting Period (1 Year) + Average of Exercise Period |  |
| Expected Volatility * | 24.01%                                               |  |
| Dividend Yield        | 1.03%                                                |  |

The weighted-average fair value of the option, as on the date of grant, works out to ₹ 211 per stock option.

| ESOS-2013             | Options                                              |             |            |           | RSUs                  |             |            |           |
|-----------------------|------------------------------------------------------|-------------|------------|-----------|-----------------------|-------------|------------|-----------|
|                       | Tranche I                                            | Tranche III | Tranche IV | Tranche I | Tranche II            | Tranche III | Tranche IV | Tranche V |
| Method used           | Black - Scholes Model                                |             |            |           | Black - Scholes Model |             |            |           |
| Risk-Free Rate        | 8.58%                                                | 7.87%       | 7.60%      | 8.66%     | 8.90%                 | 9.00%       | 7.96%      | 7.78%     |
| Option Life (Years)   | Vesting Period (1 Year) + Average of Exercise Period |             |            | 5.50      | 5.50                  | 5.50        | 5.50       | 5.50      |
| Expected Volatility * | 24.01%                                               | 28.26%      | 27.96%     | 24.01%    | 23.76%                | 23.47%      | 28.52%     | 28.41%    |
| Dividend Yield        | 1.03%                                                | 0.36%       | 0.52%      | 1.34%     | 1.40%                 | 1.43%       | 0.34%      | 0.51%     |

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 215 per stock option and ₹ 539 per RSU.

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs upto the date of grant.

| ESOS-2018            | Options                                              |                |                |                |                |                |                |                |                |                |                |
|----------------------|------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                      | Tranche I                                            | Tranche II     | Tranche III    | Tranche IV     | Tranche V      | Tranche VI     | Tranche VII    | Tranche VIII   | Tranche IX     | Tranche X      | Tranche XI     |
| Method used          | Binomial Model                                       | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model |
| Risk-Free Rate       | 7.60%                                                | 6.74%          | 6.85%          | 5.59%          | 5.82%          | 6.06%          | 6.23%          | 6.31%          | 7.14%          | 7.05%          | 7.24%          |
| Option Life (Years)  | Vesting Period (1 year) + Average of Exercise Period |                |                |                |                |                |                |                |                |                |                |
| Expected Volatility* | 32.06%                                               | 32.35%         | 32.78%         | 36.68%         | 36.68%         | 29.81%         | 28.79%         | 28.62%         | 30.26%         | 33.27%         | 31.87%         |
| Dividend Yield       | 0.52%                                                | 0.66%          | 0.66%          | 0.65%          | 0.65%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          | 0.56%          | 0.56%          |

| ESOS-2018            | RSUs                                                  |                |                |                |                |                |                |                |                |                |                |                |
|----------------------|-------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                      | Tranche I                                             | Tranche II     | Tranche III    | Tranche IV     | Tranche V      | Tranche VI     | Tranche VII    | Tranche VIII   | Tranche IX     | Tranche X      | Tranche XI     | Tranche XII    |
| Method used          | Binomial Model                                        | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model | Binomial Model |
| Risk-Free Rate       | 7.65%                                                 | 7.48%          | 6.74%          | 6.85%          | 5.93%          | 6.33%          | 6.06%          | 6.22%          | 6.23%          | 6.31%          | 6.06%          | 7.26%          |
| Option Life (Years)  | Vesting Period (3 years) + Average of Exercise Period |                |                |                |                |                |                |                |                |                |                |                |
| Expected Volatility* | 32.06%                                                | 31.48%         | 32.35%         | 32.78%         | 36.68%         | 28.84%         | 29.81%         | 28.65%         | 28.79%         | 28.62%         | 30.05%         | 30.26%         |
| Dividend Yield       | 0.52%                                                 | 0.52%          | 0.66%          | 0.66%          | 0.65%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          | 0.89%          |



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| ESOS-2018             | RSUs                                                  |                |
|-----------------------|-------------------------------------------------------|----------------|
|                       | Tranche XIII                                          | Tranche XIV    |
| Method used           | Binomial Model                                        | Binomial Model |
| Risk-Free Rate        | 7.19%                                                 | 7.30%          |
| Option Life (Years)   | Vesting Period (3 years) + Average of Exercise Period |                |
| Expected Volatility * | 30.49%                                                | 29.74%         |
| Dividend Yield        | 0.56%                                                 | 0.56%          |

The weighted-average fair value of the option and RSU, as on the date of grant, works out to ₹ 549.92 per stock option, ₹ 1,184.86 per RSU.

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs upto the date of grant.

| ESOS-2022            | Options                                               |                |                | PSUs                            |                |                |
|----------------------|-------------------------------------------------------|----------------|----------------|---------------------------------|----------------|----------------|
|                      | Tranche I                                             | Tranche II     | Tranche III    | Tranche I                       | Tranche II     | Tranche III    |
| Method used          | Binomial Model                                        | Binomial Model | Binomial Model | Binomial Model                  | Binomial Model | Binomial Model |
| Risk-Free Rate       | 7.31%                                                 | 7.54%          | 7.27%          | 7.34%                           | 7.58%          | 7.35%          |
| Option Life (Years)  | Vesting Period (3 years) + Average of Exercise Period |                |                | Bullet Vesting Period (3 years) |                |                |
| Expected Volatility* | 28.49%                                                | 28.32%         | 28.03%         | 28.66%                          | 28.64%         | 28.64%         |
| Dividend Yield       | 0.55%                                                 | 0.55%          | 0.55%          | 0.55%                           | 0.55%          | 0.55%          |

The weighted-average fair value of the option and RSUs, as on the date of grant, works out to ₹ 847.76 per stock option, ₹ 1,816.07 per RSUs.

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/PSUs upto the date of grant.

## 4.5.4.2 For options referred to in 4.5.2

| ESOS-2018                                                        | SARs (Linked with the Company's market price)         |                       |                     |                                 |                       | SARs (Linked with Aditya Birla Capital Limited's market price) |
|------------------------------------------------------------------|-------------------------------------------------------|-----------------------|---------------------|---------------------------------|-----------------------|----------------------------------------------------------------|
|                                                                  | Tranche - I Options                                   | Tranche - III Options | Tranche - V Options | Tranche - VI Options            | Tranche - VII Options | Tranche - IV Options                                           |
| Method used                                                      | Binomial Model                                        | Binomial Model        | Binomial Model      | Binomial Model                  | Binomial Model        | Binomial Model                                                 |
| Risk-Free Rate                                                   | 7.16%                                                 | 7.19%                 | 7.19%               | 7.21%                           | 7.22%                 | 7.19%                                                          |
| Option Life (Years)                                              | Vesting Period (3 years) + Average of Exercise Period |                       |                     | Bullet Vesting Period (3 years) |                       | Vesting Period (3 years) + Average of Exercise Period          |
| Expected Volatility*                                             | 27.88%                                                | 20.02%                | 18.85%              | 23.91%                          | 24.86%                | 30.40%                                                         |
| Dividend Yield                                                   | 0.67%                                                 | 0.72%                 | 0.72%               | 0.72%                           | 0.72%                 | 0.00%                                                          |
| Weighted average fair value of SARs on 31 <sup>st</sup> Mar 2024 | -                                                     | 913.97                | 833.74              | 1005.66                         | 705.14                | 78.20                                                          |

| ESOS-2018                                                        | SARs (Linked with the Company's market price)         |                  |                  |                 |                  |                                 |                    |
|------------------------------------------------------------------|-------------------------------------------------------|------------------|------------------|-----------------|------------------|---------------------------------|--------------------|
|                                                                  | Tranche - I RSU                                       | Tranche - II RSU | Tranche - IV RSU | Tranche - V RSU | Tranche - VI RSU | Tranche - VII RSU               | Tranche - VIII RSU |
| Method used                                                      | Binomial Model                                        | Binomial Model   | Binomial Model   | Binomial Model  | Binomial Model   | Binomial Model                  | Binomial Model     |
| Risk-Free Rate                                                   | 7.11%                                                 | 7.19%            | 7.22%            | 7.19%           | 7.23%            | 7.23%                           | 7.23%              |
| Option Life (Years)                                              | Vesting Period (3 years) + Average of Exercise Period |                  |                  |                 |                  | Bullet Vesting Period (3 years) |                    |
| Expected Volatility*                                             | 26.32%                                                | 19.58%           | 24.86%           | 18.85%          | 26.32%           | 27.67%                          | 27.72%             |
| Dividend Yield                                                   | 0.67%                                                 | 0.72%            | 0.72%            | 0.72%           | 0.72%            | 0.72%                           | 0.72%              |
| Weighted average fair value of SARs on 31 <sup>st</sup> Mar 2024 | -                                                     | 1,807.9          | 2,199.25         | 2,285.35        | 1,592.83         | 1,952.8                         | 2,012.54           |

\* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSUs upto the date of grant.

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## 4.5.5 Details of Liabilities arising form company's cash settled share based payment transactions

| Particulars                           | ₹ in crore                           |                                      |
|---------------------------------------|--------------------------------------|--------------------------------------|
|                                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Other Non-Current Financial Liability | 0.00                                 | 0.21                                 |
| Other Current Financial Liability     | 6.71                                 | 10.55                                |
|                                       | <b>6.71</b>                          | <b>10.75</b>                         |

**4.5.6 Employee Stock Option expenses (including SAR) recognised in the statement of Standalone Profit and Loss ₹ 36.73 crore (Previous Year ₹ 38.12 crore) and recognised in pre-operative expense ₹ 8.30 crore (Previous Year ₹ 0.19 crore).**

### (ii) Disclosure under Employee Stock Options Scheme of Subsidiary Companies:

#### (I) Ultratech Cement Limited

The Company has granted 1,31,280 options (including Restricted Stock units) to its eligible employees in various ESOS Schemes, details are as under

#### (A) Employee Stock Option Scheme (ESOS 2013) including Stock options and Restricted Stock Units (RSU):

| Particulars                                             | Tranche IV                       |                                                                                                           | Tranche V                        |                                                                                                           | Tranche VI                       |                                                                                                           |
|---------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------|
|                                                         | RSU                              | Stock Options                                                                                             | RSU                              | Stock Options                                                                                             | RSU                              | Stock Options                                                                                             |
| Nos. of Options                                         | 9,059                            | 25,645                                                                                                    | 5,313                            | 15,042                                                                                                    | 10,374                           | 29,369                                                                                                    |
| Vesting Plan                                            | 100% on 19 Oct 2018              | Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets | 100% on 13 Apr 2019              | Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets | 100% on 27 Jan 2020              | Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets |
| Exercise Period                                         | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                                                          | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                                                          | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                                                          |
| Grant Date                                              | 19 Oct 15                        | 19 Oct 15                                                                                                 | 13 Apr 16                        | 13 Apr 16                                                                                                 | 27 Jan 17                        | 27 Jan 17                                                                                                 |
| Exercise Price (₹ per share)                            | 10.00                            | 2,955.00                                                                                                  | 10.00                            | 3,167.00                                                                                                  | 10.00                            | 3,681.00                                                                                                  |
| Fair Value on the date of Grant of Option (₹ per share) | 2,897.00                         | 1,728.00                                                                                                  | 3,108.00                         | 1,810.00                                                                                                  | 3,608.00                         | 2,080.00                                                                                                  |
| Method of Settlement                                    | Equity                           | Equity                                                                                                    | Equity                           | Equity                                                                                                    | Equity                           | Equity                                                                                                    |





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## (B) Employee Stock Option Scheme (ESOS 2018) including Stock options, Restricted Stock Units (RSU) and Stock Appreciation Rights Scheme – 2018 (SAR 2018) including Stock options and RSU

| Particulars                                             | Tranche I (ESOS, 2018)           |                                                                                                           | Tranche II (ESOS, 2018)          |                                                                                                         | Tranche III (ESOS, 2018)         |                                                                                                         |
|---------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------|
|                                                         | RSU                              | Stock Options                                                                                             | RSU                              | Stock Options                                                                                           | RSU                              | Stock Options                                                                                           |
| Nos. of Options                                         | 43,718                           | 158,304                                                                                                   | 917                              | 3,320                                                                                                   | 3,482                            | 12,620                                                                                                  |
| Vesting Plan                                            | 100% on 18 Dec 2021              | Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets | 100% on 23 Dec 2022              | Graded Vesting-25% every year after 1 year from date of grant, subject to achieving performance targets | 100% on 04 Mar 2023              | Graded Vesting-25% every year after 1 year from date of grant, subject to achieving performance targets |
| Exercise Period                                         | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                                                          | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                                                        | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                                                        |
| Grant Date                                              | 18 Dec 18                        | 18 Dec 18                                                                                                 | 23 Dec 19                        | 23 Dec 19                                                                                               | 04 Mar 20                        | 04 Mar 20                                                                                               |
| Exercise Price (₹ per share)                            | 10.00                            | 4,009.30                                                                                                  | 10.00                            | 4,120.45                                                                                                | 10.00                            | 4,299.90                                                                                                |
| Fair Value on the date of Grant of Option (₹ per share) | 3,942.00                         | 1,476.00                                                                                                  | 4,080.00                         | 1,865.00                                                                                                | 4,258.00                         | 1,939.00                                                                                                |
| Method of Settlement                                    | Equity                           | Equity                                                                                                    | Equity                           | Equity                                                                                                  | Equity                           | Equity                                                                                                  |

| Particulars                                             | Tranche IV (ESOS, 2018)          |                                                                                                           | Tranche V (ESOS, 2018)           |                                                                                                           |
|---------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------|
|                                                         | RSU                              | Stock Options                                                                                             | RSU                              | Stock Options                                                                                             |
| Nos. of Options                                         | 594                              | 2,152                                                                                                     | 564                              | 2,040                                                                                                     |
| Vesting Plan                                            | 100% on 21 Oct 2023              | Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets | 100% on 27 Mar 2024              | Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets |
| Exercise Period                                         | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                                                          | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                                                          |
| Grant Date                                              | 21 Oct 20                        | 21 Oct 20                                                                                                 | 27 Mar 21                        | 27 Mar 21                                                                                                 |
| Exercise Price (₹ per share)                            | 10.00                            | 4,544.35                                                                                                  | 10.00                            | 6,735.25                                                                                                  |
| Fair Value on the date of Grant of Option (₹ per share) | 4,500.00                         | 1,943.00                                                                                                  | 6,673.00                         | 2,903.00                                                                                                  |
| Method of Settlement                                    | Equity                           | Equity                                                                                                    | Equity                           | Equity                                                                                                    |

| Particulars                                             | Tranche VI (ESOS, 2018)          |                                                                               |                                                                                                           | Tranche VII (ESOS, 2018)         |                                                                               |                                                                                                           |
|---------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
|                                                         | RSU-FY22 Plan                    | RSU-FY21 Plan                                                                 | Stock Options                                                                                             | RSU-FY22 Plan                    | RSU-FY21 Plan                                                                 | Stock Options                                                                                             |
| Nos. of Options                                         | 7,299                            | 11,570                                                                        | 63,684                                                                                                    | 3,838                            | 4,700                                                                         | 33,525                                                                                                    |
| Vesting Plan                                            | 100% on 22 July 2024             | Graded Vesting - 50% every year after completion of 1 year form date of grant | Graded Vesting - 33% every year after 1 year from date of grant, subject to achieving performance targets | 100% on 27 Oct 2024              | Graded Vesting - 50% every year after completion of 1 year form date of grant | Graded Vesting - 33% every year after 1 year from date of grant, subject to achieving performance targets |
| Exercise Period                                         | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                              | 5 Years from the date of Vesting                                                                          | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                              | 5 Years from the date of Vesting                                                                          |
| Grant Date                                              | 22 Jul 21                        | 22 Jul 21                                                                     | 22 Jul 21                                                                                                 | 27 Oct 21                        | 27 Oct 21                                                                     | 27 Oct 21                                                                                                 |
| Exercise Price (₹ per share)                            | 10.00                            | 10.00                                                                         | 7,424.70                                                                                                  | 10.00                            | 10.00                                                                         | 7,269.10                                                                                                  |
| Fair Value on the date of Grant of Option (₹ per share) | 7,373.00                         | 7,379.00                                                                      | 2,357.00                                                                                                  | 7,194.00                         | 7,211.00                                                                      | 2,309.00                                                                                                  |
| Method of Settlement                                    | Equity                           | Equity                                                                        | Equity                                                                                                    | Equity                           | Equity                                                                        | Equity                                                                                                    |

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| Particulars                                             | Tranche VIII (ESOS, 2018)        |                                                                 | Tranche IX (ESOS, 2018)          |                                                                 |
|---------------------------------------------------------|----------------------------------|-----------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------|
|                                                         | RSU                              | Stock Options                                                   | RSU                              | Stock Options                                                   |
| Nos. of Options                                         | 48,089                           | 99,879                                                          | 4,733                            | 39,963                                                          |
| Vesting Plan                                            | 100% on 22 July 2025             | Graded Vesting - 33% every year after 1 year from date of grant | 100% on 19 Oct 2025              | Graded Vesting - 33% every year after 1 year from date of grant |
| Exercise Period                                         | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                | 5 Years from the date of Vesting | 5 Years from the date of Vesting                                |
| Grant Date                                              | 22 Jul 22                        | 22 Jul 22                                                       | 19 Oct 22                        | 19 Oct 22                                                       |
| Exercise Price (₹ per share)                            | 10.00                            | 6,130.70                                                        | 10.00                            | 6,346.75                                                        |
| Fair Value on the date of Grant of Option (₹ per share) | 6,027.00                         | 2,100.00                                                        | 6,249.00                         | 2,235.00                                                        |
| Method of Settlement                                    | Equity                           | Equity                                                          | Equity                           | Equity                                                          |

## (C) Employee Stock Option Scheme (ESOS 2022) including Stock options and Performance Stock Units (PSU)

| Particulars                                             | Tranche I (ESOS, 2022)           |                                                                |
|---------------------------------------------------------|----------------------------------|----------------------------------------------------------------|
|                                                         | PSU                              | Stock Options                                                  |
| Nos. of Options                                         | 13,857                           | 117,423                                                        |
| Vesting Plan                                            | 100% on 21 July 2026             | Graded Vesting: 33% every year after 1 year from date of grant |
| Exercise Period                                         | 5 Years from the date of Vesting | 5 Years from the date of Vesting                               |
| Grant Date                                              | 21 Jul 23                        | 21 Jul 23                                                      |
| Exercise Price (₹ per share)                            | 10.00                            | 8,224.15                                                       |
| Fair Value on the date of Grant of Option (₹ per share) | 8,077.81                         | 2,774.79                                                       |
| Method of Settlement                                    | Equity                           | Equity                                                         |

| Particulars                                             | Tranche I (SAR, 2018)            |                                                                                                           | Tranche I (SAR, 2018)            |                                                                               |                                                                                                           |
|---------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
|                                                         | RSU                              | Stock Options                                                                                             | RSU-FY22 Plan                    | RSU-FY21 Plan                                                                 | Stock Options                                                                                             |
| Nos. of Options                                         | 1,084                            | 3,924                                                                                                     | 159                              | 320                                                                           | 1,398                                                                                                     |
| Vesting Plan                                            | 100% on 18 Dec 2021              | Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets | 100% on 22 July 2024             | Graded Vesting - 50% every year after completion of 1 year from date of grant | Graded Vesting - 33% every year after 1 year from date of grant, subject to achieving performance targets |
| Exercise Period                                         | 3 Years from the date of Vesting | 3 Years from the date of Vesting                                                                          | 3 Years from the date of Vesting | 3 Years from the date of Vesting                                              | 3 Years from the date of Vesting                                                                          |
| Grant Date                                              | 18 Dec 18                        | 18 Dec 18                                                                                                 | 22 Jul 21                        | 22 Jul 21                                                                     | 22 Jul 21                                                                                                 |
| Exercise Price (₹ per share)                            | 10.00                            | 4,009.30                                                                                                  | 10.00                            | 10.00                                                                         | 7,424.70                                                                                                  |
| Fair Value on the date of Grant of Option (₹ per share) | 3,946.00                         | 1,539.00                                                                                                  | 6,837.00                         | 7,160.00                                                                      | 1,387.00                                                                                                  |
| Method of Settlement                                    | Cash                             | Cash                                                                                                      | Cash                             | Cash                                                                          | Cash                                                                                                      |



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| Particulars                                             | Tranche III (SAR, 2018)          |                                                                                                          |
|---------------------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------|
|                                                         | RSU                              | Stock Options                                                                                            |
| Nos. of Options                                         | 793                              | 2,001                                                                                                    |
| Vesting Plan                                            | 100% on 22 Jul 2025              | Graded Vesting: 33% every year after 1 year from date of grant, subject to achieving performance targets |
| Exercise Period                                         | 3 Years from the date of Vesting | 3 Years from the date of Vesting                                                                         |
| Grant Date                                              | 22 Jul 22                        | 22 Jul 22                                                                                                |
| Exercise Price (₹ per share)                            | 10.00                            | 6,130.70                                                                                                 |
| Fair Value on the date of Grant of Option (₹ per share) | 7,536.40                         | 2,774.02                                                                                                 |
| Method of Settlement                                    | Cash                             | Cash                                                                                                     |

## (D) Movement of Options Granted including RSU along with weighted average exercise price (WAEP):

| Particulars                                | 31 <sup>st</sup> March 2024 |          | 31 <sup>st</sup> March 2023 |          |
|--------------------------------------------|-----------------------------|----------|-----------------------------|----------|
|                                            | Nos.                        | WAEP (₹) | Nos.                        | WAEP (₹) |
| Outstanding at the beginning of the year   | 441,622                     | 4,408.85 | 312,221                     | 4,168.05 |
| Granted during the year                    | 131,280                     | 7,357.12 | 192,664                     | 4,497.42 |
| Exercised during the year                  | (46,120)                    | 4,001.16 | (44,301)                    | 2,820.95 |
| Forfeited during the year                  | (27,434)                    | 5,622.21 | (18,962)                    | 5,053.64 |
| Outstanding at the end of the year         | 499,348                     | 5,154.95 | 441,622                     | 4,408.85 |
| Options exercisable at the end of the year | 179,204                     | 4,818.67 | 139,333                     | 3,796.10 |

The weighted average share price at the date of exercise for options was ₹ 8,817.54 per share (31<sup>st</sup> March 2023 ₹ 6,651.27 per share) and weighted average remaining contractual life for the share options outstanding as at 31<sup>st</sup> March 2024 was 4.46 years (31<sup>st</sup> March 2023: 4.50 years).

The weighted average remaining contractual life for SAR is 2.06 years (31<sup>st</sup> March 2023 2.66 years).

The exercise price for outstanding options and SAR is ₹ 10 per share for RSU's and ranges from ₹ 2,955.00 per share to ₹ 8,224.15 per share for options.

## (E) Fair Valuation:

1,31,280 share options were granted during the year. Weighted Average Fair value of the options granted during the year is ₹ 3,334.54 per share (31<sup>st</sup> March 2023 ₹ 3,209.98 per share).

The fair value of option has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model / Binomial Model.

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

|                           |                             |   |                                                                                                                                               |  |
|---------------------------|-----------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>(a) For ESOS 2013:</b> |                             |   |                                                                                                                                               |  |
| 1                         | Risk Free Rate              | - | 8.60% (Tranche IV), 7.60% (Tranche V), 6.70% (Tranche VI)                                                                                     |  |
| 2                         | Option Life                 | - | (a) For Options - Vesting period (1 Year) + Average of exercise period<br>(b) For RSU – Vesting period (3 Years) + Average of exercise period |  |
| 3                         | Expected Volatility*        | - | Tranche-IV: 0.60<br>Tranche-V: 0.60, Tranche-VI: 0.61                                                                                         |  |
| 4                         | Expected Growth in Dividend | - | Tranche-IV: 5%, Tranche-V: 5%, Tranche-VI: 5%                                                                                                 |  |

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|                                |                      |                                                                                                                                                                                                                                          |
|--------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(b) For ESOS 2018:</b>      |                      |                                                                                                                                                                                                                                          |
| 1                              | Risk Free Rate       | - 7.47% (Tranche I); 5.69% (Tranche VI); 5.62% (Tranche VII); 7.04% (Tranche VIII); 7.36% (Tranche IX)                                                                                                                                   |
| 2                              | Option Life          | - (a) For Options - Vesting period (1 Year) + Average of exercise period<br>(b) For RSU under FY21 plan – Vesting Period (2 years) + Average of exercise period<br>For other RSU – Vesting period (3 Years) + Average of exercise period |
| 3                              | Expected Volatility* | - Tranche-I: 0.24; Tranche-VI: 0.25 ; Tranche-VII & VIII: 0.26; Tranche IX: 0.27                                                                                                                                                         |
| 4                              | Dividend Yield       | - Tranche -I: 0.46%; Tranche – VI : 0.19%, Tranche VII: 0.20%, Tranche VIII & IX: 0.30%                                                                                                                                                  |
| <b>(c) For ESOS- SAR 2018:</b> |                      |                                                                                                                                                                                                                                          |
| 1                              | Risk Free Rate       | - 5.31% (Tranche II); 7.15% (Tranche III)                                                                                                                                                                                                |
| 2                              | Option Life          | - (a) For Options - Vesting period (1 Year) + Average of exercise period<br>(b) For RSU under FY21 plan- Vesting Period (2 years) + Average of exercise period<br>For other RSU – Vesting period (3 Years) + Average of exercise period  |
| 3                              | Expected Volatility* | - Tranche-II: 0.25, Tranche-III: 0.26                                                                                                                                                                                                    |
| 4                              | Dividend Yield       | - Tranche- II: 0.19%, Tranche-III: 0.26%                                                                                                                                                                                                 |

\*Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSU's up to the date of grant.

The Key assumptions in the Binomial Tree Model for calculating fair value as on the date of grant:

|                           |                      |                                                                                                                                                 |
|---------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(d) For ESOS 2022:</b> |                      |                                                                                                                                                 |
| 1                         | Risk Free Rate       | - 7.07% (Tranche I)                                                                                                                             |
| 2                         | Option Life          | - (a) For Options - Vesting period (1 Year) + Average of exercise period<br>(b) For PSU - Vesting Period (3 years) + Average of exercise period |
| 3                         | Expected Volatility* | - Tranche-I: 0.25                                                                                                                               |
| 4                         | Dividend Yield       | - Tranche- II: 0.43%                                                                                                                            |

\*Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSU's up to the date of grant.

The Key assumptions in the Binomial Tree Model for calculating fair value as on the date of grant:

|                                   |                             |                                                                                                                                                 |
|-----------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(a) For ESOS – SAR - 2018:</b> |                             |                                                                                                                                                 |
| 1                                 | Risk Free Rate              | - 7.08% (Tranche I);                                                                                                                            |
| 2                                 | Option Life                 | - (a) For Options - Vesting period (1 Year) + Average of exercise period<br>(b) For RSU – Vesting period (3 Years) + Average of exercise period |
| 3                                 | Expected Volatility*        | - Tranche-I: 0.25,                                                                                                                              |
| 4                                 | Expected Growth in Dividend | - Tranche -I: 0.46%                                                                                                                             |
| <b>(b) For ESOS 2018:</b>         |                             |                                                                                                                                                 |
| 1                                 | Risk Free Rate              | - 6.78% (Tranche II), 6.72% (Tranche III), 5.84% (Tranche IV & V)                                                                               |
| 2                                 | Option Life                 | - (a) For Options - Vesting period (1 Year) + Average of exercise period<br>(b) For RSU – Vesting period (3 Years) + Average of exercise period |
| 3                                 | Expected Volatility*        | - Tranche-II: 0.26, Tranche- III: 0.26, Tranche-IV & V: 0.26                                                                                    |
| 4                                 | Dividend Yield              | - Tranche -II & III: 0.27%; Tranche IV & V: 0.27%                                                                                               |

\*Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSU's up to the date of grant.



# NOTES

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## (F) Details of Liabilities arising from UTCL's cash settled share based payment transactions:

₹ in crore

| Particulars                                 | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|---------------------------------------------|--------------------------------------|--------------------------------------|
| Other Financial liabilities- Non current    | 0.15                                 | 0.60                                 |
| Other Financial liabilities- Current        | 0.11                                 | 0.58                                 |
| <b>Total carrying amount of liabilities</b> | <b>0.26</b>                          | <b>1.18</b>                          |

(ii) Disclosure under Employee stock options scheme of subsidiary companies :

### (II) Aditya Birla Capital Limited

At the Annual General Meeting held on 19<sup>th</sup> July 2017, the shareholders of the Company approved the grant of not more than 32,286,062 Equity Shares by way of grant of Stock Options ("ESOPs") and Restricted Stock Units ("RSUs"). Out of these, the Nomination, Remuneration and Compensation Committee has granted 24,062,864 ESOPs and 5,742,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long-term Incentive Plans ("LTIP"), identified as LTIP 1, LTIP 2, and LTIP 3. The Scheme allows the Grant of Stock Options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

### Granted during the Financial year 2017-2018

| Features                                                                        | LTIP 1                           | LTIP 2                                                                                                                                                                                                      | LTIP 3                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instrument                                                                      | RSU                              | ESOP                                                                                                                                                                                                        | ESOP                                                                                                                                                                                                        |
| Plan Period                                                                     | 2017-2019                        | 2017-2021                                                                                                                                                                                                   | 2017-2019                                                                                                                                                                                                   |
| Quantum of Grant                                                                | 43,43,750                        | 1,15,57,872                                                                                                                                                                                                 | 13,98,886                                                                                                                                                                                                   |
| Method of Accounting                                                            | Fair Value                       | Fair Value                                                                                                                                                                                                  | Fair Value                                                                                                                                                                                                  |
| Vesting Period                                                                  | 100.00% (2 years)                | 25.00% p.a. (4 years)                                                                                                                                                                                       | 20.00% p.a. (5 years)                                                                                                                                                                                       |
| Vesting Condition(s)                                                            | Continued employment             | Employees of ABCL : 75% of the consolidated PBT achievement against Annual P&B targets & Employees of Subsidiaries : 75% of the PBT achievement of the respective business units against Annual P&B targets | Continued employment                                                                                                                                                                                        |
|                                                                                 |                                  |                                                                                                                                                                                                             | Employees of ABCL : 75% of the consolidated PBT achievement against Annual P&B targets & Employees of Subsidiaries : 75% of the PBT achievement of the respective business units against Annual P&B targets |
| Exercise Period                                                                 | 5 years from the Date of Vesting | 5 years from the Date of Vesting                                                                                                                                                                            | 5 years from the Date of Vesting                                                                                                                                                                            |
| Grant Date                                                                      | 11 Aug 2017                      | 11 Aug 2017                                                                                                                                                                                                 | 11 Aug 2017                                                                                                                                                                                                 |
| Grant/Exercise Price (₹ Per Share)                                              | 10.00                            | 115.00                                                                                                                                                                                                      | 10.00                                                                                                                                                                                                       |
| Value of Equity Shares as on the Date of Grant of Original Option (₹ Per Share) | 139.00                           | 139.00                                                                                                                                                                                                      | 139.00                                                                                                                                                                                                      |



# NOTES

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Granted during the Financial Year - 2023-2024, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Features                           | LTIP 3                                                                  | LTIP 1                                          | LTIP 3                                                 |
|------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|
| Instrument                         | ESOP                                                                    | RSU                                             | PRSU                                                   |
| Plan Period                        | 2023-2026                                                               | 2023-2024                                       | 2023-2025                                              |
| Quantum of Grant                   | 20,07,180                                                               | 1,14,962                                        | 6,45,669                                               |
| Method of Accounting               | Fair Value                                                              | Fair Value                                      | Fair Value                                             |
| Vesting Period                     | 50% vesting in first year and 50% in second year from the Date of Grant | 100% vesting in One year from the date of Grant | 100% vesting in the second year from the Date of Grant |
| Vesting Condition(s)               | 75% of annual planning & budget targets                                 | Continued Employment                            | 60% of Cumulative planning & budget targets            |
| Exercise Period                    | 5 years from the Date of Vesting                                        | 5 years from the Date of Vesting                | 5 years from the Date of Vesting                       |
| Grant Date                         | 02 Aug 23                                                               | 02 Aug 23                                       | 02 Aug 23                                              |
| Grant/Exercise Price (₹ Per Share) | 124.15                                                                  | 10.00                                           | 10.00                                                  |

Granted during the Financial Year - 2022-2023, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Features                           | LTIP 2                                             | LTIP 1                                | LTIP 1                                                       |
|------------------------------------|----------------------------------------------------|---------------------------------------|--------------------------------------------------------------|
| Instrument                         | ESOP                                               | RSU                                   | RSU                                                          |
| Plan Period                        | 2022-2025                                          | 2022-2023                             | 2022-2023                                                    |
| Quantum of Grant                   | 11,73,306                                          | 13,94,915                             | 1,65,434                                                     |
| Method of Accounting               | Fair Value                                         | Fair Value                            | Fair Value                                                   |
| Vesting Period                     | 33.33% vesting over 3 years from the Date of Grant | 100%, One year from the Date of Grant | 100% vesting at the end of third year from the Date of Grant |
| Vesting Condition(s)               | Continued employment                               | Continued employment                  | Continued employment                                         |
| Exercise Period                    | 5 years from the Date of Vesting                   | 5 years from the Date of Vesting      | 5 years from the Date of Vesting                             |
| Grant Date                         | 01 Aug 22                                          | 01 Aug 22                             | 15 Mar 23                                                    |
| Grant/Exercise Price (₹ Per Share) | 106.35                                             | 10.00                                 | 10.00                                                        |

Granted during the Financial Year - 2021-2022, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Features                           | LTIP 2                                                                                                               | LTIP 2                                                                                                               |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Instrument                         | ESOP                                                                                                                 | ESOP                                                                                                                 |
| Plan Period                        | 2021-2025                                                                                                            | 2021-2025                                                                                                            |
| Quantum of Grant                   | 2,69,352                                                                                                             | 1,40,352                                                                                                             |
| Method of Accounting               | Fair Value                                                                                                           | Fair Value                                                                                                           |
| Vesting Period                     | Equal vesting in 4 years from the Date of Grant                                                                      | Equal vesting in 4 years from the Date of Grant                                                                      |
| Vesting Condition(s)               | 75% of the Profit Before Tax achievement against annual performance target immediately preceding the Date of Vesting | 75% of the Profit Before Tax achievement against annual performance target immediately preceding the Date of Vesting |
| Exercise Period                    | 5 years from the Date of Vesting                                                                                     | 5 years from the Date of Vesting                                                                                     |
| Grant Date                         | 14 May 21                                                                                                            | 30 Sep 21                                                                                                            |
| Grant/Exercise Price (₹ Per Share) | 119.40                                                                                                               | 114.15                                                                                                               |



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Granted during the Financial Year - 2020-2021, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Features                             | LTIP 2                                                                     | LTIP 3                                                                     |
|--------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Instrument                           | ESOP                                                                       | ESOP                                                                       |
| Plan Period                          | 2021-2022                                                                  | 2021-2022                                                                  |
| Quantum of Grant                     | 1,10,424                                                                   | 1,40,439                                                                   |
| Method of Accounting                 | Fair Value                                                                 | Fair Value                                                                 |
| Vesting Period                       | One year from the Date of Grant                                            | One year from the Date of Grant                                            |
| Vesting Condition(s)                 | 75% of the Profit Before Tax achievement against annual performance target | 75% of the Profit Before Tax achievement against annual performance target |
| Exercise Period                      | 5 years from the Date of Vesting                                           | 5 years from the Date of Vesting                                           |
| Grant Date                           | 05 Feb 21                                                                  | 05 Feb 21                                                                  |
| Grant / Exercise Price (₹ Per Share) | 90.40                                                                      | 90.40                                                                      |

Granted during the Financial Year - 2019-2020, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Features                             | LTIP 2                                                                                                                                                                                                      | LTIP 2                                                                                                                                                                                                      | LTIP 3                                                                                                                                                                                                      | LTIP 3                           | LTIP 2                                                                                                                                                                                                      | LTIP 3                           |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Instrument                           | ESOP                                                                                                                                                                                                        | ESOP                                                                                                                                                                                                        | ESOP                                                                                                                                                                                                        | RSU                              | ESOP                                                                                                                                                                                                        | RSU                              |
| Plan Period                          | 2019-2023                                                                                                                                                                                                   | 2019-2023                                                                                                                                                                                                   | 2019-2024                                                                                                                                                                                                   | 2019-2021                        | 2020-2024                                                                                                                                                                                                   | 2020-2023                        |
| Quantum of Grant                     | 5,60,376                                                                                                                                                                                                    | 3,07,020                                                                                                                                                                                                    | 4,41,704                                                                                                                                                                                                    | 7,686                            | 7,98,768                                                                                                                                                                                                    | 5,23,810                         |
| Method of Accounting                 | Fair Value                                                                                                                                                                                                  | Fair Value                                                                                                                                                                                                  | Fair Value                                                                                                                                                                                                  | Fair Value                       | Fair Value                                                                                                                                                                                                  | Fair Value                       |
| Vesting Period                       | 25% p.a. (4 years)                                                                                                                                                                                          | 25% p.a. (4 years)                                                                                                                                                                                          | 20% p.a. (5 years)                                                                                                                                                                                          | 100% (2 years)                   | 25% p.a. (4 years)                                                                                                                                                                                          | 100% (3 years)                   |
| Vesting Condition(s)                 | Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets | Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets | Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets | Continued employment             | Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets | Continued employment             |
| Exercise Period                      | 5 years from the Date of Vesting                                                                                                                                                                            | 5 years from the Date of Vesting                                                                                                                                                                            | 5 years from the Date of Vesting                                                                                                                                                                            | 5 years from the Date of Vesting | 5 years from the Date of Vesting                                                                                                                                                                            | 5 years from the Date of Vesting |
| Grant Date                           | 02 Aug 19                                                                                                                                                                                                   | 18 Oct 19                                                                                                                                                                                                   | 18 Oct 19                                                                                                                                                                                                   | 18 Oct 19                        | 25 Feb 20                                                                                                                                                                                                   | 25 Feb 20                        |
| Grant / Exercise Price (₹ Per Share) | 82.40                                                                                                                                                                                                       | 76.40                                                                                                                                                                                                       | 76.40                                                                                                                                                                                                       | 10.00                            | 87.05                                                                                                                                                                                                       | 10.00                            |

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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

Granted during the Financial Year - 2018-2019, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Features                             | LTIP 3                                                                     | LTIP 3                           |
|--------------------------------------|----------------------------------------------------------------------------|----------------------------------|
| Instrument                           | ESOP                                                                       | RSU                              |
| Plan Period                          | 2018-2023                                                                  | 2018-2020                        |
| Quantum of Grant                     | 16,23,834                                                                  | 3,00,000                         |
| Method of Accounting                 | Fair Value                                                                 | Fair Value                       |
| Vesting Period                       | 20% p.a. (5 years)                                                         | 100% (2 years)                   |
| Vesting Condition(s)                 | 75% of the Profit Before Tax achievement against annual performance target | Continued employment             |
| Exercise Period                      | 5 years from the Date of Vesting                                           | 5 years from the Date of Vesting |
| Grant Date                           | 09 Apr 18                                                                  | 09 Apr 18                        |
| Grant / Exercise Price (₹ Per Share) | 115.00                                                                     | 10.00                            |

## Details of Activities in the Plan as on 31<sup>st</sup> March 2024

| Features                                          | LTIP 1    | LTIP 2      | LTIP 3   |             |
|---------------------------------------------------|-----------|-------------|----------|-------------|
| Instrument                                        | RSU       | ESOP        | RSU      | ESOP        |
| Options/RSUs Outstanding at beginning of the year | 19,78,782 | 1,01,95,506 | 2,70,734 | 1,24,01,881 |
| Granted during the year                           | 1,14,962  | -           | 6,45,669 | 20,07,180   |
| Exercised during the year                         | 1,48,050  | 32,41,794   | -        | 29,26,310   |
| Lapsed during the year                            | 27,750    | 1,91,600    | -        | 11,939      |
| Options/RSUs Outstanding at the end of the year   | 19,17,944 | 67,62,112   | 9,16,403 | 1,14,70,812 |
| Options/RSUs unvested at the end of the year      | 2,80,396  | 20,46,378   | 6,45,669 | 24,48,884   |
| Options/RSUs exercisable at the end of the year   | 16,37,548 | 47,15,734   | 2,70,734 | 90,21,928   |

## Details of Activities in the Plan as on 31<sup>st</sup> March 2023

| Features                                          | LTIP 1    | LTIP 2      | LTIP 3   |             |
|---------------------------------------------------|-----------|-------------|----------|-------------|
| Instrument                                        | RSU       | ESOP        | RSU      | ESOP        |
| Options/RSUs Outstanding at beginning of the year | 6,24,723  | 96,42,838   | 8,72,906 | 1,31,80,030 |
| Granted during the year                           | 15,60,349 | 11,73,306   | -        | -           |
| Exercised during the year                         | 1,66,686  | 6,20,638    | 6,00,672 | 1,13,349    |
| Lapsed during the year                            | 39,604    | -           | 1,500    | 6,64,800    |
| Options/RSUs Outstanding at the end of the year   | 19,78,782 | 1,01,95,506 | 2,70,734 | 1,24,01,881 |
| Options/RSUs unvested at the end of the year      | 15,60,349 | 39,34,225   | 2,40,734 | 49,85,023   |
| Options/RSUs exercisable at the end of the year   | 4,18,433  | 62,61,281   | 30,000   | 74,16,858   |

## Fair Valuation

The Fair Value of the options used to compute proforma Net Profit and Earnings Per Share has been done by an Independent Valuer on the date of grant using Black-Scholes-Merton Formula. The Key Assumptions and the Fair Value are as:

| Features                                   | LTIP 1           | LTIP 2           | LTIP 3           |                  |
|--------------------------------------------|------------------|------------------|------------------|------------------|
| Instrument                                 | RSU              | ESOP             | RSU              | ESOP             |
| Risk-Free Interest Rate                    | 6.50% to 7.40%   | 6.20% to 7.00%   | 6.50% to 7.20%   | 6.50% to 7.60%   |
| Option Life (Years)                        | 3.50 to 5.50     | 3.50 to 6.50     | 4.50             | 3.50 to 7.50     |
| Expected Volatility                        | 38.50% to 41.80% | 36.20% to 46.50% | 35.40% to 41.80% | 37.00% to 46.50% |
| Expected Dividend Yield (%)                | -                | -                | -                | -                |
| Weighted-Average Fair Value per Option (₹) | 98.50 to 188.40  | 41.50 to 119.40  | 131.60 to 189.10 | 73.10 to 119.90  |



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## Stock Option and Performance Stock Unit Scheme 2022

The shareholders of the Company vide a special resolution passed through Postal Ballot on 16<sup>th</sup> October 2022 approved the Scheme titled “Aditya Birla Capital Limited Employee Stock Option and Performance Stock Unit Scheme 2022” (“ABCL Scheme 2022”) for granting Employee Stock Options (“Options”) and Employee Performance Stock Units (“PSUs”) (collectively referred to as the “Stock Options”) exercisable into not more than 4,10,71,270 Equity Shares. ABCL Scheme 2022 allows the grant of Stock Options to employees of the Company, and its group company(ies) including its Holding Company and Subsidiary Company(ies) and Associate Company(ies) (whether working in India or outside India) that meet the eligibility criteria. Each Stock Option confers a right upon the Grantee to apply for 1 (one) Equity Share. Out of these, the Nomination, Remuneration and Compensation Committee has granted 1,39,54,991 Options and 63,60,714 PSUs under ABCL Scheme 2022.

Granted during the Financial Year - 2022-2023, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Instrument                         | PSU                                                                                                              | ESOP                                                                                                                                                                                                                                    | PSU                                                                                                                                                                                                                                     | ESOP                                                                                                                                                                                                                                    |
|------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan Period                        | 2022-2025                                                                                                        | 2022-2025                                                                                                                                                                                                                               | 2022-2025                                                                                                                                                                                                                               | 2022-2025                                                                                                                                                                                                                               |
| Quantum of Grant                   | 59,53,984<br>3,01,081<br>1,05,649                                                                                | 1,27,75,439                                                                                                                                                                                                                             | 8,51,231                                                                                                                                                                                                                                | 3,28,321                                                                                                                                                                                                                                |
| Method of Accounting               | Fair Value                                                                                                       | Fair Value                                                                                                                                                                                                                              | Fair Value                                                                                                                                                                                                                              | Fair Value                                                                                                                                                                                                                              |
| Vesting Period                     | 100% vesting at the end of third year from the Date of Grant                                                     | 50%:50% vesting at the end of second and third year from the Date of Grant                                                                                                                                                              | 50%:50% vesting at the end of second and third year from the Date of Grant                                                                                                                                                              | 50%:50% vesting at the end of second and third year from the Date of Grant                                                                                                                                                              |
| Vesting Condition(s)               | Continued Employment & Rating of DFP & above in the year of vesting. 60% of Cumulative Aggregate PBT for 3 years | Employees of ABCL: 75% of the consolidated PBT achievement against annual planning & budget targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual planning & budget targets | Employees of ABCL: 75% of the consolidated PBT achievement against annual planning & budget targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual planning & budget targets | Employees of ABCL: 75% of the consolidated PBT achievement against Annual planning & budget targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual planning & budget targets |
| Exercise Period                    | 5 years from the Date of Vesting                                                                                 | 5 years from the Date of Vesting                                                                                                                                                                                                        | 5 years from the Date of Vesting                                                                                                                                                                                                        | 5 years from the Date of Vesting                                                                                                                                                                                                        |
| Grant Date                         | 07 Nov 2022<br>02 Feb 2023<br>15 Mar 2023                                                                        | 07 Nov 22                                                                                                                                                                                                                               | 02 Feb 23                                                                                                                                                                                                                               | 15 Mar 23                                                                                                                                                                                                                               |
| Grant/Exercise Price (₹ Per Share) | 10.00                                                                                                            | 124.20                                                                                                                                                                                                                                  | 136.50                                                                                                                                                                                                                                  | 145.00                                                                                                                                                                                                                                  |

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Granted during Financial Year - 2023-2024 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Features                           | LTIP 1                                                                                                           | LTIP 2                                                                                                                                                                                                                                  |
|------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instrument                         | RSU                                                                                                              | ESOP                                                                                                                                                                                                                                    |
| Plan Period                        | 2023-2027                                                                                                        | 2023-2027                                                                                                                                                                                                                               |
| Quantum of Grant                   | 1,35,481<br>1,59,291<br>16,40,750<br>10,35,219                                                                   | 3,37,331<br>3,26,435<br>2,04,428<br>10,68,855                                                                                                                                                                                           |
| Method of Accounting               | Fair Value                                                                                                       | Fair Value                                                                                                                                                                                                                              |
| Vesting Period                     | 100% vesting at the end of third year from the Date of Grant                                                     | 50%:50% vesting at the end of second and third year from the Date of Grant                                                                                                                                                              |
| Vesting Condition(s)               | Continued Employment & Rating of DFP & above in the year of vesting. 60% of Cumulative Aggregate PBT for 3 years | Employees of ABCL: 75% of the consolidated PBT achievement against annual planning & budget targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual planning & budget targets |
| Exercise Period                    | 5 years from the Date of Vesting                                                                                 | 5 years from the Date of Vesting                                                                                                                                                                                                        |
| Grant Date                         | 11 May 2023<br>02 Aug 2023<br>03 Nov 2023<br>01 Feb 2024                                                         | 11 May 2023<br>02 Aug 2023<br>03 Nov 2023<br>01 Feb 2024                                                                                                                                                                                |
| Grant/Exercise Price (₹ Per Share) | 10.00                                                                                                            | 170.90 - 196.10                                                                                                                                                                                                                         |

## Details of Activities in the Plan as on 31<sup>st</sup> March 2024

| Instrument                                        | RSU       | ESOP        |
|---------------------------------------------------|-----------|-------------|
| Options/RSUs Outstanding at beginning of the year | 63,60,714 | 1,39,54,991 |
| Granted during the year                           | 29,70,741 | 19,37,049   |
| Exercised during the year                         | -         | -           |
| Lapsed during the year                            | 5,17,747  | 10,99,102   |
| Options/RSUs Outstanding at the end of the year   | 88,13,708 | 1,47,92,938 |
| Options/RSUs unvested at the end of the year      | 88,13,708 | 1,47,92,938 |
| Options/RSUs exercisable at the end of the year   | -         | -           |

## Details of Activities in the Plan as on 31<sup>st</sup> March 2023

| Instrument                                        | RSU       | ESOP        |
|---------------------------------------------------|-----------|-------------|
| Options/RSUs Outstanding at beginning of the year | -         | -           |
| Granted during the year                           | 63,60,714 | 1,39,54,991 |
| Exercised during the year                         | -         | -           |
| Lapsed during the year                            | -         | -           |
| Options/RSUs Outstanding at the end of the year   | 63,60,714 | 1,39,54,991 |
| Options/RSUs unvested at the end of the year      | 63,60,714 | 1,39,54,991 |
| Options/RSUs exercisable at the end of the year   | -         | -           |





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## Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as:

| Features                                   | LTIP 1           | LTIP 2           |
|--------------------------------------------|------------------|------------------|
| Instrument                                 | RSU              | ESOP             |
| Risk-Free Interest Rate (%)                | 7.30%-7.60%      | 7.30%-7.60%      |
| Option Life (Years)                        | 5.50             | 4.50 to 5.50     |
| Expected Volatility                        | 40.40% to 41.80% | 40.40% to 42.70% |
| Expected Dividend Yield (%)                | 0.00%            | 0.00%            |
| Weighted-Average Fair Value per Option (₹) | 117.60 to 189.50 | 57.20 to 96.60   |

## Of Subsidiary Companies:

### A) Aditya Birla Sun Life Insurance Limited (ABSLI)

The Nomination and Remuneration Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants are given as under:

| Features                                                                      | LTIP 1                                                                               |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Instrument                                                                    | ESOP                                                                                 |
| Plan Period                                                                   | 2024-2026                                                                            |
| Method of Accounting                                                          | Fair Value                                                                           |
| Vesting Period                                                                | 100% (2 Years)                                                                       |
| Graded Vesting Period                                                         |                                                                                      |
| 1 <sup>st</sup> Year                                                          | 50.00%                                                                               |
| 2 <sup>nd</sup> Year                                                          | 50.00%                                                                               |
| Vesting Condition(s)                                                          | Continued employment and rating of DFP and above in previous year of vesting/ payout |
| Vesting Condition - Business                                                  | 75% of unit P&B PBT                                                                  |
| Exercise Period                                                               | 5 Years from Date of Grant                                                           |
| Grant Date                                                                    | 01 Feb 24                                                                            |
| Grant/ Exercise Price (Per Share)                                             | 63.00                                                                                |
| Value of Equity Shares as on the Date of Grant of Original Option (Per Share) | 87.88                                                                                |

## Details of Activities in the Plan as on 31<sup>st</sup> March 2024

| Features                                                | LTIP 1    |
|---------------------------------------------------------|-----------|
| Instrument                                              | ESOP      |
| Options/ RSUs Outstanding at the beginning of the Year  | -         |
| Granted during the Year                                 | 75,43,826 |
| Exercised during the Year                               | -         |
| Lapsed during the Year                                  | -         |
| Options/ RSUs Outstanding at the end of the Year        | 75,43,826 |
| Options/ RSUs remaining unvested at the end of the Year | 75,43,826 |
| Options/ RSUs exercisable at the end of the Year        | -         |

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## B) Aditya Birla Finance Limited (ABFL)

The Nomination and Remuneration Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants are given as under:

### As on 31<sup>st</sup> March 2024

| Grant date | Exercise price (₹) | Fair Value of options | Options granted  | Options vested and exercisable | Options unvested | Options exercised | Options lapsed  | Options outstanding |
|------------|--------------------|-----------------------|------------------|--------------------------------|------------------|-------------------|-----------------|---------------------|
| 05 Nov 22  | 283.20             | 131.90                | 21,78,706        | -                              | 21,78,706        | -                 | 2,03,886        | 19,74,820           |
| 31 Jan 23  | 283.20             | 141.10                | 10,169           | -                              | 10,169           | -                 | -               | 10,169              |
| 30 Sep 23  | 354.70             | 150.80                | 90,715           | -                              | 90,715           | -                 | -               | 90,715              |
| 01 Nov 23  | 354.70             | 153.60                | 17,636           | -                              | 17,636           | -                 | -               | 17,636              |
| 30 Jan 24  | 354.70             | 138.60                | 18,726           | -                              | 18,726           | -                 | -               | 18,726              |
|            |                    |                       | <b>23,15,952</b> |                                | <b>23,15,952</b> |                   | <b>2,03,886</b> | <b>21,12,066</b>    |

### As on 31<sup>st</sup> March 2023

| Grant date | Exercise price (₹) | Fair Value of options | Options granted  | Options vested and exercisable | Options unvested | Options exercised | Options lapsed | Options outstanding |
|------------|--------------------|-----------------------|------------------|--------------------------------|------------------|-------------------|----------------|---------------------|
| 05 Nov 22  | 283.20             | 131.90                | 21,78,706        | -                              | 21,78,706        | -                 | 89,786         | 20,88,920           |
| 31 Jan 23  | 283.20             | 141.10                | 10,169           | -                              | 10,169           | -                 | -              | 10,169              |
|            |                    |                       | <b>21,88,875</b> | -                              | <b>21,88,875</b> | -                 | <b>89,786</b>  | <b>20,99,089</b>    |

Weighted average fair value of stock options granted during the year is as follows:

| Particulars                     | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| Scheme Name : ABFL Scheme 2022  |                             |                             |
| No. of options granted          | 1,27,077                    | 21,88,875                   |
| Weighted average fair value (₹) | 149.39                      | 131.94                      |

Following table depicts range of exercise prices and weighted average remaining contractual life:

### As on 31<sup>st</sup> March 2024

| For all grants                           | No. of options | Range of exercise prices (₹) | Weighted average exercise price (₹) | Weighted average remaining contractual life (years) |
|------------------------------------------|----------------|------------------------------|-------------------------------------|-----------------------------------------------------|
| Outstanding at the beginning of the year | 20,99,089      | 283.20                       | 283.20                              | 2.11                                                |
| Granted during the year                  | 1,27,077       | 354.70                       | 354.70                              | 2.06                                                |
| Cancelled during the year                | -              | -                            | -                                   | -                                                   |
| Exercised during the year                | -              | -                            | -                                   | -                                                   |
| Expired during the year                  | 1,14,100       | -                            | -                                   | -                                                   |
| Outstanding at the end of the year       | 21,12,066      | 283.20-354.70                | 287.12                              | 1.16                                                |
| Exercisable at the end of the year       | -              | -                            | -                                   | -                                                   |



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## As on 31<sup>st</sup> March 2023

| For all grants                           | No. of options | Range of exercise prices (₹) | Weighted average exercise price (₹) | Weighted average remaining contractual life (years) |
|------------------------------------------|----------------|------------------------------|-------------------------------------|-----------------------------------------------------|
| Outstanding at the beginning of the year | -              | -                            | -                                   | -                                                   |
| Granted during the year                  | 21,88,875      | 283.20                       | 283.20                              | 2.11                                                |
| Cancelled during the year                | -              | -                            | -                                   | -                                                   |
| Exercised during the year                | -              | -                            | -                                   | -                                                   |
| Expired during the year                  | 89,786         |                              |                                     |                                                     |
| Outstanding at the end of the year       | 21,88,875      | 283.20                       | 283.20                              | 2.11                                                |
| Exercisable at the end of the year       | -              | -                            | -                                   | -                                                   |

### Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black–Scholes Model. The key assumptions used in Black–Scholes Model for calculating fair value as on the date of respective grants are:

| Grant date | Life of Option (in Years) | Risk Free Rate | Dividend Yield | Volatility |
|------------|---------------------------|----------------|----------------|------------|
| 05 Nov 22  | 4.10                      | 7.50%          | 0.70           | 36.30%     |
| 31 Jan 23  | 3.80                      | 7.40%          | 0.70           | 37.30%     |
| 30 Sep 23  | 3.30                      | 7.30%          | 0.70           | 34.40%     |
| 01 Nov 23  | 3.10                      | 7.50%          | 0.70           | 27.80%     |
| 30 Jan 24  | 2.90                      | 7.16%          | 0.80           | 26.00%     |

Weighted average fair value of share options outstanding as on 31<sup>st</sup> March 2024 is ₹ 320.59 per share

### Characteristics of ESOPs issued

| Grant date                     | 5 <sup>th</sup> November 2022                                                     | 31 <sup>st</sup> January 2023                                                     | 30 <sup>th</sup> September 2023                                                   | 1 <sup>st</sup> November 2023                                                     | 31 <sup>st</sup> January 2024                                                     |
|--------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Conversion                     | On exercise, 1 ESOP converts to 1 equity share of ABFL                            | On exercise, 1 ESOP, converts to 1 equity share of ABFL                           | On exercise, 1 ESOP converts to 1 equity share of ABFL                            | On exercise, 1 ESOP converts to 1 equity share of ABFL                            | On exercise, 1 ESOP converts to 1 equity share of ABFL                            |
| Vesting date*                  | 50% each at the end of 2nd and 3rd year from Grant Date                           | 50% each at the end of 2nd and 3rd year from Grant date                           | 50% each at the end of 2nd and 3rd year from Grant Date                           | 50% each at the end of 2nd and 3rd year from Grant Date                           | 50% each at the end of 2nd and 3rd year from Grant Date                           |
| Additional condition           | ESOPs can be exercise only once equity share of ABFL are listed on stock exchange | ESOPs can be exercise only once equity share of ABFL are listed on stock exchange | ESOPs can be exercise only once equity share of ABFL are listed on stock exchange | ESOPs can be exercise only once equity share of ABFL are listed on stock exchange | ESOPs can be exercise only once equity share of ABFL are listed on stock exchange |
| Exercise price (in ₹) per ESOP | 283.20                                                                            | 283.20                                                                            | 354.70                                                                            | 354.70                                                                            | 354.70                                                                            |
| Exercise Period*               | 5 year from the date of vesting                                                   | 5 year from the date of 1st grant i.e. 5 Nov 2022                                 | 5 year from the date of vesting                                                   | 5 year from the date of vesting                                                   | 5 year from the date of vesting                                                   |
| Settlement                     | Settlement in Equity shares of ABFL                                               | Settlement in Equity shares of ABFL                                               | Settlement in Equity shares of ABFL                                               | Settlement in Equity shares of ABFL                                               | Settlement in Equity shares of ABFL                                               |

\* Exercise period as per management's assessment

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## C) Aditya Birla Housing Finance Limited (ABHFL)

### Features of the ESOP's granted by ABHFL

| Grant date                     | 27 <sup>th</sup> April 2023                             | 27 <sup>th</sup> January 2023                            | 27 <sup>th</sup> April 2023                              | 27 <sup>th</sup> July 2023                               | 26 <sup>th</sup> October 2023                            |
|--------------------------------|---------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| Conversion                     | On exercise, 1 ESOP converts to 1 equity share of ABHFL | On exercise, 1 ESOP, converts to 1 equity share of ABHFL | On exercise, 1 ESOP, converts to 1 equity share of ABHFL | On exercise, 1 ESOP, converts to 1 equity share of ABHFL | On exercise, 1 ESOP, converts to 1 equity share of ABHFL |
| Vesting date                   | At the end of 3rd year from Grant Date                  | At the end of 3rd year from Grant Date                   | At the end of 3rd year from Grant Date                   | At the end of 3rd year from Grant Date                   | At the end of 3rd year from Grant Date                   |
| Exercise Period                | 5 Years from the Grant Date                             | 5 Years from the Grant Date                              | 5 Years from the Grant Date                              | 5 Years from the Grant Date                              | 5 Years from the Grant Date                              |
| Exercise price (in ₹) per ESOP | 42.50                                                   | 37.20                                                    | 42.50                                                    | 42.50                                                    | 42.50                                                    |
| Settlement                     | Settlement in equity shares of ABHFL                    | Settlement in equity shares of ABHFL                     | Settlement in equity shares of ABHFL                     | Settlement in equity shares of ABHFL                     | Settlement in equity shares of ABHFL                     |

| Grant Date   | Exercise Price (₹) | Options Granted  |
|--------------|--------------------|------------------|
| 26 Oct 23    | 42.50              | 33,667           |
| 27 Jul 23    | 42.50              | 1,60,203         |
| 27 Apr 23    | 42.50              | 53,544           |
| 27 Jan 23    | 37.20              | 1,83,379         |
| 21 Oct 22    | 37.20              | 15,49,598        |
| <b>Total</b> |                    | <b>19,80,391</b> |

### Details of Activities in the Plan as on 31<sup>st</sup> March 2024

| Instrument                                              | ESOP      |
|---------------------------------------------------------|-----------|
| Options/ RSUs Outstanding at the beginning of the Year  | 17,32,977 |
| Granted during the Year                                 | 2,47,414  |
| Exercised during the Year                               | -         |
| Cancelled/ Lapsed during the Year                       | 1,31,829  |
| Options/ RSUs Outstanding at the end of the Year        | 18,48,562 |
| Options/ RSUs remaining unvested at the end of the Year | 18,48,562 |
| Options/ RSUs exercisable at the end of the Year        | -         |

### Weighted average fair value of options as follows:

#### Year ended 31<sup>st</sup> March 2024

| Particulars                 | Year ended 31 <sup>st</sup> March 2024 |                            |                               | Year ended 31 <sup>st</sup> March 2023 |                               |
|-----------------------------|----------------------------------------|----------------------------|-------------------------------|----------------------------------------|-------------------------------|
| Grant Date                  | 27 <sup>th</sup> April 2023            | 27 <sup>th</sup> July 2023 | 26 <sup>th</sup> October 2023 | 21 <sup>st</sup> October 2022          | 27 <sup>th</sup> January 2023 |
| No of Options granted       | 53,544                                 | 1,60,203                   | 33,667                        | 15,49,598                              | 1,83,379                      |
| Weighted Average Fair value | 42.50                                  | 42.50                      | 42.50                         | 34.60                                  | 36.50                         |

## D) Aditya Birla Money Limited

### Stock Options granted under ABML – Employee Stock Option Scheme – 2014

The objective of the Employee Stock Options Scheme is to attract and retain talent, and align the interest of employees with Aditya Birla Money Limited (ABML), as well as to motivate them to contribute to its growth and profitability. The Company adopts Senior Executive Plan in granting Stock Options to its Senior Employees. (Employee Stock Option Scheme -2014)



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During 2014 the Company had formulated the ABML Employee Stock Option Scheme -2014 (ABML ESOP Scheme -2014) with the approval of the shareholders at the Annual General Meeting dated 9<sup>th</sup> September 2014. The Scheme provides that the total number of options granted thereunder will be 27,70,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of ₹ 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on 2<sup>nd</sup> December 2014 has granted 25,09,341 Stock Options to its eligible employees under the ABML ESOP Scheme – 2014 at an exercise price of ₹ 34.25/-. The Exercise Price was based on the latest available closing price, prior to the 2<sup>nd</sup> December 2014 (the date of grant by the Nomination and Remuneration Committee) on the recognised stock exchanges on which the shares of the Company are listed with the highest trading volume.

| Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under |                                                                      | As at 31 <sup>st</sup> March 2024 |
|----------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------|
| Options Granted on 2 <sup>nd</sup> December 2015                           |                                                                      | 25,09,341                         |
| Options Outstanding as on 1 <sup>st</sup> April 2023                       |                                                                      | 53,845                            |
| No. of Options Granted during the Year                                     |                                                                      | Nil                               |
| Method of Accounting                                                       |                                                                      | Intrinsic Value                   |
| Vesting Plan                                                               |                                                                      | 25% every year                    |
| Exercise Period                                                            | Within 5 years from the Date of Vesting of respective options        |                                   |
| Grant/Exercise Price (₹ per Share)                                         |                                                                      | ₹ 34.25                           |
| Market Price as on the Date of the Grant                                   | ₹ 34.25(previous day closing price on the Recognised Stock Exchange) |                                   |
| Options reinstated during the year                                         |                                                                      | 59,892                            |
| Options Forfeited/Lapsed during the Year                                   |                                                                      | 57,418                            |
| Options Exercised during the Year                                          |                                                                      | 56,319                            |
| Options Outstanding as at 31 <sup>st</sup> March 2024                      |                                                                      | Nil                               |

| Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under |                                                                        | As at 31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------|
| Options Granted on 2 <sup>nd</sup> December 2015                           |                                                                        | 25,09,341                         |
| Options Outstanding as on 1 <sup>st</sup> April 2022                       |                                                                        | 1,31,729                          |
| No. of Options Granted during the Year                                     |                                                                        | Nil                               |
| Method of Accounting                                                       |                                                                        | Intrinsic Value                   |
| Vesting Plan                                                               |                                                                        | 25% every year                    |
| Exercise Period                                                            | Within 5 years from the Date of Vesting of respective options          |                                   |
| Grant/Exercise Price (₹ per Share)                                         |                                                                        | ₹ 34.25/-                         |
| Market Price as on the Date of the Grant                                   | ₹ 34.25/-(previous day closing price on the Recognised Stock Exchange) |                                   |
| Options Forfeited/Lapsed during the Year                                   |                                                                        | Nil                               |
| Options Exercised during the Year                                          |                                                                        | 77,884                            |
| Options Outstanding as at 31 <sup>st</sup> March 2023                      |                                                                        | 53,845                            |

The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

| Sr. No | Vesting Date                     | % of Options that shall vest |
|--------|----------------------------------|------------------------------|
| 1      | 12 months from the date of grant | 25% of the grant             |
| 2      | 24 months from the date of grant | 25% of the grant             |
| 3      | 36 months from the date of grant | 25% of the grant             |
| 4      | 48 months from the date of grant | 25% of the grant             |



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ABML has granted options to the eligible employees at an exercise price of ₹ 34.25 per share being the latest market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the ABML is not required to account the accounting value of option as per SEBI ESOP Regulations.

## The key assumptions are as under:

|                                        |           |
|----------------------------------------|-----------|
| Risk-Free Interest Rate (%)            | 8.13%     |
| Expected Life (No. of Years)           | 5 years   |
| Expected Volatility (%)                | 54.26%    |
| Dividend Yield                         | -         |
| Weighted-Average Fair Value per Option | ₹ 34.25/- |

## ABCL Incentive Plan 2017

The Scheme titled as “ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)” was approved by the shareholders through postal ballot on 10<sup>th</sup> April 2017. The Nomination, Remuneration and Compensation Committee of the Company at its meeting held on 15<sup>th</sup> January 2018, granted 14,65,927 ESOPs and 2,52,310 Restricted Stock Units (RSUs) (Collectively called as “Stock Options”) to the eligible grantees pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited. The Stock Options allotted under the Scheme are convertible into equal number of Equity Shares.

The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the Grantees under the corresponding Grasim Employee Benefit Schemes 2006 and 2013.

| Particulars                          | ABCL Incentive Scheme                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                  |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
|                                      | Options                                                                                                                                                                                                                                                                                                                                                                                                                                                 | RSUs                             |
| Plan Period                          | As per Grasim Employee Benefits Schemes 2006 and 2013.                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |
| Quantum of Grant                     | 14,65,927                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2,52,310                         |
| Method of Accounting                 | Fair Value                                                                                                                                                                                                                                                                                                                                                                                                                                              | Fair Value                       |
| Vesting Period                       | The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013, and shall be subject to a minimum vesting period of one year from the date of original grant and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs or such other period as may be determined by the Nomination, Remuneration and Compensation Committee. |                                  |
| Vesting Condition(s)                 | Achievement of threshold level of budgeted annual performance target                                                                                                                                                                                                                                                                                                                                                                                    |                                  |
| Exercise Period                      | 5 years from the Date of Vesting                                                                                                                                                                                                                                                                                                                                                                                                                        | 5 years from the Date of Vesting |
| Grant Date                           | 15 Jan 2018                                                                                                                                                                                                                                                                                                                                                                                                                                             | 15 Jan 2018                      |
| Grant / Exercise Price (₹ Per Share) | 10.00                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 10.00                            |

Re-granted during the Financial Year - 2020-2021 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

| Particulars          | Options                                                              |
|----------------------|----------------------------------------------------------------------|
| Plan Period          | 2021-2022                                                            |
| Quantum of Grant     | 25,585                                                               |
| Method of Accounting | Fair Value                                                           |
| Vesting Period       | One year from the Date of Grant                                      |
| Vesting Condition(s) | Achievement of threshold level of budgeted annual performance target |
| Exercise Period      | 5 years from the Date of Vesting                                     |
| Grant Date           | 05 Mar 21                                                            |



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|                                    |       |
|------------------------------------|-------|
| Grant/Exercise Price (₹ Per Share) | 10.00 |
|------------------------------------|-------|

## Details of Activities in the Plan

| Particulars                                           | ABCL Incentive Scheme       |       |                             |       |
|-------------------------------------------------------|-----------------------------|-------|-----------------------------|-------|
|                                                       | 31 <sup>st</sup> March 2024 |       | 31 <sup>st</sup> March 2023 |       |
|                                                       | Options                     | RSUs  | Options                     | RSUs  |
| Options/RSUs Outstanding at the beginning of the year | 15,324                      | 3,418 | 1,96,035                    | 3,418 |
| Granted during the year                               | -                           | -     | -                           | -     |
| Exercised during the year                             | -                           | -     | 1,80,711                    | -     |
| Lapsed during the year                                | -                           | -     | -                           | -     |
| Options/RSUs Outstanding at the end of the year       | 15,324                      | 3,418 | 15,324                      | 3,418 |

## 4.6 OPERATING SEGMENTS

### 4.6.1 For management purposes, details of Products/Services included in each of the Segments are as under:

|                    |   |                                                                                                                                                                                                                       |
|--------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cellulosic Fibres  | - | Cellulosic Staple Fibre (CSF) and Cellulosic Fashion Yarn (CFY)                                                                                                                                                       |
| Chemicals          | - | Chlor Alkali, Specialty Chemicals and Chlorine Derivatives.                                                                                                                                                           |
| Building materials | - | Cement, Paints and B2B E-Commerce businesses                                                                                                                                                                          |
| Financial Services | - | Non-Bank Financial Services, Life Insurance Services, Asset Management (AMC), Housing Finance, Equity Broking, Wealth Management, Asset Reconstruction Company (ARC), General Insurance Advisory and Health Insurance |
| Others             | - | This segment represents remaining businesses of the Group, which are not part of the above segments, which mainly represents Textiles, Insulators and Renewable Power business.                                       |

### 4.6.2 Segment Measures

The Chief Operating Decision Maker (CODM) primarily uses Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) as performance measure to assess segment's performance, and periodically receives information about the Segment's Revenue, Assets and Liabilities.

In order to align the segmental reporting of the Group's new businesses along with continued focus on the existing portfolio of businesses, the Group has changed its segment disclosure related to the composition and measures of its operating segments as per Ind AS 108 - Operating Segments for the year ended 31<sup>st</sup> March 2024. The Group has identified 'Building Materials' as a separate reportable segment, which comprises of Cement, Paints and B2B e-commerce businesses. Paints and B2B e-commerce businesses were earlier part of 'Others' segment. The corresponding segment information of previous year have been restated accordingly

#### (i) Segment Profit and Loss

Segment's performance is measured based on Segment EBITDA for all the Segments, except for the 'Financial Services' Segment, where finance cost is considered as part of its operations.

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## (ii) Segment Revenue

For all the segments, the segment revenue is measured in the same way as measured in the Statement of Profit and Loss.

## (iii) Segment Assets

Segment assets are allocated based on the operations of the segment. However, certain assets like 'Tax Assets' are not considered to be segment assets, since these are being monitored at corporate level, accordingly, forms part of corporate/unallocated assets.

## (iv) Segment Liabilities

Segment liabilities are allocated based on the operations of the segment. Certain liabilities identified below are not considered to be part of segment liabilities, since those liabilities are managed at corporate level, accordingly, forms part of corporate/unallocated liabilities:

Segment Liabilities exclusions: 'Tax Liabilities' and 'Borrowings', except in case of 'Financial Services' Segment, where Borrowings form part of its operations.

### Information about Operating Segments for the year ended 31<sup>st</sup> March 2024:

|                                                                                                    | Cellulosic<br>Fibres | Chemicals       | Building<br>Materials | Financial<br>Services | Others          | Inter Segment<br>/ Eliminations | Total              |
|----------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------------|-----------------------|-----------------|---------------------------------|--------------------|
| ₹ in crore                                                                                         |                      |                 |                       |                       |                 |                                 |                    |
| <b>REVENUE</b>                                                                                     |                      |                 |                       |                       |                 |                                 |                    |
| Sales (As reported)                                                                                | 14,937.59            | 7,174.94        | 71,903.95             | 33,968.75             | 2,993.25        | -                               | 1,30,978.48        |
| Sales (Inter-Segment)                                                                              | 11.23                | 1,038.36        | 48.82                 | 39.40                 | 93.57           | (1,231.38)                      | -                  |
| <b>Total Revenue (Note 3.1)</b>                                                                    | <b>14,948.82</b>     | <b>8,213.30</b> | <b>71,952.77</b>      | <b>34,008.15</b>      | <b>3,086.82</b> | <b>(1,231.38)</b>               | <b>1,30,978.48</b> |
| <b>RESULTS</b>                                                                                     |                      |                 |                       |                       |                 |                                 |                    |
| <b>Segment Results (EBITDA)</b>                                                                    | <b>1,722.04</b>      | <b>1,054.02</b> | <b>13,163.61</b>      | <b>4,114.49</b>       | <b>444.70</b>   | <b>-</b>                        | <b>20,498.86</b>   |
| Unallocated Corporate Income/<br>(Expenses) (Net)                                                  |                      |                 |                       |                       |                 |                                 | 337.67             |
| <b>Earnings Before Interest, Tax,<br/>Depreciation and Amortisation</b>                            |                      |                 |                       |                       |                 |                                 | <b>20,836.53</b>   |
| Finance Costs                                                                                      |                      |                 |                       |                       |                 |                                 | (1,654.72)         |
| Depreciation and Amortisation                                                                      |                      |                 |                       |                       |                 |                                 | -                  |
| - Allocated to Segments                                                                            | <b>(618.24)</b>      | <b>(445.00)</b> | <b>(3,180.67)</b>     | <b>(521.66)</b>       | <b>(208.14)</b> | <b>-</b>                        | <b>(4,973.71)</b>  |
| - Unallocated                                                                                      | -                    | -               | -                     | -                     | -               | -                               | (27.61)            |
| <b>Profit Before Exceptional Items<br/>and Tax</b>                                                 |                      |                 |                       |                       |                 |                                 | <b>14,180.49</b>   |
| Exceptional Items (Note 3.11)                                                                      | (497.36)             | -               | (72.00)               | -                     | -               | -                               | (569.36)           |
| <b>Profit Before Tax and Share<br/>in Profit/(Loss) of Equity<br/>Accounted Investees</b>          |                      |                 |                       |                       |                 |                                 | <b>13,611.13</b>   |
| Share in Profit/(Loss) of Joint<br>Ventures and Associates<br>(Allocable to Operating<br>Segments) | <b>(272.73)</b>      | <b>0.64</b>     | <b>23.02</b>          | <b>291.63</b>         | <b>(6.67)</b>   | <b>-</b>                        | <b>35.89</b>       |
| Share in Profit/(Loss) of Joint<br>Ventures and Associates<br>(Unallocable)                        | -                    | -               | -                     | -                     | -               | -                               | 52.79              |
| <b>Profit Before Tax</b>                                                                           |                      |                 |                       |                       |                 |                                 | <b>13,699.81</b>   |
| Current Tax                                                                                        |                      |                 |                       |                       |                 |                                 | 3,413.86           |
| Deferred Tax                                                                                       |                      |                 |                       |                       |                 |                                 | 360.30             |



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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                           | Cellulosic<br>Fibres | Chemicals       | Building<br>Materials | Financial<br>Services | Others           | Inter Segment<br>/ Eliminations | Total              |
|-------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------------|-----------------------|------------------|---------------------------------|--------------------|
| <b>Profit for the Year before Non-Controlling Interest</b>                                |                      |                 |                       |                       |                  |                                 | <b>9,925.65</b>    |
| Less: Non-Controlling Interest                                                            |                      |                 |                       |                       |                  |                                 | (4,301.16)         |
| <b>Profit for the Year</b>                                                                |                      |                 |                       |                       |                  |                                 | <b>5,624.49</b>    |
| <b>OTHER INFORMATION</b>                                                                  |                      |                 |                       |                       |                  |                                 |                    |
| <b>Segment Assets</b>                                                                     | <b>13,732.88</b>     | <b>8,743.04</b> | <b>1,10,353.60</b>    | <b>2,40,489.72</b>    | <b>11,361.72</b> | <b>(374.11)</b>                 | <b>3,84,306.85</b> |
| Investments in Associates/Joint Ventures (allocable to Operating Segments)                | 876.52               | 31.69           | 860.41                | 8,422.79              | 0.94             |                                 | 10,192.35          |
| Investments in Associates/Joint Ventures (Unallocable)                                    |                      |                 |                       |                       |                  |                                 | 290.46             |
| Unallocated Corporate Assets                                                              |                      |                 |                       |                       |                  |                                 | 17,749.42          |
| <b>Total Assets</b>                                                                       |                      |                 |                       |                       |                  |                                 | <b>4,12,539.08</b> |
| <b>Segment Liabilities</b>                                                                | <b>4,036.51</b>      | <b>1,725.32</b> | <b>25,559.28</b>      | <b>2,03,011.87</b>    | <b>1,720.59</b>  | <b>(26.30)</b>                  | <b>2,36,027.27</b> |
| Unallocated Corporate Liabilities                                                         |                      |                 |                       |                       |                  |                                 | 37,573.44          |
| <b>Total Liabilities</b>                                                                  |                      |                 |                       |                       |                  |                                 | <b>2,73,600.71</b> |
| <b>Additions to Non-Current Assets</b>                                                    | <b>519.34</b>        | <b>757.24</b>   | <b>14,017.53</b>      | <b>802.90</b>         | <b>5,058.86</b>  | <b>-</b>                        | <b>21,155.87</b>   |
| Unallocated Corporate Capital Expenditure                                                 |                      |                 |                       |                       |                  |                                 | 44.18              |
| <b>Total Additions Non-Current Assets</b>                                                 |                      |                 |                       |                       |                  |                                 | <b>21,200.05</b>   |
| <b>Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)</b> | <b>436.00</b>        | <b>-</b>        | <b>-</b>              | <b>-</b>              | <b>-</b>         | <b>-</b>                        | <b>436.00</b>      |

- (i) Finance cost exclude finance cost of ₹7,622.71 crore relating to financial services business, since it is considered as an expense for deriving segment result.
- (ii) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

## Information about Operating Segments for the year ended 31<sup>st</sup> March 2023:

₹ in crore

|                                                                     | Cellulosic<br>Fibres | Chemicals        | Building<br>Materials | Financial<br>Services | Others          | Inter Segment<br>/ Eliminations | Total              |
|---------------------------------------------------------------------|----------------------|------------------|-----------------------|-----------------------|-----------------|---------------------------------|--------------------|
| <b>REVENUE</b>                                                      |                      |                  |                       |                       |                 |                                 |                    |
| Sales (As reported)                                                 | 15,126.76            | 8,773.43         | 63,365.08             | 27,348.09             | 3,013.72        | -                               | 1,17,627.08        |
| Sales (Inter-Segment)                                               | 21.82                | 1,648.25         | 15.56                 | 17.08                 | 77.85           | (1,780.56)                      | -                  |
| <b>Total Revenue (Note 3.1)</b>                                     | <b>15,148.58</b>     | <b>10,421.68</b> | <b>63,380.64</b>      | <b>27,365.17</b>      | <b>3,091.57</b> | <b>(1,780.56)</b>               | <b>1,17,627.08</b> |
| <b>RESULTS</b>                                                      |                      |                  |                       |                       |                 |                                 |                    |
| <b>Segment Results (EBITDA)</b>                                     | <b>1,031.27</b>      | <b>2,271.47</b>  | <b>10,919.05</b>      | <b>5,603.40</b>       | <b>493.94</b>   | <b>-</b>                        | <b>20,319.13</b>   |
| Unallocated Corporate Income/ (Expenses) (Net)                      |                      |                  |                       |                       |                 |                                 | 158.51             |
| <b>Earnings Before Interest, Tax, Depreciation and Amortisation</b> |                      |                  |                       |                       |                 |                                 | <b>20,477.64</b>   |
| Finance Costs                                                       |                      |                  |                       |                       |                 |                                 | (1,320.27)         |
| Depreciation and Amortisation                                       |                      |                  |                       |                       |                 |                                 |                    |

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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

|                                                                                                   | Cellulosic<br>Fibres | Chemicals       | Building<br>Materials | Financial<br>Services | Others          | Inter Segment<br>/ Eliminations | Total              |
|---------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------------|-----------------------|-----------------|---------------------------------|--------------------|
| - Allocated to Segments                                                                           | (585.20)             | (383.57)        | (2,903.23)            | (491.98)              | (158.55)        | -                               | (4,522.53)         |
| - Unallocated                                                                                     | -                    | -               | -                     | -                     | -               | -                               | (29.06)            |
| <b>Profit Before Exceptional Items<br/>and Tax</b>                                                |                      |                 |                       |                       |                 |                                 | <b>14,605.78</b>   |
| Exceptional Items (Note 3.11)                                                                     | (88.03)              | -               | -                     | -                     | -               | -                               | (88.03)            |
| <b>Profit Before Tax and Share<br/>in Profit/(Loss) of Equity<br/>Accounted Investees</b>         |                      |                 |                       |                       |                 |                                 | <b>14,517.75</b>   |
| Share in Profit of Joint Ventures<br>and Associates (Allocable to<br>Operating Segments)          | (87.17)              | 1.07            | 3.53                  | 260.26                | (10.42)         | -                               | 167.27             |
| Share in Profit/(Loss) of Joint<br>Ventures and Associates<br>(Unallocable)                       |                      |                 |                       |                       |                 |                                 | 41.69              |
| <b>Profit Before Tax</b>                                                                          |                      |                 |                       |                       |                 |                                 | <b>14,726.71</b>   |
| Current Tax                                                                                       |                      |                 |                       |                       |                 |                                 | 3,432.67           |
| Deferred Tax                                                                                      |                      |                 |                       |                       |                 |                                 | 215.84             |
| <b>Profit for the Year before Non-<br/>Controlling Interest</b>                                   |                      |                 |                       |                       |                 |                                 | <b>11,078.20</b>   |
| Less: Non-Controlling Interest                                                                    |                      |                 |                       |                       |                 |                                 | (4,250.94)         |
| <b>Profit for the Year</b>                                                                        |                      |                 |                       |                       |                 |                                 | <b>6,827.26</b>    |
| <b>OTHER INFORMATION</b>                                                                          |                      |                 |                       |                       |                 |                                 |                    |
| <b>Segment Assets</b>                                                                             | <b>13,413.83</b>     | <b>8,635.55</b> | <b>95,209.40</b>      | <b>1,89,519.12</b>    | <b>6,561.52</b> | <b>(332.28)</b>                 | <b>3,13,007.14</b> |
| Investment in Associates/Joint<br>Ventures (Allocable to Operating<br>Segments)                   | <b>1,128.81</b>      | <b>31.05</b>    | <b>823.66</b>         | <b>8,787.64</b>       | <b>7.59</b>     | <b>-</b>                        | <b>10,778.75</b>   |
| Investment in Associates/Joint<br>Ventures (Unallocable)                                          |                      |                 |                       |                       |                 |                                 | 238.09             |
| Unallocated Corporate Assets                                                                      |                      |                 |                       |                       |                 |                                 | 13,181.05          |
| <b>Total Assets</b>                                                                               |                      |                 |                       |                       |                 |                                 | <b>3,37,205.03</b> |
| <b>Segment Liabilities</b>                                                                        | <b>3,645.45</b>      | <b>1,898.16</b> | <b>21,465.46</b>      | <b>1,58,563.53</b>    | <b>1,375.38</b> | <b>(12.29)</b>                  | <b>1,86,935.69</b> |
| Unallocated Corporate Liabilities                                                                 |                      |                 |                       |                       |                 |                                 | 27,356.51          |
| <b>Total Liabilities</b>                                                                          |                      |                 |                       |                       |                 |                                 | <b>2,14,292.20</b> |
| <b>Additions to Non-Current<br/>Assets</b>                                                        | <b>932.65</b>        | <b>1,218.17</b> | <b>8,136.71</b>       | <b>458.52</b>         | <b>1,709.54</b> | <b>(7.15)</b>                   | <b>12,448.44</b>   |
| Unallocated Corporate Capital<br>Expenditure                                                      |                      |                 |                       |                       |                 |                                 | 82.13              |
| <b>Total Additions Non-Current<br/>Assets</b>                                                     |                      |                 |                       |                       |                 |                                 | <b>12,530.57</b>   |
| <b>Significant Non-Cash Expenses<br/>other than Depreciation and<br/>Amortisation (Allocable)</b> | <b>88.03</b>         | <b>-</b>        | <b>-</b>              | <b>-</b>              | <b>-</b>        | <b>-</b>                        | <b>88.03</b>       |

- Finance cost exclude finance cost of ₹ 4,723.46 crore relating to financial services business, since it is considered as an expense for deriving segment result.
- Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



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## 4.6.3 Geographical Segments

The Company's operating facilities are located in India.

₹ in crore

|                                           | Year Ended<br>31 <sup>st</sup> March 2024 | Year Ended<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>(a) Segment Revenues</b>               |                                           |                                           |
| India (Country of Domicile)               | 1,25,501.46                               | 1,12,179.42                               |
| Rest of the World                         | 5,477.02                                  | 5,447.66                                  |
| <b>Total</b>                              | <b>1,30,978.48</b>                        | <b>1,17,627.08</b>                        |
| <b>(b) Addition to Non-Current Assets</b> |                                           |                                           |
| India (Country of Domicile)               | 21,192.86                                 | 12,530.57                                 |
| Rest of the World                         | 7.19                                      | -                                         |
| <b>Total</b>                              | <b>21,200.05</b>                          | <b>12,530.57</b>                          |

## 4.6.4 The Carrying Amount of Non-Current Operating Assets by location of Assets:

₹ in crore

| Particulars                  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------|--------------------------------------|--------------------------------------|
| <b>Non-Current Assets \$</b> |                                      |                                      |
| India                        | 1,20,086.86                          | 1,04,197.44                          |
| Rest of the World            | 2,686.20                             | 2,752.83                             |
| <b>Total</b>                 | <b>1,22,773.06</b>                   | <b>1,06,950.27</b>                   |

\$ Non-current assets exclude Financial Assets, Equity Accounted Investees, Deferred Tax Assets and Non-Current Tax Assets

## 4.6.5 Information about Major Customers

No Single customer represents 10% or more of the Group's total Revenue for the year ended 31<sup>st</sup> March 2024 and the year ended 31<sup>st</sup> March 2023.

## 4.7 RELATED PARTY TRANSACTIONS:

### 4.7.1 Related Parties with whom Transactions have taken place during the Year (including previous year):

| Parties                                                                          | Relationship                |
|----------------------------------------------------------------------------------|-----------------------------|
| AV Group NB Inc., Canada                                                         | Joint Venture               |
| Birla Jingwei Fibres Company Limited                                             | Joint Venture               |
| Aditya Group AB, Sweden                                                          | Joint Venture               |
| AV Terrace Bay Inc., Canada                                                      | Joint Venture               |
| Aditya Birla Power Composites Limited                                            | Joint Venture               |
| Bhubaneswari Coal Mining Limited                                                 | Joint Venture               |
| Amelia Coal Mining Limited                                                       | Subsidiary of Joint Venture |
| Bhaskarpara Coal Company Limited                                                 | Joint Venture               |
| Aditya Birla Wellness Private Limited                                            | Joint Venture               |
| Birla Advanced Knits Private Limited                                             | Joint Venture               |
| Aditya Birla Health Insurance Co. Limited - w.e.f. 21 <sup>st</sup> October 2022 | Joint Venture               |
| Aditya Birla Science and Technology Company Private Limited                      | Associate                   |
| Renew Surya Uday Private Limited                                                 | Associate                   |
| Aditya Birla Sun Life AMC Limited                                                | Associate                   |
| Greenyana Sunstream Private Limited - w.e.f. 26 <sup>th</sup> May 2022           | Associate                   |



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| Parties                                                                                                                                                                           | Relationship                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (RAKW) W.e.f. 15 <sup>th</sup> April 2022                                                                | Associate                                               |
| Dr. Santrupt Misra - Non-Executive Director - upto 28 <sup>th</sup> December 2023                                                                                                 | Key Management Personnel                                |
| Shri Sushil Agrawal - Non-Executive Director - w.e.f. 8 <sup>th</sup> February 2024                                                                                               | Key Management Personnel                                |
| Dr. Thomas M. Connelly, Jr. - Independent Director                                                                                                                                | Key Management Personnel                                |
| Shri Adesh Kumar Gupta - Independent Director                                                                                                                                     | Key Management Personnel                                |
| Shri Cyril Shroff - Independent Director                                                                                                                                          | Key Management Personnel                                |
| Shri N. Mohan Raj - Independent Director                                                                                                                                          | Key Management Personnel                                |
| Shri Raj Kumar- Non-Executive Director                                                                                                                                            | Key Management Personnel                                |
| Shri V. Chandrasekaran- Independent Director                                                                                                                                      | Key Management Personnel                                |
| Smt. Anita Ramachandran - Independent Director                                                                                                                                    | Key Management Personnel                                |
| Shri Ashish Adukia - CFO - upto 14 <sup>th</sup> August 2022                                                                                                                      | Key Management Personnel                                |
| Shri Pavan Jain - CFO - w.e.f. 15 <sup>th</sup> August 2022                                                                                                                       | Key Management Personnel                                |
| Smt. Rajashree Birla - Non-Executive Director                                                                                                                                     | Key Management Personnel                                |
| Shri Kumar Mangalam Birla - Non-Executive Director                                                                                                                                | Key Management Personnel                                |
| Shri Shailendra K. Jain - Non-Executive Director - upto 1 <sup>st</sup> February 2023                                                                                             | Key Management Personnel                                |
| Shri Harikrishna Agrawal - Managing Director                                                                                                                                      | Key Management Personnel                                |
| Ms. Ananyashree Birla - Non-Executive Director - w.e.f. 6 <sup>th</sup> February 2023                                                                                             | Key Management Personnel                                |
| Shri Aryaman Vikram Birla - Non-Executive Director - w.e.f. 6 <sup>th</sup> February 2023                                                                                         | Key Management Personnel                                |
| Shri Yazdi Piroj Dandiwalla - Independent Director - w.e.f. 6 <sup>th</sup> February 2023                                                                                         | Key Management Personnel                                |
| Century Rayon Employees Provident Fund Trust 1 & 2                                                                                                                                | Post-Employment Benefit Plan                            |
| Jayshree Provident Fund Institution                                                                                                                                               | Post-Employment Benefit Plan                            |
| Grasim Industries Limited - Employees Gratuity Fund                                                                                                                               | Post-Employment Benefit Plan                            |
| Grasim Industries Limited - Employees Provident Fund                                                                                                                              | Post-Employment Benefit Plan                            |
| UltraTech Cemco Provident Fund                                                                                                                                                    | Post-Employment Benefit Plan                            |
| Grasim (Senior Executive & Officers) Superannuation Scheme                                                                                                                        | Post-Employment Benefit Plan                            |
| Aditya Birla Management Corporation Private Limited #                                                                                                                             | Other Related Parties in which Directors are interested |
| Birla Carbon India Private Limited- upto 20 <sup>th</sup> December 2023                                                                                                           | Other Related Parties in which Directors are interested |
| Birla Management Centre Services Private Limited- w.e.f. 3 <sup>rd</sup> August 2022 (It is not Related party from 28 <sup>th</sup> December 2023 to 14 <sup>th</sup> March 2024) | Other Related Parties in which Directors are interested |
| Birla Group Holding Private Limited                                                                                                                                               | Other Related Parties in which Directors are interested |
| Cyril Amarchand Mangaldas & Co.                                                                                                                                                   | Other Related Parties in which Directors are interested |
| Shardul Amarchand Mangaldas & Co.                                                                                                                                                 | Other Related Parties in which Directors are interested |
| Aditya Birla New Age Private Limited                                                                                                                                              | Other Related Parties in which Directors are interested |
| Mulla & Mulla & Craigie Blunt & Caroe - w.e.f. 6 <sup>th</sup> February 2023                                                                                                      | Other Related Parties in which Directors are interested |
| M/s. Shailendra K. Jain & Co. - upto 1 <sup>st</sup> February 2023                                                                                                                | Other Related Parties in which Directors are interested |
| G.D. Birla Medical Research & Education Foundation                                                                                                                                | Other Related Parties in which Directors are interested |
| Shri Devarat Jain - upto 1 <sup>st</sup> February 2023                                                                                                                            | Close Member of KMP                                     |
| Shri Suvrat Jain - upto 1 <sup>st</sup> February 2023                                                                                                                             | Close Member of KMP                                     |

# The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on an arm's length basis.



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## Terms and Conditions of Transaction with Related Parties:

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The below transactions are as per the approval of the Audit Committee. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 4.7.2 Disclosure of Related Party Transactions:

| Particulars                                                                     | ₹ in crore                                |                                           |
|---------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                                 | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
| <b>(a) Revenue from Contract with Customers</b>                                 |                                           |                                           |
| Birla Jingwei Fibres Company Limited                                            | 31.93                                     | 35.72                                     |
| Aditya Birla Sun Life AMC Limited*                                              | 80.63                                     | 164.88                                    |
| Aditya Birla Power Composites Limited                                           | 7.85                                      | 4.35                                      |
| Birla Management Centre Services Private Limited                                | 0.01                                      | -                                         |
| Amelia Coal Mining Limited                                                      | 1.47                                      | -                                         |
| G.D. Birla Medical Research & Education Foundation                              | 0.05                                      | -                                         |
| Aditya Birla Management Corporation Private Limited                             | 3.24                                      | 1.91                                      |
| Aditya Birla Health Insurance Co. Limited                                       | 57.24                                     | 3.42                                      |
| Birla Advanced Knits Private Limited                                            | 0.37                                      | -                                         |
| Birla Carbon India Private Limited                                              | 0.07                                      | 0.43                                      |
| <b>Total</b>                                                                    | <b>182.86</b>                             | <b>210.71</b>                             |
| * Includes dividend received of ₹ 75.62 crore (Previous Year ₹ 156.27 crore)    |                                           |                                           |
| <b>(b) Interest and Other Income</b>                                            |                                           |                                           |
| Aditya Birla Wellness Private Limited                                           | 0.41                                      | 0.41                                      |
| Aditya Birla Sun Life AMC Limited                                               | 7.65                                      | 6.64                                      |
| Aditya Birla Science & Technology Company Private Limited                       | 1.96                                      | 2.49                                      |
| Birla Advanced Knits Private Limited                                            | 2.07                                      | 0.05                                      |
| AV Terrace Bay Inc., Canada                                                     | 0.01                                      | 0.14                                      |
| AV Group NB Inc., Canada                                                        | 0.33                                      | -                                         |
| Birla Jingwei Fibres Company Limited                                            | 0.16                                      | -                                         |
| Aditya Birla Management Corporation Private Limited                             | 9.63                                      | 9.48                                      |
| Aditya Birla Power Composites Limited                                           | 4.10                                      | 3.30                                      |
| Aditya Birla Health Insurance Co. Limited                                       | 8.91                                      | 3.81                                      |
| Birla Carbon India Private Limited                                              | 0.04                                      | 0.05                                      |
| <b>Total</b>                                                                    | <b>35.27</b>                              | <b>26.37</b>                              |
| <b>(c) Dividend Paid</b>                                                        |                                           |                                           |
| Birla Group Holdings Private Limited                                            | 125.00                                    | 125.00                                    |
| <b>Total</b>                                                                    | <b>125.00</b>                             | <b>125.00</b>                             |
| <b>(d) Dividend Received</b>                                                    |                                           |                                           |
| Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (RAKW) | -                                         | 0.30                                      |
| <b>Total</b>                                                                    | <b>-</b>                                  | <b>0.30</b>                               |
| <b>(e) Loans Provided</b>                                                       |                                           |                                           |
| Birla Advanced Knits Private Limited                                            | 39.50                                     | 5.00                                      |
| Aditya Birla Power Composites Limited                                           | 10.00                                     | -                                         |
| Aditya Birla Sun life AMC Limited                                               | -                                         | 25.00                                     |
| <b>Total</b>                                                                    | <b>49.50</b>                              | <b>30.00</b>                              |

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₹ in crore

| Particulars                                                                                   | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
|-----------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>(f) Repayment Against Loans Provided</b>                                                   |                                           |                                           |
| Birla Advanced Knits Private Limited                                                          | 5.00                                      | 5.00                                      |
| Aditya Birla Sun life AMC Limited                                                             | -                                         | 25.00                                     |
| Aditya Birla Power Composites Limited                                                         | 10.00                                     | -                                         |
| Aditya Birla Science & Technology Company Private Limited                                     | 2.42                                      | 7.65                                      |
| <b>Total</b>                                                                                  | <b>17.42</b>                              | <b>37.65</b>                              |
| <b>(g) Purchase of Goods and Services</b>                                                     |                                           |                                           |
| AV Group NB Inc., Canada                                                                      | 896.30                                    | 906.58                                    |
| Aditya Group AB, Sweden                                                                       | 579.16                                    | 857.11                                    |
| Birla Jingwei Fibres Company Limited*                                                         | -                                         | (0.18)                                    |
| AV Terrace Bay Inc., Canada*                                                                  | -                                         | (0.04)                                    |
| Aditya Birla Wellness Private Limited                                                         | 1.23                                      | 8.80                                      |
| Aditya Birla Sun Life AMC Limited                                                             | 3.73                                      | 4.30                                      |
| Aditya Birla Science & Technology Company Private Limited                                     | 42.15                                     | 45.50                                     |
| Aditya Birla Power Composites Limited                                                         | 0.22                                      | 0.09                                      |
| Birla Group Holdings Private Limited                                                          | 0.06                                      | 0.05                                      |
| Aditya Birla Management Corporation Private Limited                                           | 733.67                                    | 671.86                                    |
| Birla Carbon India Private Limited                                                            | 0.03                                      | -                                         |
| Birla Management Centre Services Private Limited                                              | 25.00                                     | 14.50                                     |
| Birla Advanced Knits Private Limited                                                          | 0.00                                      | -                                         |
| Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C, UAE                       | 105.20                                    | 66.26                                     |
| Shardul Amarchand Mangaldas & Co.                                                             | -                                         | 0.02                                      |
| Cyril Amarchand Mangaldas & Co.                                                               | 1.16                                      | 0.09                                      |
| Aditya Birla Health Insurance Co. Limited                                                     | 4.70                                      | 1.31                                      |
| Bhubaneswari Coal Mining Limited                                                              | 0.16                                      | -                                         |
| Aditya Birla New Age Private Limited                                                          | -                                         | 0.07                                      |
| Renew Surya Uday Private Limited                                                              | 39.56                                     | 20.67                                     |
| Mulla & Mulla & Craigie Blunt & Caroe                                                         | 0.07                                      | 0.11                                      |
| Greenyana Sunstream Private Limited                                                           | 8.34                                      | 2.77                                      |
| Mr. Suvrat Jain                                                                               | -                                         | 0.10                                      |
| Mr. Devrat Jain                                                                               | -                                         | 0.00                                      |
| <b>Total</b>                                                                                  | <b>2,440.74</b>                           | <b>2,599.97</b>                           |
| * Recovery of Information Technology (IT) Expenses                                            |                                           |                                           |
| <b>(h) Investments in Equity Shares (including application money paid towards securities)</b> |                                           |                                           |
| Greenyana Sunstream Private Limited                                                           | -                                         | 6.27                                      |
| Renew Surya Uday Private Limited                                                              | -                                         | 14.51                                     |
| Birla Advanced Knits Private Limited                                                          | -                                         | 10.00                                     |
| AV Terrace Bay Inc., Canada                                                                   | 123.24                                    | -                                         |
| <b>Total</b>                                                                                  | <b>123.24</b>                             | <b>30.78</b>                              |
| <b>(i) Contribution to Post-Employment Benefit Plans</b>                                      |                                           |                                           |
| Grasim Industries Limited Employees' Provident Fund                                           | 27.87                                     | 19.92                                     |
| Jayshree Provident Fund Institution                                                           | 6.40                                      | 6.03                                      |
| Century Rayon Employees Provident Fund Trust 1 & 2                                            | 10.58                                     | 10.01                                     |
| Grasim Industries Limited Employees' Gratuity Fund                                            | 1.28                                      | 47.93                                     |
| Grasim (Senior Executive & Officers) Superannuation Scheme                                    | 1.18                                      | 1.11                                      |
| UltraTech Cemco Provident Fund                                                                | 70.43                                     | 62.50                                     |
| <b>Total</b>                                                                                  | <b>117.74</b>                             | <b>147.50</b>                             |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                                                                                                                                                                                                                              | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>(j) Deposits Given (Net)</b>                                                                                                                                                                                                                                          |                                           |                                           |
| Aditya Birla Health Insurance Co. Limited                                                                                                                                                                                                                                | (0.54)                                    | 0.02                                      |
| Aditya Birla Sun Life AMC Limited                                                                                                                                                                                                                                        | (0.16)                                    | (0.86)                                    |
| <b>Total</b>                                                                                                                                                                                                                                                             | <b>(0.70)</b>                             | <b>(0.84)</b>                             |
| <b>(k) Reimbursement /(Recovery) of expenses:</b>                                                                                                                                                                                                                        |                                           |                                           |
| Aditya Birla Sun Life AMC Limited                                                                                                                                                                                                                                        | (58.91)                                   | (53.91)                                   |
| Aditya Birla Wellness Private Limited                                                                                                                                                                                                                                    | (0.31)                                    | (0.21)                                    |
| Aditya Birla Power Composites Limited                                                                                                                                                                                                                                    | (0.11)                                    | (2.20)                                    |
| Aditya Birla Management Corporation Private Limited                                                                                                                                                                                                                      | (2.77)                                    | 3.78                                      |
| Birla Advanced Knits Private Limited                                                                                                                                                                                                                                     | (0.01)                                    | -                                         |
| Aditya Birla Health Insurance Co. Limited                                                                                                                                                                                                                                | (34.63)                                   | (27.89)                                   |
| Aditya Birla Science & Technology Company Private Limited                                                                                                                                                                                                                | 7.75                                      | 6.48                                      |
| Birla Group Holdings Private Limited                                                                                                                                                                                                                                     | 0.20                                      | 0.18                                      |
| Birla Management Centre Services Private Limited                                                                                                                                                                                                                         | 48.82                                     | 25.15                                     |
| AV Terrace Bay Inc., Canada                                                                                                                                                                                                                                              | 0.76                                      | -                                         |
| Aditya Group AB, Sweden                                                                                                                                                                                                                                                  | -                                         | 0.20                                      |
| <b>Total</b>                                                                                                                                                                                                                                                             | <b>(39.21)</b>                            | <b>(48.42)</b>                            |
| <b>(l) Provision against Advance against Equity</b>                                                                                                                                                                                                                      |                                           |                                           |
| AV Terrace Bay Inc., Canada                                                                                                                                                                                                                                              | 61.36                                     | -                                         |
| <b>Total</b>                                                                                                                                                                                                                                                             | <b>61.36</b>                              | <b>-</b>                                  |
| <b>(m) Purchases/(Sales) of Property, Plant and Equipment/Intangible Assets:</b>                                                                                                                                                                                         |                                           |                                           |
| Aditya Birla Management Corporation Private Limited                                                                                                                                                                                                                      | 0.01                                      | -                                         |
| <b>Total</b>                                                                                                                                                                                                                                                             | <b>0.01</b>                               | <b>-</b>                                  |
| <b>(n) Finance Cost</b>                                                                                                                                                                                                                                                  |                                           |                                           |
| Aditya Birla Health Insurance Co. Limited                                                                                                                                                                                                                                | -                                         | 0.75                                      |
| Aditya Birla Sun Life AMC Limited                                                                                                                                                                                                                                        | -                                         | 0.81                                      |
| <b>Total</b>                                                                                                                                                                                                                                                             | <b>-</b>                                  | <b>1.56</b>                               |
| <b>(o) Payments to Key Management Personnel</b>                                                                                                                                                                                                                          |                                           |                                           |
| Managerial Remuneration Paid *                                                                                                                                                                                                                                           | 15.83                                     | 17.82                                     |
| Commission to Non-Executive Directors (KMPs)                                                                                                                                                                                                                             | 3.70                                      | 3.70                                      |
| Sitting Fees to Directors                                                                                                                                                                                                                                                | 0.50                                      | 0.50                                      |
| Dividend to KMPs                                                                                                                                                                                                                                                         | 1.82                                      | 1.29                                      |
| <b>Total</b>                                                                                                                                                                                                                                                             | <b>21.85</b>                              | <b>23.31</b>                              |
| * Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary. |                                           |                                           |
| <b>Compensation of Key Management Personnel of the Company*</b>                                                                                                                                                                                                          |                                           |                                           |
| Short-Term Employee Benefits                                                                                                                                                                                                                                             | 10.17                                     | 14.01                                     |
| Post-Retirement Benefits                                                                                                                                                                                                                                                 | 0.38                                      | 2.16                                      |
| Share-Based Payments                                                                                                                                                                                                                                                     | 5.28                                      | 1.65                                      |
| <b>Total</b>                                                                                                                                                                                                                                                             | <b>15.83</b>                              | <b>17.82</b>                              |

\* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year, and, accordingly, have not been considered in the above information. The above information is disclosed only at the time of payment.

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## Outstanding Balances

₹ in crore

| Particulars                                                                                                          | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(a) Other Current and Non-Current Liabilities (Financial and Non-Financial)</b>                                   |                                      |                                      |
| Century Rayon Employees Provident Fund Trust 1 & 2                                                                   | 3.85                                 | 3.13                                 |
| Grasim Industries Ltd. - Employee's Gratuity Fund                                                                    | 2.26                                 | -                                    |
| Jayshree Provident Fund Institution                                                                                  | 0.99                                 | 2.13                                 |
| Bhubaneswari Coal Mining Limited                                                                                     | 0.19                                 | -                                    |
| Birla Management Centre Services Private Limited                                                                     | 0.05                                 | -                                    |
| Aditya Birla Wellness Private Limited                                                                                | 0.19                                 | -                                    |
| Aditya Birla Health Insurance Co. Limited                                                                            | 9.37                                 | 11.96                                |
| Aditya Group AB, Sweden                                                                                              | -                                    | 0.02                                 |
| UltraTech Cemco Provident Fund                                                                                       | 20.08                                | 18.46                                |
| Mulla & Mulla & Craigie Blunt & Caroe                                                                                | -                                    | 0.03                                 |
| Aditya Birla Management Corporation Private Limited                                                                  | 10.27                                | 34.33                                |
| <b>Total</b>                                                                                                         | <b>47.25</b>                         | <b>70.06</b>                         |
| <b>(b) Trade Payables</b>                                                                                            |                                      |                                      |
| AV Group NB Inc., Canada                                                                                             | 49.95                                | 57.16                                |
| Aditya Group AB, Sweden                                                                                              | 35.82                                | 6.91                                 |
| Aditya Birla Sun Life AMC Limited                                                                                    | 3.06                                 | 4.88                                 |
| Aditya Birla Health Insurance Co. Limited                                                                            | 0.00                                 | -                                    |
| Aditya Birla Wellness Private Limited                                                                                | 0.25                                 | 0.03                                 |
| Aditya Birla Management Corporation Private Limited                                                                  | 1.22                                 | 0.59                                 |
| Birla Management Centre Services Private Limited                                                                     | 3.79                                 | 0.60                                 |
| Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C, UAE                                              | 24.57                                | 44.59                                |
| Renew Surya Uday Private Limited                                                                                     | 35.84                                | 2.76                                 |
| Greenyana Sunstream Private Limited                                                                                  | 0.60                                 | 0.16                                 |
| Aditya Birla Science & Technology Company Private Limited                                                            | 0.33                                 | -                                    |
| <b>Total</b>                                                                                                         | <b>155.43</b>                        | <b>117.68</b>                        |
| <b>(c) Trade Receivables</b>                                                                                         |                                      |                                      |
| Birla Jingwei Fibres Company Limited                                                                                 | 4.45                                 | 5.67                                 |
| Birla Advanced Knits Private Limited                                                                                 | 0.06                                 | -                                    |
| Aditya Birla Power Composites Limited                                                                                | 10.15                                | 3.05                                 |
| Aditya Birla Management Corporation Private Limited                                                                  | 0.01                                 | 0.01                                 |
| Aditya Birla Sun Life AMC Limited                                                                                    | 16.78                                | 8.42                                 |
| Aditya Birla Wellness Private Limited                                                                                | 0.03                                 | 0.02                                 |
| Birla Carbon India Private Limited                                                                                   | -                                    | 0.00                                 |
| <b>Total</b>                                                                                                         | <b>31.48</b>                         | <b>17.17</b>                         |
| <b>(d) Loans, Security Deposits and other Current Assets (Financial and Non-Financial) [Current and Non-Current]</b> |                                      |                                      |
| Aditya Birla Science & Technology Company Private Limited                                                            | 24.45                                | 30.00                                |
| Grasim Industries Ltd. - Employee's Gratuity Fund                                                                    | 2.80                                 | -                                    |
| Birla Management Centre Services Private Limited                                                                     | 0.67                                 | 0.27                                 |
| Aditya Birla Power Composites Limited                                                                                | -                                    | 5.29                                 |
| Bhaskarpara Coal Company Limited                                                                                     | -                                    | 2.49                                 |
| Amelia Coal Mining Limited                                                                                           | 0.31                                 | -                                    |
| Aditya Birla Management Corporation Private Limited                                                                  | 33.86                                | 46.24                                |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Aditya Birla Health Insurance Co. Limited                        | 38.77                                | 7.03                                 |
| Birla Advanced Knits Private Limited                             | 36.07                                | -                                    |
| Birla Group Holding Private Limited                              | 7.37                                 | 7.37                                 |
| AV Group NB Inc., Canada                                         | -                                    | 0.01                                 |
| AV Terrace Bay Inc., Canada                                      | 0.76                                 | 0.01                                 |
| <b>Total</b>                                                     | <b>145.06</b>                        | <b>98.71</b>                         |
| <b>(e) Investment in Equity Accounted Investments (Note 2.6)</b> |                                      |                                      |
| Joint Ventures                                                   | 4,092.50                             | 4,383.32                             |
| Associates                                                       | 6,390.31                             | 6,633.52                             |
| <b>Total</b>                                                     | <b>10,482.81</b>                     | <b>11,016.84</b>                     |
| <b>(f) Preference Shares</b>                                     |                                      |                                      |
| Joint Ventures                                                   | 87.67                                | 85.56                                |
| <b>Total</b>                                                     | <b>87.67</b>                         | <b>85.56</b>                         |
| <b>(g) Corporate Guarantees</b>                                  |                                      |                                      |
| Bhaskarpara Coal Company Limited                                 | 1.70                                 | 1.70                                 |
| <b>Total</b>                                                     | <b>1.70</b>                          | <b>1.70</b>                          |

## 4.8 RETIREMENT BENEFITS

### 4.8.1 Defined Benefit Plans as per Actuarial Valuation:

#### Gratuity (Funded):

The Group operates approved gratuity plan through a trust for its employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of service, whichever is earlier, of an amount equivalent to 15 to 30 days' salary for each completed year of service as per rules framed in this regard. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. In case of majority of employees, the Group's scheme is more favourable as compared to the obligation under the payment of Gratuity Act, 1972.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Ind AS-19 'Employee Benefits', which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation.

#### Inherent Risk:

The plan is defined benefit in nature, which is sponsored by the Group, and, hence, it underwrites all the risks pertaining to the plan. In particular, this exposes the Group to actuarial risk such as adverse salary growth, changes in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

#### Pension:

The Group provides pension to few retired employees as approved by the Board of Directors of the Company.

#### Post-Retirement Medical Benefits:

The Group provides post-retirement medical benefits to certain ex-employees, who were transferred under the Scheme of Arrangement for acquiring Larsen & Toubro cement business, and eligible for such benefits from earlier Company.



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## Inherent Risk:

The plan is of a defined benefit in nature, which is sponsored by the Group, and, hence, it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any adverse increase in salary increases for serving employees/ pension increase for pensioners or adverse demographic experience can result in an increase in the cost of providing these benefits to employees in future. In this case, the pension is paid directly by the Group (instead of pension being bought out from an insurance company) during the lifetime of the pensioners/beneficiaries and, hence, the plan carries the longevity risks.

## 4.8.1.1 Gratuity and Pension:

(₹ in crore)

|                                                                     | Gratuity                          |              |                                   |              | Pension and Post- Retirement Medical Benefits |                                  |                                   |                                  |
|---------------------------------------------------------------------|-----------------------------------|--------------|-----------------------------------|--------------|-----------------------------------------------|----------------------------------|-----------------------------------|----------------------------------|
|                                                                     | Funded                            | Others       | Funded                            | Others       | Pension                                       | Post-Retirement Medical Benefits | Pension                           | Post-Retirement Medical Benefits |
|                                                                     | As at 31 <sup>st</sup> March 2024 |              | As at 31 <sup>st</sup> March 2023 |              | As at 31 <sup>st</sup> March 2024             |                                  | As at 31 <sup>st</sup> March 2023 |                                  |
| <b>(i) Reconciliation of Present Value of the Obligation:</b>       |                                   |              |                                   |              |                                               |                                  |                                   |                                  |
| Opening Defined Benefit Obligation                                  | 1,585.84                          | 29.60        | 1,530.47                          | 32.97        | 33.74                                         | 0.51                             | 35.18                             | 0.56                             |
| Adjustments of:                                                     |                                   |              |                                   |              |                                               |                                  |                                   |                                  |
| Current Service Cost                                                | 130.68                            | 2.98         | 120.88                            | 3.48         | -                                             | -                                | -                                 | -                                |
| Past Service Cost                                                   | 0.03                              | -            | -                                 | (1.47)       | -                                             | -                                | -                                 | -                                |
| Interest Cost                                                       | 112.06                            | 1.49         | 98.55                             | 1.24         | 2.44                                          | 0.04                             | 2.36                              | 0.04                             |
| Actuarial Loss/(Gain)                                               | 71.73                             | 1.40         | (30.59)                           | (3.85)       | 3.29                                          | (0.01)                           | 1.82                              | (0.03)                           |
| Liabilities Assumed on Acquisition/ (Settled on Divestiture)        | 1.88                              | -            | (1.10)                            | -            | -                                             | -                                | -                                 | -                                |
| Adjustment - On Account of Conversion of ABHI from Subsidiary to JV | -                                 | -            | (12.16)                           | -            | -                                             | -                                | -                                 | -                                |
| Foreign Currency Fluctuation                                        | -                                 | 0.50         | -                                 | 2.17         | -                                             | -                                | -                                 | -                                |
| Benefits Paid                                                       | (132.81)                          | (1.58)       | (120.21)                          | (4.94)       | (5.97)                                        | (0.04)                           | (5.62)                            | (0.06)                           |
| Closing Defined Benefit Obligation                                  | <b>1,769.41</b>                   | <b>34.39</b> | <b>1,585.84</b>                   | <b>29.60</b> | <b>33.50</b>                                  | <b>0.50</b>                      | <b>33.74</b>                      | <b>0.51</b>                      |
| <b>(ii) Reconciliation of Fair Value of the Plan Assets:</b>        |                                   |              |                                   |              |                                               |                                  |                                   |                                  |
| Opening Fair Value of the Plan Assets                               | 1,739.22                          | -            | 1,659.93                          | -            | -                                             | -                                | -                                 | -                                |
| Adjustments of:                                                     |                                   |              |                                   |              |                                               |                                  |                                   |                                  |
| Return on Plan Assets                                               | 123.61                            | -            | 106.57                            | -            | -                                             | -                                | -                                 | -                                |
| Actuarial Gain/(Loss)                                               | 42.10                             | -            | 1.43                              | -            | -                                             | -                                | -                                 | -                                |
| Contributions by the Employer                                       | 31.45                             | -            | 98.82                             | -            | -                                             | -                                | -                                 | -                                |
| Adjustment - On Account of Conversion of ABHI from Subsidiary to JV | -                                 | -            | (9.32)                            | -            | -                                             | -                                | -                                 | -                                |
| Benefits Paid                                                       | (127.53)                          | -            | (118.21)                          | -            | -                                             | -                                | -                                 | -                                |
| Closing Fair Value of the Plan Assets                               | <b>1,808.85</b>                   | <b>-</b>     | <b>1,739.22</b>                   | <b>-</b>     | <b>-</b>                                      | <b>-</b>                         | <b>-</b>                          | <b>-</b>                         |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

(₹ in crore)

|                                                                                                                       | Gratuity                          |                                   | Pension and Post- Retirement Medical Benefits |                                   |                                   |                                   |                                   |                                   |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                                                                                       | Funded                            | Others                            | Funded                                        | Others                            | Pension                           | Post-Retirement Medical Benefits  | Pension                           | Post-Retirement Medical Benefits  |
|                                                                                                                       | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2024             | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
| <b>(iii) Net Liabilities/(Assets) recognised in the Balance Sheet:</b>                                                |                                   |                                   |                                               |                                   |                                   |                                   |                                   |                                   |
| Present Value of the Defined Benefit Obligation at the end of the year                                                | 1,769.41                          | 34.39                             | 1,585.84                                      | 29.60                             | 33.50                             | 0.50                              | 33.74                             | 0.51                              |
| Fair Value of the Plan Assets                                                                                         | 1,808.85                          | -                                 | 1,739.22                                      | -                                 | -                                 | -                                 | -                                 | -                                 |
| Amount not recognised due to Asset Ceiling                                                                            | -                                 | -                                 | (2.50)                                        | -                                 | -                                 | -                                 | -                                 | -                                 |
| Net Liabilities/(Assets) recognised in the Balance Sheet                                                              | <b>(39.44)</b>                    | <b>34.39</b>                      | <b>(150.88)</b>                               | <b>29.60</b>                      | <b>33.50</b>                      | <b>0.50</b>                       | <b>33.74</b>                      | <b>0.51</b>                       |
| <b>(iv) Change in Asset Ceiling</b>                                                                                   |                                   |                                   |                                               |                                   |                                   |                                   |                                   |                                   |
| Remeasurement due to change in surplus/deficit                                                                        | -                                 | -                                 | (2.50)                                        | -                                 | -                                 | -                                 | -                                 | -                                 |
| Balance at the end of the year                                                                                        | -                                 | -                                 | (2.50)                                        | -                                 | -                                 | -                                 | -                                 | -                                 |
| <b>(v) Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:</b> |                                   |                                   |                                               |                                   |                                   |                                   |                                   |                                   |
| Current Service Cost                                                                                                  | 130.68                            | 2.98                              | 120.88                                        | 3.48                              | -                                 | -                                 | -                                 | -                                 |
| Past Service Cost                                                                                                     | 0.03                              | -                                 | -                                             | (1.47)                            | -                                 | -                                 | -                                 | -                                 |
| Interest on Defined Benefit Obligations (Net)                                                                         | 112.24                            | 1.49                              | 97.44                                         | 1.24                              | 2.44                              | 0.04                              | 2.36                              | 0.04                              |
| Expected Return on Plan Assets                                                                                        | (123.61)                          | -                                 | (106.60)                                      | -                                 | -                                 | -                                 | -                                 | -                                 |
| Net Cost                                                                                                              | 119.34                            | 4.47                              | 111.72                                        | 3.25                              | 2.44                              | 0.04                              | 2.36                              | 0.04                              |
| Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments                                    | (1.31)                            | -                                 | (0.96)                                        | -                                 | -                                 | -                                 | -                                 | -                                 |
| Amount Recovered from Joint Venture Companies                                                                         | (0.33)                            | -                                 | (0.24)                                        | -                                 | -                                 | -                                 | -                                 | -                                 |
| Net Charge to the Statement of Profit and Loss                                                                        | <b>117.70</b>                     | <b>4.47</b>                       | <b>110.52</b>                                 | <b>3.25</b>                       | <b>2.44</b>                       | <b>0.04</b>                       | <b>2.36</b>                       | <b>0.04</b>                       |
| <b>(vi) Amount recognised in Other Comprehensive Income (OCI) for the Year:</b>                                       |                                   |                                   |                                               |                                   |                                   |                                   |                                   |                                   |
| Changes in Financial Assumptions                                                                                      | 24.79                             | 0.10                              | (59.51)                                       | (3.77)                            | 0.22                              | 0.01                              | (0.85)                            | (0.02)                            |
| Changes in Demographic Assumptions                                                                                    | 6.90                              | -                                 | (1.56)                                        | -                                 | -                                 | -                                 | -                                 | -                                 |
| Experience Adjustments                                                                                                | 40.43                             | 1.30                              | 29.87                                         | (0.08)                            | 3.07                              | (0.02)                            | 2.67                              | (0.01)                            |
| Actual return on Plan Assets less Interest on Plan Assets                                                             | (42.11)                           | -                                 | (0.22)                                        | -                                 | -                                 | -                                 | -                                 | -                                 |
| Adjustment of Past Service Cost                                                                                       | -                                 | -                                 | -                                             | -                                 | -                                 | -                                 | -                                 | -                                 |
| Adjustment to recognise the asset ceiling impact                                                                      | (2.68)                            | -                                 | 1.63                                          | -                                 | -                                 | -                                 | -                                 | -                                 |
| Less: Amount recovered from Joint Venture Companies                                                                   | (0.46)                            | -                                 | 0.40                                          | -                                 | -                                 | -                                 | -                                 | -                                 |
| Recognised in OCI for the year                                                                                        | <b>26.87</b>                      | <b>1.40</b>                       | <b>(29.39)</b>                                | <b>(3.85)</b>                     | <b>3.29</b>                       | <b>(0.01)</b>                     | <b>1.82</b>                       | <b>(0.03)</b>                     |

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(₹ in crore)

|                                                                                           | Gratuity                                        |                                                        |                                                 |                                                        | Pension and Post- Retirement Medical Benefits |                                      |                                      |                                      |
|-------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|-----------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                           | Funded                                          |                                                        | Others                                          |                                                        | Pension                                       |                                      | Post- Retirement Medical Benefits    |                                      |
|                                                                                           | As at 31 <sup>st</sup> March 2024               |                                                        | As at 31 <sup>st</sup> March 2023               |                                                        | As at 31 <sup>st</sup> March 2024             |                                      | As at 31 <sup>st</sup> March 2023    |                                      |
|                                                                                           |                                                 |                                                        |                                                 |                                                        |                                               |                                      |                                      |                                      |
| <b>(vii) Maturity Profile of Defined Benefit Obligation:</b>                              |                                                 |                                                        |                                                 |                                                        |                                               |                                      |                                      |                                      |
| Within next 12 months (next annual reporting period)                                      | 216.31                                          | 4.46                                                   | 203.03                                          | 5.39                                                   | 7.32                                          | 0.06                                 | 7.31                                 | 0.06                                 |
| Between 1 and 5 years                                                                     | 602.49                                          | 8.48                                                   | 536.37                                          | 7.06                                                   | 20.88                                         | 0.23                                 | 21.55                                | 0.23                                 |
| Between 6 and 9 years                                                                     | 648.70                                          | 20.02                                                  | 617.68                                          | 13.18                                                  | 12.51                                         | 0.20                                 | 12.72                                | 0.20                                 |
| 10 years and above                                                                        | 2,368.45                                        | 39.72                                                  | 2,106.24                                        | 35.66                                                  | 8.11                                          | 0.29                                 | 8.78                                 | 0.33                                 |
| <b>(viii) Quantitative Sensitivity Analysis for Significant Assumptions:</b>              |                                                 |                                                        |                                                 |                                                        |                                               |                                      |                                      |                                      |
| Increase/(Decrease) on Present Value of Defined Benefit Obligation at the end of the year |                                                 |                                                        |                                                 |                                                        |                                               |                                      |                                      |                                      |
| 100 bps Increase in Discount Rate                                                         | (146.52)                                        | (2.60)                                                 | (128.58)                                        | (8.57)                                                 | (0.87)                                        | (0.02)                               | (0.92)                               | (0.03)                               |
| 100 bps Decrease in Discount Rate                                                         | 161.35                                          | 2.95                                                   | 140.78                                          | 8.60                                                   | 0.92                                          | 0.03                                 | 0.98                                 | 0.03                                 |
| 100 bps Increase in Salary Escalation Rate                                                | 155.30                                          | 2.48                                                   | 138.39                                          | 8.58                                                   | -                                             | -                                    | -                                    | -                                    |
| 100 bps Decrease in Salary Escalation Rate                                                | (141.86)                                        | (2.53)                                                 | (124.11)                                        | (8.32)                                                 | -                                             | -                                    | -                                    | -                                    |
| Increase in Life Expectancy by 1 year                                                     | -                                               | -                                                      | -                                               | -                                                      | 0.99                                          | -                                    | 0.84                                 | -                                    |
| Decrease in Life Expectancy by 1 year                                                     | -                                               | -                                                      | -                                               | -                                                      | (0.86)                                        | -                                    | (0.74)                               | -                                    |
| <b>(ix) The Major Categories of Plan Assets as a % of Total Plan:</b>                     |                                                 |                                                        |                                                 |                                                        |                                               |                                      |                                      |                                      |
| Government of India Securities                                                            | 2%                                              | N.A.                                                   | 3%                                              | N.A.                                                   | N.A.                                          | N.A.                                 | N.A.                                 | N.A.                                 |
| Corporate Bonds                                                                           | 1%                                              | N.A.                                                   | 1%                                              | N.A.                                                   | N.A.                                          | N.A.                                 | N.A.                                 | N.A.                                 |
| Insurer Managed Funds                                                                     | 95%                                             | N.A.                                                   | 94%                                             | N.A.                                                   | N.A.                                          | N.A.                                 | N.A.                                 | N.A.                                 |
| Others                                                                                    | 2%                                              | N.A.                                                   | 2%                                              | N.A.                                                   | N.A.                                          | N.A.                                 | N.A.                                 | N.A.                                 |
| <b>Total</b>                                                                              | <b>100%</b>                                     | <b>N.A.</b>                                            | <b>100%</b>                                     | <b>N.A.</b>                                            | <b>N.A.</b>                                   | <b>N.A.</b>                          | <b>N.A.</b>                          | <b>N.A.</b>                          |
| <b>(x) Principal Actuarial Assumptions:</b>                                               |                                                 |                                                        |                                                 |                                                        |                                               |                                      |                                      |                                      |
| Discount Rate                                                                             | 7.10% - 7.21%                                   | 4.55%-12.00%                                           | 6.85% - 7.45%                                   | 4.44%-17.75%                                           | 7.1% - 7.2%                                   | 7.20%                                | 7.25% - 7.45%                        | 7.45%                                |
| Salary Escalation Rate                                                                    | 7.00%-10.00%                                    | 2.50%-11.00%                                           | 7.00%-10.00%                                    | 2.50%-11.00%                                           | -                                             | -                                    | -                                    | -                                    |
| Mortality Tables                                                                          | Indian Assured Lives (2012-14) mortality tables | GA 1983 Mortality table / UK Mortality Table AM92 [UK] | Indian Assured Lives (2012-14) mortality tables | GA 1983 Mortality table / UK Mortality Table AM92 [UK] | S1PA annuity rates adjusted suitably          | S1PA annuity rates adjusted suitably | S1PA annuity rates adjusted suitably | S1PA annuity rates adjusted suitably |
| <b>Retirement Age:</b>                                                                    |                                                 |                                                        |                                                 |                                                        |                                               |                                      |                                      |                                      |
| Management                                                                                | 60 Yrs.                                         | 58-60 Yrs.                                             | 60 Yrs.                                         | 58-60 Yrs.                                             | -                                             | -                                    | -                                    | -                                    |
| Non-Management                                                                            | 58 Yrs.                                         |                                                        | 58 Yrs.                                         |                                                        | -                                             | -                                    | -                                    | -                                    |
| <b>(xi) Weighted Average Duration of Defined Benefit obligation:</b>                      | 4 to 23 Yrs.                                    | 3-12 Yrs.                                              | 4 to 10 Yrs.                                    | 3-12 Yrs.                                              | 4 Yrs. to 5.4 Yrs.                            | 5.2 Yrs.                             | 4 Yrs. to 5.5 Yrs.                   | 5.3 Yrs.                             |



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## (xii) Basis Used to determine Discount Rate:

Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date, applicable to the period over which the obligation is expected to be settled.

## (xiii) Asset - Liability Matching Strategy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre-fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position, as well as level of underfunding of the Plan.

## (xiv) Salary Escalation Rate:

The estimates of future salary increase are considered taking into account inflation, seniority, promotion, increments and other relevant factors.

## (xv) Sensitivity Analysis:

Sensitivity Analysis has been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in the market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(xvi) The best estimate of the expected contribution for the next year amounts to ₹ 25.14 crore (Previous Year ₹ 22.63 crore).

## (xvii) Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 116.77 crore (Previous Year ₹ 74.56 crore).

## (xviii) Other Long-term Employee Benefits:

Amount recognised as expense for other long-term employee benefits is ₹ 1.42 crore (Previous Year ₹ 1.05 crore).

## (xix) The details of the Company's Defined Benefit Plans in respect of the Company managed Provident Fund Trust

Amount recognised as expense and included in the Note 3.6 as 'Contribution-Company owned Provident Fund' is ₹109.82 crore (Previous Year ₹ 96.86 crore) and amount recognised as pre-operative expenses and included in note 2.1.5 as 'Contribution- Company owned Provident Fund' is ₹ 5.46 crore (Previous Year ₹ 1.60 crore)

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The actuary has provided for a valuation and based on the below provided assumption there is no interest shortfall as at 31<sup>st</sup> March 2024 (31<sup>st</sup> March 2023 : Nil).

|       |                                                                                                                                 | ₹ in crore                           |                                      |
|-------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Sr No | Particulars                                                                                                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| (i)   | <b>Change in defined benefit obligation</b>                                                                                     |                                      |                                      |
|       | Balance at the beginning of the year                                                                                            | <b>3,744.86</b>                      | <b>3,387.36</b>                      |
|       | <b>Adjustment of:</b>                                                                                                           |                                      |                                      |
|       | Current Service Cost                                                                                                            | 117.40                               | 99.67                                |
|       | Employee Contribution                                                                                                           | 193.89                               | 178.28                               |
|       | Benefits Paid/Settlements/Withdrawals (incl. Transfer In/Out)                                                                   | (302.18)                             | (262.05)                             |
|       | Actuarial (Gains)/Losses                                                                                                        | 132.43                               | 80.59                                |
|       | Interest cost                                                                                                                   | 288.22                               | 261.01                               |
|       | <b>Balance at the end of the year</b>                                                                                           | <b>4,174.62</b>                      | <b>3,744.86</b>                      |
| (ii)  | <b>Change in Book Value of Assets</b>                                                                                           |                                      |                                      |
|       | Balance at the beginning of the year                                                                                            | <b>3,762.45</b>                      | <b>3,415.95</b>                      |
|       | Employer Contribution                                                                                                           | 115.28                               | 97.93                                |
|       | Employee Contribution                                                                                                           | 193.89                               | 178.28                               |
|       | Benefits Paid/Settlements/Withdrawals (incl. Transfer In/Out)                                                                   | (304.81)                             | (263.15)                             |
|       | Actuarial (Gains)/Losses                                                                                                        | 167.35                               | 85.98                                |
|       | Expected Return on Plan Assets                                                                                                  | 279.80                               | 247.46                               |
|       | <b>Balance at the end of the year</b>                                                                                           | <b>4,213.96</b>                      | <b>3,762.45</b>                      |
| (iii) | <b>Net Asset / (Liability) recognized in the Balance Sheet</b>                                                                  |                                      |                                      |
|       | Present value of Defined Benefit Obligation                                                                                     | (4,174.62)                           | (3,744.86)                           |
|       | Book Value of Plan Assets                                                                                                       | 4,213.96                             | 3,762.45                             |
|       | <b>Surplus/(Deficit) available</b>                                                                                              | <b>39.34</b>                         | <b>17.59</b>                         |
| (iv)  | <b>Assumptions used in determining the Present Value Obligation of interest rate guarantee under the Deterministic Approach</b> |                                      |                                      |
|       | - Discount Rate for the term of the Obligations                                                                                 | 7.1%-7.2%                            | 7.25%-7.45%                          |
|       | - Discount Rate for the remaining term of maturity of Investment Portfolio                                                      | 7.18%                                | 7.36%-7.95%                          |
|       | - Average Historic Yield on Investment Portfolio                                                                                | 7.92%- 8.52%                         | 7.76%- 8.29%                         |
|       | - Guaranteed Interest Rate                                                                                                      | 8.25%                                | 8.15%                                |

## (xx) Defined Contribution Plans:

|                                                                                                                      |  | ₹ in crore                           |                                      |
|----------------------------------------------------------------------------------------------------------------------|--|--------------------------------------|--------------------------------------|
| Particulars                                                                                                          |  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Amount recognised as an expense and included in Note 3.6 as "Contribution to Provident and Other Funds"              |  | 217.78                               | 196.10                               |
| Amount recognised as pre-operative expense and included in Note 2.1.5 as "Contribution to Provident and Other Funds" |  | 0.89                                 | 0.02                                 |
| <b>Total Contribution to Provident and Other Funds</b>                                                               |  | <b>218.67</b>                        | <b>196.12</b>                        |



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## 4.9 FINANCIAL INSTRUMENTS - DISCLOSURE, ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (IND AS 107)

### A. Disclosure of Financial Instruments:

#### a. Equity Instruments (Other than Joint Ventures and Associates)

These investments have to be fair valued either through OCI or Profit and Loss. Investments in the Company have been designated on initial recognition to be measured at FVTOCI as these are strategic investments and are not intended for sale. However, few of the equity instruments held by the Subsidiary Companies have been designated to be measured at FVTPL as these investments are held for trading.

#### b. Debentures and Bonds

Investments in Debentures or Bonds meet the contractual cash flow test as required by Ind AS 109: Financial Instruments. However, the business model of the Company and generally is such that it does not hold these investments till maturity (except Financial Service business) as the Company intends to sell these investments as and when need arises.

#### c. Mutual Funds and Preference Shares Designated at FVTPL

Preference Shares and Mutual Funds have been measured at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109: "Financial Instruments", for being measured at amortised cost or FVTOCI, hence, classified at FVTPL.

### B. Classification and Measurement of Financial Assets and Liabilities

| Particulars                                                                                                  | As at 31 <sup>st</sup> March 2024 |                    | As at 31 <sup>st</sup> March 2023 |                    |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|-----------------------------------|--------------------|
|                                                                                                              | ₹ in crore                        |                    |                                   |                    |
|                                                                                                              | Carrying Value                    | Fair Value         | Carrying Value                    | Fair Value         |
| <b>Financial Assets at Amortised Cost</b>                                                                    |                                   |                    |                                   |                    |
| Trade Receivables                                                                                            | 6,981.20                          | 6,981.20           | 5,921.92                          | 5,921.92           |
| Loans (including Loans related to NBFC/HFC Business)                                                         | 1,22,921.08                       | 1,22,921.08        | 93,213.20                         | 93,213.20          |
| Investments of Insurance Business                                                                            | 32,462.36                         | 33,168.09          | 25,343.22                         | 25,229.62          |
| Other Investments                                                                                            | 128.85                            | 128.85             | 149.38                            | 149.38             |
| Cash and Bank Balances                                                                                       | 4,648.76                          | 4,648.76           | 3,713.38                          | 3,713.38           |
| Other Financial Assets                                                                                       | 4,681.32                          | 4,681.32           | 4,324.35                          | 4,324.35           |
| Re-insurance Assets                                                                                          | 1,363.92                          | 1,363.92           | 1,274.92                          | 1,274.92           |
| Other Investments: Fixed Deposits with financial institutions with original maturity less than twelve months | 350.00                            | 350.00             | 119.09                            | 119.09             |
| <b>Financial Assets at Fair Value through Other Comprehensive Income</b>                                     |                                   |                    |                                   |                    |
| Investments of Insurance Business                                                                            | 14,308.44                         | 14,308.44          | 12,199.58                         | 12,199.58          |
| Other Investments                                                                                            | 13,069.97                         | 13,069.97          | 8,830.43                          | 8,830.43           |
| <b>Financial Assets at Fair Value through Profit and Loss</b>                                                |                                   |                    |                                   |                    |
| Investments of Insurance Business (including Investments of Assets Held to Cover Linked Liabilities)         | 40,043.99                         | 40,043.99          | 33,387.12                         | 33,387.12          |
| Other Investments                                                                                            | 18,459.08                         | 18,459.08          | 14,309.63                         | 14,309.63          |
| <b>Hedging Instruments measured at Fair value through Profit or Loss</b>                                     |                                   |                    |                                   |                    |
| Derivative Assets                                                                                            | 880.92                            | 880.92             | 509.35                            | 509.35             |
| <b>Total</b>                                                                                                 | <b>2,60,299.89</b>                | <b>2,61,005.62</b> | <b>2,03,295.57</b>                | <b>2,03,181.97</b> |



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₹ in crore

| Particulars                                                              | As at 31 <sup>st</sup> March 2024 |                    | As at 31 <sup>st</sup> March 2023 |                    |
|--------------------------------------------------------------------------|-----------------------------------|--------------------|-----------------------------------|--------------------|
|                                                                          | Carrying Value                    | Fair Value         | Carrying Value                    | Fair Value         |
| <b>Financial Liabilities at Amortised Cost</b>                           |                                   |                    |                                   |                    |
| Non-Current Borrowings                                                   | 86,116.47                         | 85,591.10          | 66,712.46                         | 65,958.35          |
| Current Borrowings                                                       | 48,985.74                         | 48,985.74          | 34,635.46                         | 34,635.46          |
| Lease Liabilities                                                        | 2,052.84                          | 2,052.84           | 1,690.64                          | 1,690.64           |
| Policyholders Liabilities                                                | 85,388.47                         | 85,388.47          | 69,089.93                         | 69,089.93          |
| Trade Payables                                                           | 15,357.06                         | 15,357.06          | 13,353.27                         | 13,353.27          |
| Other Financial Liabilities                                              | 14,126.86                         | 14,126.86          | 10,131.95                         | 10,131.95          |
| <b>Hedging Instruments measured at Fair value through Profit or Loss</b> |                                   |                    |                                   |                    |
| Derivative Liabilities                                                   | 116.22                            | 116.22             | 125.63                            | 125.63             |
| <b>Total</b>                                                             | <b>2,52,143.66</b>                | <b>2,51,618.29</b> | <b>1,95,739.34</b>                | <b>1,94,985.23</b> |

## C. Fair Value Measurements (Ind AS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

- Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares, which are traded in the stock exchanges is valued using the closing price at the reporting date.
- Level 2: Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of the Group's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.
- Level 3: Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. Valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Group. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

For assets and liabilities, which are measured at fair value as at Balance sheet date, the classification of fair value calculation by category is summarised below:

₹ in crore

| Quantitative Disclosures Fair Value Measurement Hierarchy for Assets and Liabilities | Level 1   | Level 2  | Level 3  | Total     |
|--------------------------------------------------------------------------------------|-----------|----------|----------|-----------|
| <b>As at 31<sup>st</sup> March 2024</b>                                              |           |          |          |           |
| <b>Financial Assets:</b>                                                             |           |          |          |           |
| <b>1) Measured at Fair Value through Other Comprehensive Income</b>                  |           |          |          |           |
| - Investments of Insurance Business                                                  | 6,420.21  | 7,887.35 | 0.88     | 14,308.44 |
| - Other Investments in Debentures or Bonds                                           | -         | 169.17   | -        | 169.17    |
| - Other Investments in Equity Instruments (other than Joint Ventures and Associates) | 11,467.39 | -        | 1,433.41 | 12,900.80 |



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₹ in crore

| Quantitative Disclosures Fair Value Measurement Hierarchy for Assets and Liabilities                   | Level 1   | Level 2   | Level 3   | Total     |
|--------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| <b>2) Measured at Fair Value through Profit and Loss</b>                                               |           |           |           |           |
| - Investments of Insurance Business [including Investments of Assets Held to Cover Linked Liabilities] | 30,420.45 | 9,623.54  | -         | 40,043.99 |
| - Other Investments in Mutual Funds, Debentures or Bonds and Private Equity Investment Funds           | 430.65    | 17,038.20 | 573.66    | 18,042.51 |
| - Other Investments in Equity Instruments (other than Joint Ventures and Associates)                   | -         | -         | 244.00    | 244.00    |
| - Other Investments in Limited Liability Partnership                                                   | -         | -         | 26.60     | 26.60     |
| - Other Investments in Preference Shares                                                               | -         | -         | 145.97    | 145.97    |
| <b>3) Hedging Instruments</b>                                                                          |           |           |           |           |
| - Derivative Assets                                                                                    | -         | 880.92    | -         | 880.92    |
| <b>Financial Liabilities:</b>                                                                          |           |           |           |           |
| <b>1) Measured at Amortised Cost</b>                                                                   |           |           |           |           |
| - Non-Current Borrowings                                                                               | -         | 36,655.43 | 48,935.67 | 85,591.10 |
| - Policyholders Liabilities                                                                            | 36,066.96 | -         | 49,321.51 | 85,388.47 |
| <b>2) Hedging Instruments</b>                                                                          |           |           |           |           |
| - Derivative Liabilities                                                                               | -         | 116.22    | -         | 116.22    |
| <b>As at 31<sup>st</sup> March 2023</b>                                                                |           |           |           |           |
| <b>Financial Assets:</b>                                                                               |           |           |           |           |
| <b>1) Measured at Fair Value through Other Comprehensive Income</b>                                    |           |           |           |           |
| - Investments of Insurance Business                                                                    | 5,912.60  | 6,286.13  | 0.86      | 12,199.58 |
| - Other Investments in Debentures or Bonds                                                             | -         | 65.33     | -         | 65.33     |
| - Other Investments in Equity Instruments (other than Joint Ventures and Associates)                   | 8,066.88  | -         | 698.21    | 8,765.10  |
| <b>2) Measured at Fair Value through profit and loss</b>                                               |           |           |           |           |
| - Investments of Insurance Business [including Investments of Assets Held to Cover Linked Liabilities] | 23,329.15 | 10,057.97 | -         | 33,387.12 |
| - Other Investments in Mutual Funds, Debentures or Bonds and Private Equity Investment Funds           | 0.35      | 13,504.53 | 476.94    | 13,981.82 |
| - Other Investments in Equity Instruments (other than Joint Ventures and Associates)                   | -         | -         | 121.73    | 121.73    |
| - Other Investments in Limited Liability Partnership                                                   | -         | -         | 26.60     | 26.60     |
| - Other Investments in Preference Shares                                                               | -         | -         | 179.49    | 179.49    |
| <b>3) Hedging Instruments</b>                                                                          |           |           |           |           |
| - Derivative Assets                                                                                    | -         | 509.35    | -         | 509.35    |
| <b>Financial Liabilities:</b>                                                                          |           |           |           |           |
| <b>1) Measured at Amortised Cost</b>                                                                   |           |           |           |           |
| - Non-Current Borrowings                                                                               | -         | 23,021.12 | 42,937.23 | 65,958.35 |
| - Policyholders Liabilities                                                                            | 30,507.41 | -         | 38,582.52 | 69,089.93 |
| <b>2) Hedging Instruments</b>                                                                          |           |           |           |           |
| - Derivative Liabilities                                                                               | -         | 125.63    | -         | 125.63    |

The Management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, commercial papers, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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The fair value of loans, security deposits and investments in preference shares was calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

During the year ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023, there was no transfer between Level 1 and Level 2 fair value measurement.

## 4.9.1 Key Inputs for Level 1 and Level 2 Fair Valuation Technique:

1. Mutual Funds: Based on Net Asset Value of the Scheme (Level 2)
2. Debentures or Bonds: Based on market yield for instruments with similar risk/maturity, etc. (Level 2)
3. Listed Equity Investments (other than Joint Ventures and Associates): Quoted Bid Price on Stock Exchange (Level 1)
4. Derivative Liabilities: (Level 2)
  - (i) the fair value of interest rate swaps is calculated as per the present value of the estimated future cash flows based on observable yield curves and an appropriate discount factor.
  - (ii) the fair value of forward foreign exchange contracts is calculated as per the present value determined using forward exchange rates and interest rate curve of the respective currencies.
  - (iii) the fair value of foreign currency swap is calculated as per the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.
  - (iv) the fair value of foreign currency option contracts is determined using the Black-Scholes Valuation Model.
  - (v) the fair value of commodity swaps is calculated as per the present value determined using the forward price and interest rate curve of the respective currency.

## 4.9.2 Description of Significant Unobservable Inputs Used for Financial Instruments (Level 3)

The following table shows the valuation techniques and inputs used for financial instruments:

|                                                                          |                                                                                             |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Investments in Preference Shares                                         | Discounted Cash Flow Method using risk adjusted discount rate                               |
| Equity Investments - Unquoted (other than Joint Ventures and Associates) | Discounted Cash Flow Method using risk adjusted discount rate                               |
| Private Equity Investment Funds and Partnership Firms (LLP)              | Price to Book Value Method                                                                  |
| Long-Term Borrowings                                                     | Discounted Cash Flow Method using risk adjusted discount rate                               |
| Other Financial Instruments                                              | Discounted Cash Flow Method using risk adjusted discount rate and expected gross recoveries |

### 4.9.2.1 Relationship of Unobservable Inputs to Level 3 Fair Values (Recurring)

#### A. Equity Investments - Unquoted (Significant unobservable input being the average cost of borrowings to arrive at discount rate):

A 100 bps increase/decrease in the net worth, the carrying value of the shares would increase/decrease by ₹ 14.08 crore (as at 31<sup>st</sup> March 2023: decrease by ₹ 6.76 crore or increase by ₹ 6.76 crore using Weighted Average Cost of Capital (WACC) or discount rate used while all other variables were held constant).

#### B. Preference Shares (Significant unobservable input being the average cost of borrowings to arrive at discount rate):

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 2.04 crore or increase by ₹ 2.06 crore (as at 31<sup>st</sup> March 2023: decrease by ₹ 2.90 crore or increase by ₹ 2.94 crore).



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## C. Financial Services Business

### (i) Financial Assets related to Insurance Business

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023 are as shown below:

| Particulars                             | Valuation Technique | Significant Unobservable Inputs                 | Range | Sensitivity of the Input to the Fair Value (₹ in crore) |
|-----------------------------------------|---------------------|-------------------------------------------------|-------|---------------------------------------------------------|
| <b>As on 31<sup>st</sup> March 2024</b> |                     |                                                 |       |                                                         |
| Private Equity Investment Funds         | Price to Book       | Valuation at 10% discount compare to peer group | 0.45  | 6.34                                                    |
| Private Equity Investment Funds         | Value Method        | Valuation at par with peer group                | 0.50  | 7.05                                                    |
| Private Equity Investment Funds         |                     | Valuation at 10% Premium compare to peer group  | 0.55  | 7.75                                                    |
| <b>As on 31<sup>st</sup> March 2023</b> |                     |                                                 |       |                                                         |
| Private Equity Investment Funds         | Price to Book       | Valuation at 10% discount compare to peer group | 0.45  | 6.20                                                    |
| Private Equity Investment Funds         | Value Method        | Valuation at par with peer group                | 0.50  | 6.90                                                    |
| Private Equity Investment Funds         |                     | Valuation at 10% Premium compare to peer group  | 0.55  | 7.50                                                    |

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the ABCL's Level 3 assets and liabilities.

Relationships between unobservable inputs have not been incorporated in this summary.

₹ in crore

| Financial Assets related to other business | Level 3 assets<br>31 <sup>st</sup> March 2024 | Valuation Technique            | Significant unobservable inputs            |
|--------------------------------------------|-----------------------------------------------|--------------------------------|--------------------------------------------|
| Equity Shares                              | 3.97                                          | Net worth of investee company  | Instrument Price                           |
| Others (security receipts)                 | 573.67                                        | Discounted Projected Cash Flow | Expected Gross Recoveries & Discount rates |

₹ in crore

| Financial Assets related to other business | Level 3 assets<br>31 <sup>st</sup> March 2023 | Valuation Technique            | Significant unobservable inputs            |
|--------------------------------------------|-----------------------------------------------|--------------------------------|--------------------------------------------|
| Equity Shares                              | 3.09                                          | Net worth of investee company  | Instrument Price                           |
| Others (security receipts)                 | 510.20                                        | Discounted Projected Cash Flow | Expected Gross Recoveries & Discount rates |

### Sensitivity of fair value measurements to changes in unobservable market data

| Financial Assets                                  | 31 <sup>st</sup> March 2024 |                            | 31 <sup>st</sup> March 2023 |                            |
|---------------------------------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|
|                                                   | Favourable changes (+5%)    | Unfavourable changes (-5%) | Favourable changes (+5%)    | Unfavourable changes (-5%) |
| Equity Shares                                     | 0.20                        | (0.20)                     | 0.15                        | (0.15)                     |
| Others (Security Receipts, Alternate Funds, etc.) | 28.68                       | (28.68)                    | 25.51                       | (25.51)                    |

### 4.9.3 The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

₹ in crore

| Particulars                                                                                | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Opening Balances</b>                                                                    | <b>2,778.75</b>             | <b>2,360.42</b>             |
| Add: Purchase of Investments during the year                                               | 134.95                      | 336.53                      |
| Add: Fair Value gain/(loss) recognised in Other Income in the Statement of Profit and Loss | 53.56                       | (16.01)                     |
| Add: Fair value gain recognised in OCI                                                     | 735.22                      | 35.01                       |
| Less: Movement in Other Current Asset of Insurance Business                                | -                           | 165.49                      |
| Add: Movement of Re-insurance Assets                                                       | 88.98                       | 18.15                       |
| Less: Sale/(Redemption) of Investments                                                     | (3.02)                      | (120.84)                    |
| <b>Closing Balances</b>                                                                    | <b>3,788.44</b>             | <b>2,778.75</b>             |

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## 4.10 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

### A Financial Risk Management and its Policies for Insurance Business

#### Risk Management Framework

Insurance Business has an Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. Aligned with the business planning process, the ERM framework covers all business risks including strategic risk, operational risks, investment risks and insurance risks. The key business risks identified are approved by the Board's Risk Management Committee and monitored by the Risk Management team thereafter. Insurance Business also has in place an Operational Risk Management (ORM) framework that supports excellence in business processes, system and facilitates matured business decisions to move to a proactive risk assessment, and is in the process of implementing the key operational risk components.

Insurance business recognises that information is a critical business asset, and that our ability to operate effectively and succeed in a competitive market depends on our ability to ensure that business information is protected adequately through appropriate controls and proactive measures. Accordingly, Insurance business has an information security framework that ensures all the information assets are safeguarded by establishing comprehensive management processes throughout the organisation.

Insurance Business Investments Function is governed by the Investment Committee and the Asset Liability Management Committee, appointed by the Board of Directors. Investment Policy and Operating Guidelines laid down by the Board provide the framework for management and mitigation of the risks associated with investments. Asset Liability Policy and various Asset Liability Management (ALM) strategies are adopted to ensure adequate Asset Liability Management. These policies are reviewed at frequent intervals by the respective Board Committees and approved by the Board.

Insurance Business has a robust Business Continuity Framework to ensure resumption of time sensitive activities within the defined time frame at defined levels. Insurance Business is certified against ISO 22301 (Globally accepted standard on Business Continuity).

Insurance Business through its risk management policies has set up systems to continuously monitor its experience with regard to other parameters that affect the value of benefits offered in the products. Such parameters include policy lapses, premium persistency, maintenance expenses and investment returns.

ERM encompasses the following areas:

Governed by risk policies and operating guidelines approved by the Board Committee/Sub Committee of the Board

1. Risk identification
2. Risk response and risk management strategy
3. Risk monitoring, communication and reporting

#### a. Risk Policies

The following risk policies govern and implement effective risk management practices:

Product Design and Pricing Policy, Underwriting and Liability Management Policy, Re-insurance Ceded Policy, Capital Management Policy, Investment Policies, Dealing Room Policy, Broker Empanelment Policy, Valuation Policy, Information Security Policies, Internet and E-mail Usage Policy, Logical Access Security Policy, External Access Security Policy, Physical Access Security Policy, Business Continuity Policy, Operational Risk Management Policy, Fraud Reporting and Investigating Policy, Asset-Liability Management Policy, Outsourcing Policy and Anti-Money Laundering Policy."



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## b. Capital Management Objectives and Policies

Insurance Business has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- i) To maintain the required level of stability of the Company, thereby providing a degree of security to policyholders
- ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- iv) To align the profile of assets and liabilities taking account of risks inherent in the business
- v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- vi) To maintain strong credit ratings and healthy capital ratios, in order to support its business objectives and maximise shareholders value

Insurance Business has met all of these requirements throughout the financial year. In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The company's Capital Management Policy for its Insurance and Non-Insurance Business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

## c. Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Insurance Business is satisfactorily managing affairs for their benefits. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Company are subject to regulatory requirements within the jurisdictions in which it operates.

### Insurance and Financial Risk

The principal risk the group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

## 1. Life insurance contracts and investment contracts with and without Discretionary Participation Feature (DPF)

Ind AS 104 requires products offered by the Insurance Company to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

A contract would be an insurance contract and investment contracts with DPF if the benefit payable on death is higher by:

- at least 5% of the fund value at any time during the life on the contract for unit linked products, or
- at 5% of the premium at any time during the life of the contract for other than unit linked products

All other contracts are categorised as Investment Contracts.



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For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party. For contracts without DPF, group charges for death and disability risks on a quarterly basis. Under these contracts group has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the group.

The main risks that the Group is exposed to are as follows:

- i) **Persistency Risk** – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
- ii) **Mortality Risk** – risk of loss arising due to policyholder death experience being different than expected
- iii) **Morbidity Risk** – risk of loss arising due to policyholder health experience being different than expected
- iv) **Longevity Risk** – risk of loss arising due to the annuitant living longer than expected
- v) **Investment Return Risk** – risk of loss arising from actual returns being different than expected
- vi) **Expense Risk** – risk of loss arising from expense experience being different than expected
- vii) **Product and Pricing Risk** – risk of loss due to incorrect pricing or not adhering to the product regulations or higher payouts due to ambiguity in terms and conditions
- viii) **Reinsurance Risk** – The Company enters into reinsurance agreements in order to mitigate insurance risk. However, this leads to default risk from the reinsurer at the time of claim payment or also concentration risk if all the risk is insured to one reinsurer.
- ix) **Concentration Risk** – The Company faces concentration risk by selling business to specific geography or by writing only single line business, etc.

## Control Measures

The actuarial department has set up systems to continuously monitor the Company's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Many products offered by the Company also have an investment guarantee. The Company has set aside additional reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with multiple reinsurers. The Company has entered into a separate agreement with reinsurers to cover the catastrophic risks under individual and group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the Company's experience, and so there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favorable experience. At the present stage in the Company's development, the focus is on building new distribution and so geographical diversification is actively taking place. In future, the actuarial team will need to be alert to assess potential risk aggregations.

The Company has a Board approved risk management policy covering underwriting, claims and reserving for policy liabilities. The Company has a detailed claims processing manual in place. Complicated and large claims are referred to the Company's Claims Review Committee.



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## Insurance Contracts Liabilities: Change in Liabilities

₹ in crore

| Particulars                                                      | Year ended 31 <sup>st</sup> March 2024 |                  |                  |                  | Year ended 31 <sup>st</sup> March 2023 |                  |                  |                  |
|------------------------------------------------------------------|----------------------------------------|------------------|------------------|------------------|----------------------------------------|------------------|------------------|------------------|
|                                                                  | With DPF                               | Linked Business  | Others           | Total            | With DPF                               | Linked Business  | Others           | Total            |
| <b>Gross Liability at the beginning of the Year</b>              | 7,825.05                               | 20,805.63        | 20,889.57        | 49,520.24        | 6,273.05                               | 21,255.68        | 15,725.53        | 43,254.26        |
| <b>Add/(Less)</b>                                                |                                        |                  |                  |                  |                                        |                  |                  |                  |
| Premium                                                          | 1,554.92                               | 2,607.28         | 8,732.28         | 12,894.48        | 1,609.96                               | 2,503.01         | 9,388.32         | 13,501.29        |
| Unwinding of the Discount /Interest Credited                     | 707.27                                 | 5,303.08         | 1,931.34         | 7,941.69         | 515.22                                 | 753.83           | 1,316.65         | 2,585.70         |
| Insurance Liabilities Released                                   | (460.31)                               | (4,032.86)       | (2,663.75)       | (7,156.92)       | (267.36)                               | (3,213.60)       | (1,950.70)       | (5,431.66)       |
| Undistributed Participating Policyholders surplus (FFA)          |                                        |                  | 61.61            | 61.61            | -                                      | -                | -                | -                |
| Others (Expense overrun, Contribution from S/H and Profit/ Loss) | (306.04)                               | (347.60)         | (1,819.80)       | (2,473.44)       | (305.82)                               | (493.29)         | (3,590.23)       | (4,389.34)       |
| <b>Gross Liability at the end of the Year</b>                    | <b>9,320.89</b>                        | <b>24,335.53</b> | <b>27,131.25</b> | <b>60,787.66</b> | <b>7,825.05</b>                        | <b>20,805.63</b> | <b>20,889.57</b> | <b>49,520.25</b> |
| Recoverable from Reinsurance                                     | 4.18                                   | 23.15            | 1,336.59         | 1,363.92         | 5.22                                   | 25.11            | 1,244.61         | 1,274.94         |
| <b>Net Liability</b>                                             | <b>9,316.71</b>                        | <b>24,312.38</b> | <b>25,794.66</b> | <b>59,423.74</b> | <b>7,819.83</b>                        | <b>20,780.52</b> | <b>19,644.96</b> | <b>48,245.31</b> |

## Investment Contracts Liabilities

₹ in crore

| Particulars                                  | Year ended 31 <sup>st</sup> March 2024 |                  |                 |                  | Year ended 31 <sup>st</sup> March 2023 |                  |               |                  |
|----------------------------------------------|----------------------------------------|------------------|-----------------|------------------|----------------------------------------|------------------|---------------|------------------|
|                                              | With DPF                               | Linked Business  | Others          | Total            | With DPF                               | Linked Business  | Others        | Total            |
| <b>At the beginning of the Year</b>          | 8,649.62                               | 10,013.53        | 624.16          | 19,287.30        | 6,715.05                               | 9,242.16         | 429.17        | 16,386.38        |
| <b>Additions</b>                             |                                        |                  |                 |                  |                                        |                  |               |                  |
| Premium                                      | 2,288.40                               | 1,603.55         | 473.69          | 4,365.64         | 2,072.26                               | 1,332.78         | 235.61        | 3,640.65         |
| Interest and Bonus Credited to Policyholders | 442.49                                 | 1,339.03         | 58.53           | 1,840.05         | 509.29                                 | 382.85           | 36.16         | 928.30           |
| <b>Deductions</b>                            |                                        |                  |                 |                  |                                        |                  |               |                  |
| Withdrawals/Claims                           | 1,209.79                               | 824.38           | -               | 2,034.17         | 728.79                                 | 894.68           | 33.24         | 1,656.71         |
| Fee Income and Other Expenses                | -                                      | 14.84            | 15.10           | 29.94            | 5.66                                   | 13.61            | 7.60          | 26.87            |
| Others Profit and Loss                       | (277.14)                               | 142.91           | 66.21           | (68.02)          | (87.47)                                | 33.90            | 35.94         | (17.63)          |
| Others (includes DAC, DOF and Profit/Loss)   | -                                      | 2.06             | -               | 2.06             | -                                      | 2.07             | -             | 2.07             |
| <b>At the end of the Year</b>                | <b>10,447.85</b>                       | <b>11,971.92</b> | <b>1,075.07</b> | <b>23,494.85</b> | <b>8,649.62</b>                        | <b>10,013.53</b> | <b>624.16</b> | <b>19,287.30</b> |

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## Reinsurance Assets

| ₹ in crore                                   |                                           |                                           |
|----------------------------------------------|-------------------------------------------|-------------------------------------------|
| Particulars                                  | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
| <b>At the beginning of the year</b>          | 1,274.95                                  | 1,256.80                                  |
| Add/(Less)                                   |                                           |                                           |
| Premium                                      | 535.94                                    | 530.23                                    |
| Unwinding of the Discount /Interest credited | 79.25                                     | 53.89                                     |
| Insurance Liabilities Released               | (379.12)                                  | (299.23)                                  |
| Others (Experience Variations)               | (147.08)                                  | (266.74)                                  |
| <b>At the end of the year</b>                | <b>1,363.94</b>                           | <b>1,274.95</b>                           |

## Deferred Acquisition Cost

| ₹ in crore                         |                                           |                                           |
|------------------------------------|-------------------------------------------|-------------------------------------------|
| Particulars                        | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
| <b>As at 1<sup>st</sup> April</b>  | 1.38                                      | 2.58                                      |
| Expenses Deferred                  | -                                         | -                                         |
| Amortisation                       | (0.79)                                    | (1.20)                                    |
| <b>As at 31<sup>st</sup> March</b> | <b>0.59</b>                               | <b>1.38</b>                               |

## Deferred origination fees.

| ₹ in crore                              |             |
|-----------------------------------------|-------------|
| Particulars                             | Amount      |
| <b>As at 1<sup>st</sup> April 2022</b>  | 1.26        |
| Expenses deferred                       |             |
| Amortisation                            | (0.57)      |
| <b>As at 31<sup>st</sup> March 2023</b> | <b>0.69</b> |
| Amortisation                            | (0.31)      |
| <b>As at 31<sup>st</sup> March 2024</b> | <b>0.38</b> |

## Key Assumptions

The assumptions play vital role in calculating insurance liabilities for the Company. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However for the purpose of valuation an additional level of prudence has been kept on all the best estimate assumptions known as MfAD (margin for adverse deviation). The Company keeps adequate MfAD, as prescribed in APS 7, issued by the Institute of Actuaries of India (IAI), in all assumptions over the best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender etc if the experience of any category is significantly different and data is credible for the respective category.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:



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## i) Mortality and Morbidity Rates

Assumptions are based on historical experience and for new products based on industry/reinsurers data. An appropriate, but not excessive, allowance may be made for expected future improvements. Assumptions may vary by type of product, distribution channel, gender, etc.

An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

## ii) Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are normally differentiated by gender, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

## iii) Investment Return and Discount Rate

The weighted average rate of return is derived based on a model portfolio, that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

An increase in investment return would lead to an increase in profits for the shareholders.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on investment strategy of the Company, current industry risk rates, adjusted for the Company's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

## iv) Expenses and Inflation

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation, if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

## v) Lapse, Surrender and Partial Withdrawal Rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience, and usually vary by product type, policy duration and sales trends.

An increase in lapse rates, early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

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The best estimate assumptions that have the greatest effect on the statement of financial position and the Statement of Profit and Loss of the Company are listed below.

| Portfolio Assumptions<br>by Type of Business<br>Impacting Net Liabilities | Mortality Rates                    |                                    | Investment Return                                                                                       |                                                                                                         | Lapse and Surrender Rates                                                          |                                                                                    |
|---------------------------------------------------------------------------|------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|                                                                           | 31 <sup>st</sup> March 2024        | 31 <sup>st</sup> March 2023        | 31 <sup>st</sup> March 2024                                                                             | 31 <sup>st</sup> March 2023                                                                             | 31 <sup>st</sup> March 2024                                                        | 31 <sup>st</sup> March 2023                                                        |
| <b>Insurance</b>                                                          |                                    |                                    |                                                                                                         |                                                                                                         |                                                                                    |                                                                                    |
| <b>With DPF</b>                                                           | 75.00% - 275.00%<br>of IALM2012-14 | 75.00% - 223.00%<br>of IALM2012-14 | 7.15% pa                                                                                                | 7.15% pa                                                                                                | PY1 : 9.00% - 25.00%<br>PY2 : 2.00%<br>PY3+ : 1.00% - 2.00% (varying by product)   | PY1 : 9.00% - 25.00%<br>PY2 : 2.00%<br>PY3+ : 1.00% - 2.00% (varying by product)   |
| <b>Linked Business</b>                                                    | 55.00% of IALM2012-14              | 55.00% of IALM2012-14              | a) 9.00% pa for assets backing linked liabilities<br>b) 6.90% pa for asset backing non-unit liabilities | a) 9.00% pa for assets backing linked liabilities<br>b) 6.90% pa for asset backing non-unit liabilities | PY1 : 10%-35%<br>PY2 : 5% - 35%<br>PY3+: 3% -20% (varying by product and duration) | PY1 : 10%-35%<br>PY2 : 5% - 35%<br>PY3+: 3% -20% (varying by product and duration) |
| <b>Others</b>                                                             | 19.40%-407.00%<br>of IALM2012-14   | 20.00%-295.80%<br>of IALM2012-14   | 6.53%-7.53% pa                                                                                          | 6.15%-7.55% pa                                                                                          | PY1 : 0%-40%<br>PY2 : 0% - 15%<br>PY3+: 0% -12% (varying by product and duration)  | PY1 : 0%-40%<br>PY2 : 0% - 15%<br>PY3+: 0% -12% (varying by product and duration)  |

| Portfolio Assumptions<br>by Type of Business<br>Impacting Net Liabilities | Partial Withdrawal          |                             | Renewal Per Policy Expense Assumptions    |                                           | Inflation                   |                             |
|---------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------------------|-------------------------------------------|-----------------------------|-----------------------------|
|                                                                           | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2024               | 31 <sup>st</sup> March 2023               | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| <b>Insurance</b>                                                          |                             |                             |                                           |                                           |                             |                             |
| <b>With DPF</b>                                                           | N/A                         | N/A                         | Max 782.25 Per policy                     | Max 782.25 Per policy                     | 0.05                        | 0.05                        |
| <b>Linked Business</b>                                                    | 0% - 3% p.a.                | 0% - 3% p.a.                | 782.25 Per policy                         | 782.25 Per policy                         | 0.05                        | 0.05                        |
| <b>Others</b>                                                             | N/A                         | N/A                         | Max 782.25 Per policy (varies by product) | Max 782.25 Per policy (varies by product) | 0.05                        | 0.05                        |

\*Commission scales have been allowed in accordance with the product filing with IRDA.

## Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.



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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Sensitivity Parameters              | Current Year       |                       |                     |                        | Previous Year      |                       |                     |                        |
|-------------------------------------|--------------------|-----------------------|---------------------|------------------------|--------------------|-----------------------|---------------------|------------------------|
|                                     | Insurance with DPF | Insurance without DPF | Investment with DPF | Investment without DPF | Insurance with DPF | Insurance without DPF | Investment with DPF | Investment without DPF |
| Lapses Increased by 10%             | 9,221.51           | 50,857.19             | 10,447.88           | 12,907.88              | 7,780.69           | 41,458.92             | 8,649.64            | 10,577.39              |
| Lapses Decreased by 10%             | 9,428.28           | 51,997.53             | 10,447.88           | 13,197.31              | 7,870.65           | 41,938.23             | 8,649.64            | 10,699.67              |
| Mortality Increased by 10%          | 9,361.26           | 51,627.91             | 10,447.88           | 13,103.50              | 7,846.52           | 41,809.69             | 8,649.64            | 10,666.88              |
| Mortality Decreased by 10%          | 9,282.77           | 51,195.02             | 10,447.88           | 12,993.62              | 7,801.51           | 41,569.81             | 8,649.64            | 10,605.68              |
| Expenses Increased by 10%           | 9,355.16           | 51,594.25             | 10,447.88           | 13,094.95              | 7,840.83           | 41,779.37             | 8,649.64            | 10,659.14              |
| Expenses Decreased by 10%           | 9,286.97           | 51,218.20             | 10,447.88           | 12,999.51              | 7,806.90           | 41,598.53             | 8,649.64            | 10,613.01              |
| Interest Rate Increased by 100 bps  | 9,310.69           | 51,348.99             | 10,447.88           | 13,032.70              | 7,746.42           | 41,276.31             | 8,649.64            | 10,530.80              |
| Interest Rate Decreased by 100 bps  | 9,331.52           | 51,463.88             | 10,447.88           | 13,061.86              | 7,909.87           | 42,147.24             | 8,649.64            | 10,753.00              |
| Inflation Rate Increased by 100 bps | 9,362.44           | 51,634.42             | 10,447.88           | 13,105.15              | 7,844.12           | 41,796.91             | 8,649.64            | 10,663.62              |
| Inflation Rate Decreased by 100 bps | 9,287.29           | 51,219.96             | 10,447.88           | 12,999.95              | 7,807.36           | 41,601.00             | 8,649.64            | 10,613.64              |

## Financial Risks:

### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. Group is subject to credit risk in connection with issuers of securities held in our investment portfolio, reinsurers. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Group to record realised or unrealised losses and increase our provisions for asset default, adversely impacting earnings.

Governance structure, in the form of Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis. Group uses systems like MSCI Barra One to evaluate and monitor risks.

The Policyholders' funds are invested in accordance with regulatory norms, Investment policy, fund objective of unit linked funds and risk profile of the respective fund in fixed income segment, majority of the investment is made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Derivative financial instrument: The settlement risk the Company is exposed to is mitigated by an adequate amount of margin money.



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## Industry Analysis

As on 31<sup>st</sup> March 2024

₹ in crore

| Particulars                              | Infrastructure  | Financial and Insurance | Government       | IT Services     | Manufacturing   | Others          | Total            |
|------------------------------------------|-----------------|-------------------------|------------------|-----------------|-----------------|-----------------|------------------|
| <b>1 FVTOCI Financial Assets</b>         |                 |                         |                  |                 |                 |                 |                  |
| <b>Policyholders</b>                     |                 |                         |                  |                 |                 |                 |                  |
| Debt                                     | 382.81          | 4,154.21                | -                | 174.81          | 270.74          | 30.67           | 5,013.24         |
| Government Securities                    | -               | -                       | 4,989.94         | 82.73           | -               | 26.04           | 5,098.71         |
| Others                                   | -               | 109.91                  | 221.78           | -               | -               | -               | 331.69           |
| <b>Shareholders</b>                      |                 |                         |                  |                 |                 |                 |                  |
| Debt                                     | 359.62          | 1,906.91                | -                | 63.06           | 175.68          | 10.62           | 2,515.89         |
| Equity                                   | -               | 30.77                   | -                | -               | -               | -               | 30.77            |
| Government Securities                    | -               | -                       | 1,244.61         | 20.96           | -               | 26.04           | 1,291.61         |
| Others                                   | -               | 10.68                   | 15.87            | -               | -               | -               | 26.55            |
| <b>2 Financial Assets at FVTPL</b>       |                 |                         |                  |                 |                 |                 |                  |
| <b>Policyholders</b>                     |                 |                         |                  |                 |                 |                 |                  |
| Debt                                     | 1,037.43        | 4,819.99                | -                | 170.80          | 754.81          | 31.08           | 6,814.11         |
| Equity                                   | 3,141.30        | 5,962.65                | -                | 3,141.99        | 8,127.41        | 1,103.90        | 21,477.25        |
| Government Securities                    | -               | -                       | 10,016.32        | -               | -               | -               | 10,016.32        |
| Mutual Fund Units                        | -               | 590.47                  | -                | -               | -               | -               | 590.47           |
| Others                                   | -               | 340.04                  | 603.06           | -               | -               | 66.56           | 1,009.66         |
| <b>Shareholders</b>                      |                 |                         |                  |                 |                 |                 |                  |
| Debt                                     | -               | 44.22                   | -                | -               | -               | -               | 44.22            |
| Equity                                   | -               | 74.55                   | -                | -               | -               | -               | 74.55            |
| Government Securities                    | -               | -                       | 7.80             | -               | -               | -               | 7.80             |
| Mutual Fund Units                        | -               | 9.60                    | -                | -               | -               | -               | 9.60             |
| <b>3 Amortised Cost Financial Assets</b> |                 |                         |                  |                 |                 |                 |                  |
| <b>Policyholders</b>                     |                 |                         |                  |                 |                 |                 |                  |
| Debt                                     | 1,555.79        | 6,049.27                | -                | 97.89           | 216.59          | 20.29           | 7,939.83         |
| Government Securities                    | -               | -                       | 24,259.22        | 55.56           | -               | -               | 24,314.78        |
| Others                                   | -               | -                       | 260.68           | -               | -               | -               | 260.68           |
| <b>Total Credit Risk Exposure</b>        | <b>6,476.95</b> | <b>24,103.27</b>        | <b>41,619.29</b> | <b>3,807.81</b> | <b>9,545.23</b> | <b>1,315.19</b> | <b>86,867.74</b> |

As on 31<sup>st</sup> March 2023

₹ in crore

| Particulars                      | Infrastructure | Financial and Insurance | Government | IT Services | Manufacturing | Others | Total    |
|----------------------------------|----------------|-------------------------|------------|-------------|---------------|--------|----------|
| <b>1 FVTOCI Financial Assets</b> |                |                         |            |             |               |        |          |
| <b>Policyholders</b>             |                |                         |            |             |               |        |          |
| Debt                             | 325.81         | 3,745.19                | -          | 56.77       | 176.70        | 15.71  | 4,320.18 |
| Government Securities            | -              | -                       | 4,506.13   | 86.31       | -             | 26.23  | 4,618.67 |
| Others                           | -              | -                       | 94.48      | -           | -             | -      | 94.48    |
| <b>Shareholders</b>              |                |                         |            |             |               |        |          |
| Debt                             | 287.80         | 1,320.37                | -          | 42.09       | 207.03        | 10.71  | 1,868.00 |
| Equity                           | -              | 76.16                   | -          | -           | -             | -      | 76.16    |
| Government Securities            | -              | -                       | 1,171.75   | 20.66       | -             | 26.22  | 1,218.63 |
| Others                           | -              | -                       | 3.49       | -           | -             | -      | 3.49     |



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₹ in crore

| Particulars                              | Infrastructure  | Financial and Insurance | Government       | IT Services     | Manufacturing   | Others        | Total            |
|------------------------------------------|-----------------|-------------------------|------------------|-----------------|-----------------|---------------|------------------|
| <b>2 Financial Assets at FVTPL</b>       |                 |                         |                  |                 |                 |               |                  |
| <b>Policyholders</b>                     |                 |                         |                  |                 |                 |               |                  |
| Debt                                     | 1,064.24        | 5,026.67                | -                | 158.79          | 658.49          | 31.41         | 6,939.60         |
| Equity                                   | 1,902.21        | 4,837.12                | -                | 2,237.63        | 7,040.75        | 522.89        | 16,540.60        |
| Government Securities                    | -               | -                       | 7,987.30         | -               | -               | -             | 7,987.30         |
| Mutual Fund Units                        | -               | 337.79                  | -                | -               | -               | -             | 337.79           |
| Others                                   | -               | 696.12                  | 788.88           | -               | -               | (39.81)       | 1,445.19         |
| <b>Shareholders</b>                      |                 |                         |                  |                 |                 |               |                  |
| Debt                                     | 1.54            | 40.36                   | 8.20             | -               | -               | 2.51          | 52.61            |
| Equity                                   | -               | 82.75                   | -                | -               | -               | -             | 82.75            |
| Mutual Fund Units                        | -               | 1.27                    | -                | -               | -               | -             | 1.27             |
| <b>3 Amortised Cost Financial Assets</b> |                 |                         |                  |                 |                 |               |                  |
| <b>Policyholders</b>                     |                 |                         |                  |                 |                 |               |                  |
| Debt                                     | 1,480.30        | 5,373.20                | -                | 42.32           | 170.52          | 20.30         | 7,086.64         |
| Government Securities                    | -               | -                       | 17,596.32        | 55.56           | -               | -             | 17,651.88        |
| Others                                   | -               | 10.29                   | 417.05           | -               | -               | -             | 427.33           |
| <b>Total Credit Risk Exposure</b>        | <b>5,061.90</b> | <b>21,547.29</b>        | <b>32,573.60</b> | <b>2,700.13</b> | <b>8,253.49</b> | <b>616.17</b> | <b>70,752.58</b> |

## Credit exposure by credit rating

As on 31<sup>st</sup> March 2024

₹ in crore

| Particulars                        | UNR       | SOVEREIGN | AAA      | AA+    | AA-   | AA     | Others | Total     |
|------------------------------------|-----------|-----------|----------|--------|-------|--------|--------|-----------|
| <b>1 FVOCI Financial Assets</b>    |           |           |          |        |       |        |        |           |
| <b>Policyholders</b>               |           |           |          |        |       |        |        |           |
| Debt                               | -         | -         | 4,197.72 | 573.83 | -     | 241.68 | -      | 5,013.23  |
| Government Securities              | -         | 4,989.94  | 108.77   | -      | -     | -      | -      | 5,098.71  |
| Others                             | 67.77     | 221.79    | 42.12    | -      | -     | -      | -      | 331.68    |
| <b>Shareholders</b>                |           |           |          |        |       |        |        | -         |
| Debt                               | -         | -         | 1,887.74 | 287.88 | 51.86 | 269.10 | 19.31  | 2,515.89  |
| Equity                             | 30.77     | -         | -        | -      | -     | -      | -      | 30.77     |
| Government Securities              | -         | 1,244.61  | 47.00    | -      | -     | -      | -      | 1,291.61  |
| Others                             | 10.67     | 15.88     | -        | -      | -     | -      | -      | 26.55     |
| <b>2 Financial Assets at FVTPL</b> |           |           |          |        |       |        |        |           |
| <b>Policyholders</b>               |           |           |          |        |       |        |        |           |
| Debt                               | -         | -         | 5,946.77 | 480.99 | 15.56 | 370.79 | -      | 6,814.11  |
| Equity                             | 20,868.04 | -         | 343.43   | 244.98 | -     | 20.79  | -      | 21,477.25 |
| Government Securities              | -         | 10,016.32 | -        | -      | -     | -      | -      | 10,016.32 |
| Mutual Fund Units                  | 590.47    | -         | -        | -      | -     | -      | -      | 590.47    |
| Others                             | 78.91     | 603.06    | 261.14   | -      | -     | -      | 66.57  | 1,009.68  |
| <b>Shareholders</b>                |           |           |          |        |       |        |        |           |
| Debt                               | -         | -         | 44.22    | -      | -     | -      | -      | 44.22     |
| Equity                             | -         | -         | -        | 58.96  | -     | 15.59  | -      | 74.55     |
| Government Securities              | -         | 7.80      | -        | -      | -     | -      | -      | 7.80      |
| Mutual Fund Units                  | -         | -         | 3.12     | -      | -     | -      | 6.48   | 9.60      |

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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Particulars                              | UNR              | SOVEREIGN        | AAA              | AA+             | AA-           | AA              | Others        | Total            |
|------------------------------------------|------------------|------------------|------------------|-----------------|---------------|-----------------|---------------|------------------|
| <b>3 Amortised Cost Financial Assets</b> |                  |                  |                  |                 |               |                 |               |                  |
| <b>Policyholders</b>                     |                  |                  |                  |                 |               |                 |               |                  |
| Debt                                     | -                | -                | 7,436.17         | 240.85          | 104.81        | 134.00          | 24.00         | 7,939.83         |
| Government Securities                    | -                | 24,259.22        | 55.56            | -               | -             | -               | -             | 24,314.78        |
| Others                                   | -                | 260.68           | -                | -               | -             | -               | -             | 260.68           |
| <b>Shareholders</b>                      |                  |                  |                  |                 |               |                 |               |                  |
| Debt                                     | -                | -                | -                | -               | -             | -               | -             | -                |
| Government Securities                    | -                | -                | -                | -               | -             | -               | -             | -                |
| Others                                   | -                | -                | -                | -               | -             | -               | -             | -                |
| <b>Total Credit Risk Exposure</b>        | <b>21,646.64</b> | <b>41,619.31</b> | <b>20,373.76</b> | <b>1,887.48</b> | <b>172.23</b> | <b>1,051.95</b> | <b>116.36</b> | <b>86,867.74</b> |

As on 31<sup>st</sup> March 2023

₹ in crore

| Particulars                              | UNR              | SOVEREIGN        | AAA              | AA+             | AA-           | AA              | Others      | Total            |
|------------------------------------------|------------------|------------------|------------------|-----------------|---------------|-----------------|-------------|------------------|
| <b>1 FVOCI Financial Assets</b>          |                  |                  |                  |                 |               |                 |             |                  |
| <b>Policyholders</b>                     |                  |                  |                  |                 |               |                 |             |                  |
| Debt                                     | -                | -                | 3,915.17         | 210.99          | -             | 194.02          | -           | 4,320.18         |
| Government Securities                    | -                | 4,506.13         | 112.54           | -               | -             | -               | -           | 4,618.66         |
| Others                                   | -                | 94.48            | -                | -               | -             | -               | -           | 94.48            |
| <b>Shareholders</b>                      |                  |                  |                  |                 |               |                 |             |                  |
| Debt                                     | -                | -                | 1,363.38         | 132.33          | 47.50         | 300.50          | 24.29       | 1,868.00         |
| Equity                                   | 76.16            | -                | -                | -               | -             | -               | -           | 76.16            |
| Government Securities                    | -                | 1,171.75         | 46.88            | -               | -             | -               | -           | 1,218.63         |
| Others                                   | -                | 3.49             | -                | -               | -             | -               | -           | 3.49             |
| <b>2 Financial Assets at FVTPL</b>       |                  |                  |                  |                 |               |                 |             |                  |
| <b>Policyholders</b>                     |                  |                  |                  |                 |               |                 |             |                  |
| Debt                                     | -                | -                | 6,186.82         | 454.95          | -             | 297.83          | -           | 6,939.60         |
| Equity                                   | 15,910.12        | -                | 374.86           | 209.70          | -             | 45.92           | -           | 16,540.60        |
| Government Securities                    | -                | 7,987.30         | -                | -               | -             | -               | -           | 7,987.30         |
| Mutual Fund Units                        | 337.79           | -                | -                | -               | -             | -               | -           | 337.79           |
| Others                                   | 170.81           | 788.88           | 525.31           | -               | -             | -               | (39.81)     | 1,445.19         |
| <b>Shareholders</b>                      |                  |                  |                  |                 |               |                 |             |                  |
| Debt                                     | -                | 8.20             | 44.41            | -               | -             | -               | -           | 52.61            |
| Equity                                   | -                | -                | -                | 51.72           | -             | 31.03           | -           | 82.75            |
| Mutual Fund Units                        | -                | -                | -                | -               | -             | -               | 1.27        | 1.27             |
| <b>3 Amortised Cost Financial Assets</b> |                  |                  |                  |                 |               |                 |             |                  |
| <b>Policyholders</b>                     |                  |                  |                  |                 |               |                 |             |                  |
| Debt                                     | -                | -                | 6,643.54         | 163.66          | 106.63        | 148.96          | 23.83       | 7,086.62         |
| Government Securities                    | -                | 17,596.32        | 55.56            | -               | -             | -               | -           | 17,651.88        |
| Others                                   | 10.29            | 417.05           | -                | -               | -             | -               | -           | 427.34           |
| <b>Total Credit Risk Exposure</b>        | <b>16,505.17</b> | <b>32,573.60</b> | <b>19,268.47</b> | <b>1,223.35</b> | <b>154.13</b> | <b>1,018.26</b> | <b>9.58</b> | <b>70,752.56</b> |



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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

It is the Group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables the Management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories, and are derived in accordance with the Group's rating policy. The attributable risk ratings are assessed and updated regularly.

The Group manages its product mix to ensure that there is no significant concentration of credit risk.

## Expected Credit Loss

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortised cost; and
- b) Financial assets (debt) that are measured as at FVTOCI.

ECL has been calculated on Non-ULIP portfolio as ULIP portfolio is marked-to-market. For recognition of impairment loss on financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

Loss Given Default (LGD) of 75% has been assumed across all securities (maximum as per RBI directives).

The credit rating, provided by the external rating agencies, has been considered while assigning PD for each individual company, the PD for each rating category is as under:

| Credit Rating | Default Rate |
|---------------|--------------|
| Gsec          | -            |
| State         | -            |
| AAA           | 0.03         |
| AAA (so)      | 0.03         |
| AA            | 0.5          |
| AA (so)       | 0.5          |
| AA+           | 0.5          |
| A+            | 0.74         |
| AA-           | 0.74         |

ECL allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss (P&L). The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

ECL allowance computed, basis above, during the period under consideration is as follows:

|                                    | ₹ in crore                                |                                           |
|------------------------------------|-------------------------------------------|-------------------------------------------|
| Movement of Allowances             | Year ended<br>31 <sup>st</sup> March 2024 | Year ended<br>31 <sup>st</sup> March 2023 |
| <b>Financial Assets</b>            |                                           |                                           |
| <b>As at 1<sup>st</sup> April</b>  | <b>12.47</b>                              | <b>10.15</b>                              |
| Provided during the year           | 3.92                                      | 3.11                                      |
| Amounts Written off                | (0.95)                                    | (0.79)                                    |
| <b>As at 31<sup>st</sup> March</b> | <b>15.44</b>                              | <b>12.47</b>                              |

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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## Liquidity Risk

Liquidity risk is the possibility that the Group will not be able to fund all cash outflow commitments as they fall due. The Group's primary funding obligations arise in connection with the payment of policyholder benefits sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

An asset-liability mismatch occurs when the financial terms of a company's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Through effective cash management and capital planning, the Company ensures that it is properly funded and maintain adequate liquidity to meet obligations. Based on the Company's historical cash flows and liquidity management processes, we believe that the cash flows from our operating activities will continue to provide sufficient liquidity for us to satisfy debt service obligations and to pay other expenses as they fall due. A governance structure, in form of the ALM Committee, and well defined Asset-Liability Management framework require periodic monitoring of the Asset-Liability position of the Company. BSLI's Asset-Liability Management Techniques aims to manage the volume, mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities as a whole so as to attain a predetermined acceptable risk/reward ratio. Further, the NAV guarantee products use proprietary monitoring mechanisms to ensure adequate ALM.

## Maturity Profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities of the company based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Unit-linked liabilities are repayable or transferable on demand, and are included in the up-to-a-year column. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

The group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

The group manages its product mix to ensure that there is no significant concentration of credit risk.

The table below summarises the expected utilisation or settlement of assets and liabilities.

## Maturity Analysis on Expected Maturity Bases

As on 31<sup>st</sup> March 2024

| Particulars                                                | Less Than<br>12 Months | 1 to<br>5 years | More than<br>5 years | Total     |
|------------------------------------------------------------|------------------------|-----------------|----------------------|-----------|
| <b>Financial Liabilities</b>                               |                        |                 |                      |           |
| Other Financial Liabilities                                | 1,613.45               | -               | 3.68                 | 1,617.13  |
| Lease Liability                                            | 13.19                  | 125.65          | 51.36                | 190.19    |
| Life Insurance Contract Liabilities and Restricted Surplus | 2,832.29               | 16,800.28       | 65,755.90            | 85,388.47 |
| Subordinated Liabilities                                   | -                      | -               | 749.69               | 749.69    |
| Trade and Other Payables                                   | 599.10                 | -               | -                    | 599.10    |



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## As on 31<sup>st</sup> March 2023

| Particulars                                                | Less Than<br>12 Months | 1 to<br>5 years | More than<br>5 years | Total     |
|------------------------------------------------------------|------------------------|-----------------|----------------------|-----------|
| <b>Financial Liabilities</b>                               |                        |                 |                      |           |
| Other Financial Liabilities                                | 1,424.96               | -               | 2.96                 | 1,427.92  |
| Lease Liability                                            | 40.45                  | 87.87           | 29.15                | 157.47    |
| Life Insurance Contract Liabilities and Restricted Surplus | 2,079.16               | 14,188.58       | 52,822.19            | 69,089.93 |
| Subordinated Liabilities                                   | -                      | -               | 499.96               | 499.96    |
| Trade and Other Payables                                   | 562.17                 | -               | -                    | 562.17    |

## Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Risk Management Committee. The Group has investment policy in place, which deals with guidelines for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

The Group issues unit-linked investment policies in a number of its operations. In the unit-linked business, the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. The Group's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

## Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

₹ in crore

| Market indices | Change in Interest Rate | As at 31 <sup>st</sup> March 2024 |                   | As at 31 <sup>st</sup> March 2023 |                  |
|----------------|-------------------------|-----------------------------------|-------------------|-----------------------------------|------------------|
|                |                         | Impact on Profit<br>Before Tax    | Impact on Equity* | Impact on Profit<br>Before Tax    | Impact on Equity |
| Interest Rate  | 25 Basis Point down     | Nil                               | 179.78            | Nil                               | 135.39           |
|                | 50 Basis Point down     | Nil                               | 368.09            | Nil                               | 274.47           |
|                | 25 Basis Point Up       | Nil                               | (175.10)          | Nil                               | (131.84)         |
|                | 50 Basis Point Up       | Nil                               | (345.13)          | Nil                               | (260.26)         |

\* Shock only on Interest Rate given(FVOCI) and hence no impact on Equity considered



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## Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. The Group is exposed to equity risk from a number of sources. A portion of our exposure to equity market risk arises in connection with benefit guarantees on contracts. The cost of providing for these guarantees is uncertain, and will depend upon a number of factors, including general capital market conditions, underlying fund performance, policyholder behaviour, and mortality experience, which may result in negative impacts on our net income and capital.

The Group has no significant concentration of equity price risk.

The analysis below is performed for reasonably possible movements in market indices, i.e.; BSE 100 with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the Statement of Profit and Loss) and equity (that reflects changes in fair value of FVTPL financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

₹ in crore

| Market Indices | Change in Variables | As at 31 <sup>st</sup> March 2024 |                  | As at 31 <sup>st</sup> March 2023 |                  |
|----------------|---------------------|-----------------------------------|------------------|-----------------------------------|------------------|
|                |                     | Impact on Profit Before Tax       | Impact on Equity | Impact on Profit Before Tax       | Impact on Equity |
| BSE 100        | 10% rise            | 337.57                            | 315.94           | 225.76                            | 200.43           |
|                | 10% fall            | (337.57)                          | (315.94)         | (225.76)                          | (200.43)         |

## Operational Risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

Operational risks are governed through Operational Risk Management policy. The Group maintains an operational loss database to track and mitigate risks resulting in financial losses. The Group has also initiated a Risk Control and Self Assessment process to embed the control testing as a part of day- to- day operations. To control operational risk, operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programmes is designed to equip staff at all levels to meet the demands of their respective positions.

The Group has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business / technology interruption risk. Business Continuity Management System is certified against the global standard ISO 22301. It also has Business Continuity Policy to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimising the potential business impact to the Group.

Information Security Risk is the risk arising from IT systems (data leakage, application vulnerabilities, lack of segregation of duties and access control), human error, etc.; which can cause damage to finances or reputation. Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001:2013, which is a global benchmark. The Group has a comprehensive Information Security policy designed to comply with ISO 27001:2013, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008, and Notification dated 11<sup>th</sup> April 2011, on protection of sensitive personal information, and it provides direction to Information Security staff, Management and Employees regarding their roles and responsibilities towards Information Security.

Fraud management is handled through an internal committee, and is governed by the Fraud Reporting and Investigation Policy.



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## Nature and Term of Outstanding Derivative Contracts

### a) Forward Rate Agreements

₹ in crore

| Particulars                                                                                                       | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| i) Total notional principal amount of forward rate agreement undertaken during the year (Instrument-wise)         |                                      |                                      |
| 8.13% GOI 2045 (MD 22/06/2045)                                                                                    | -                                    | 136.84                               |
| 8.30% GOI 2040 (MD 02/07/2040)                                                                                    | 158.50                               | 187.04                               |
| 8.30% GOI 2042 (MD 31/12/2042)                                                                                    | 247.85                               | 482.23                               |
| 8.33% GOI 2036 (MD 07/06/2036)                                                                                    | 77.25                                | 34.82                                |
| 8.83% GOI 2041 (MD 12/12/2041)                                                                                    | 44.84                                | 162.31                               |
| 9.23% GOI 2043 (MD 23/12/2043)                                                                                    | 79.79                                | 245.60                               |
| 8.17% GOI 2044 (MD 01/12/2044)                                                                                    | 606.94                               | 200.42                               |
| 7.06% GOI 2046 (MD 10/10/2046)                                                                                    | -                                    | 113.36                               |
| 6.83% GOI (MD 19/01/2039)                                                                                         | 169.17                               | -                                    |
| 7.72% GOI 2049 (MD 15/06/2049)                                                                                    | 135.12                               | -                                    |
| 7.25% GOI 2063 (MD 12/06/2063)                                                                                    | 3,461.68                             | -                                    |
| 7.30% GOI 2053 (MD 19/06/2053)                                                                                    | 1,966.97                             | -                                    |
| 7.26% GOI 2033 (MD 06/02/2033)                                                                                    | 70.46                                | -                                    |
| 6.99% GOI 2051 (MD 15/12/2051)                                                                                    | -                                    | 73.71                                |
| 6.67% GOI 2035 (MD 15/12/2035)                                                                                    | -                                    | 13.40                                |
| 7.54% GOI 2036 (MD 23/05/2036)                                                                                    | 962.16                               | 877.64                               |
| 6.95% GOI 2061 (MD 16/12/2061)                                                                                    | -                                    | 17.40                                |
| 7.40% GOI 2062 (MD 19/09/2062)                                                                                    | 1,505.60                             | 438.00                               |
| 7.41% GOI 2036 (MD 19/12/2036)                                                                                    | 208.04                               | 465.27                               |
| 7.36% GOI 2052 (MD 12/09/2052)                                                                                    | 1,985.47                             | 506.01                               |
| ii) Total notional principal amount of forward rate agreement outstanding as on end of the year (Instrument-wise) |                                      |                                      |
| 7.40% GOI 2035 (MD 09/09/2035)                                                                                    | 36.17                                | 58.86                                |
| 7.62% GOI 2039 (MD 15/09/2039)                                                                                    | 170.15                               | 289.52                               |
| 7.73% GOI 2034 (MD 19/12/2034)                                                                                    | 111.87                               | 141.66                               |
| 7.95% GOI 2032 (MD 28.08.2032)                                                                                    | 126.83                               | 178.68                               |
| 8.13% GOI 2045 (MD 22/06/2045)                                                                                    | 253.21                               | 293.45                               |
| 8.24% GOI 2033 (MD 10/11/2033)                                                                                    | 28.07                                | 90.61                                |
| 8.28% GOI (MD 15/02/2032)                                                                                         | 50.21                                | 50.21                                |
| 8.30% GOI 2040 (MD 02/07/2040)                                                                                    | 411.85                               | 264.68                               |
| 8.30% GOI 2042 (MD 31/12/2042)                                                                                    | 836.71                               | 654.73                               |
| 8.32% GOI (MD 02/08/2032)                                                                                         | 95.15                                | 135.85                               |
| 8.33% GOI 2036 (MD 07/06/2036)                                                                                    | 370.59                               | 441.95                               |
| 8.83% GOI 2041 (MD 12/12/2041)                                                                                    | 298.77                               | 382.24                               |
| 9.20% GOI 2030 (MD 30/09/2030)                                                                                    | 54.73                                | 170.08                               |
| 9.23% GOI 2043 (MD 23/12/2043)                                                                                    | 397.38                               | 337.19                               |
| 8.17% GOI 2044 (MD 01/12/2044)                                                                                    | 917.20                               | 310.26                               |
| 7.06% GOI 2046 (MD 10/10/2046)                                                                                    | 214.43                               | 214.43                               |
| 7.63% GOI 2059 (MD 17/06/2059)                                                                                    | 29.40                                | 35.66                                |
| 7.72% GOI 2055 (MD 26/10/2055)                                                                                    | 93.15                                | 123.27                               |
| 6.67% GOI 2050 (MD 17/12/2050)                                                                                    | 136.40                               | 156.55                               |
| 6.76% GOI 2061 (MD 22/02/2061)                                                                                    | -                                    | 32.51                                |

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₹ in crore

| Particulars                    | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------|--------------------------------------|--------------------------------------|
| 6.64% GOI 2035 (MD 16/06/2035) | 209.48                               | 273.49                               |
| 6.99% GOI 2051 (MD 15/12/2051) | 83.34                                | 129.65                               |
| 7.50% GOI 2034 (MD 10.08.2034) | -                                    | 44.01                                |
| 6.67% GOI 2035 (MD 15/12/2035) | -                                    | 51.62                                |
| 6.95% GOI 2061 (MD 16/12/2061) | 17.40                                | 17.40                                |
| 7.36% GOI 2052 (MD 12/09/2052) | 1,710.03                             | 506.01                               |
| 7.54% GOI 2036 (MD 23/05/2036) | 1,127.25                             | 696.90                               |
| 7.40% GOI 2062 (MD 19/09/2062) | 1,905.66                             | 438.00                               |
| 7.41% GOI 2036 (MD 19/12/2036) | 422.52                               | 465.27                               |
| 6.67% GOI 2035 (MD 15/12/2035) | 13.40                                | -                                    |
| 7.25% GOI 2063 (MD 12/06/2063) | 3,461.68                             | -                                    |
| 7.30% GOI 2053 (MD 19/06/2053) | 1,965.46                             | -                                    |
| 7.26% GOI 2033 (MD 06/02/2033) | 70.46                                | -                                    |
| 7.72% GOI 2049 (MD 15/06/2049) | 135.12                               | -                                    |
| 6.83% GOI (MD 19/01/2039)      | 169.17                               | -                                    |

**b) The fair value mark- to- market (MTM) gains or losses in respect of Forward Rate Agreement outstanding as at the Balance Sheet date is stated below:**

₹ in crore

| Hedging Instrument             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------|--------------------------------------|--------------------------------------|
| 7.40% GOI 2035 (MD 09/09/2035) | 1.14                                 | 0.59                                 |
| 7.62% GOI 2039 (MD 15/09/2039) | 1.39                                 | (8.14)                               |
| 7.73% GOI 2034 (MD 19/12/2034) | 1.32                                 | (1.82)                               |
| 7.95% GOI 2032 (28/08/2032)    | 6.45                                 | 3.85                                 |
| 8.13% GOI 2045 (MD 22/06/2045) | 8.12                                 | (1.20)                               |
| 8.24% GOI 2033 (MD 10/11/2033) | 1.16                                 | 2.84                                 |
| 8.28% GOI (MD 15/02/2032)      | 3.90                                 | 2.61                                 |
| 8.30% GOI 2040 (MD 02/07/2040) | 10.76                                | (1.59)                               |
| 8.30% GOI 2042 (MD 31/12/2042) | 20.24                                | (2.97)                               |
| 8.32% GOI (MD 02/08/2032)      | 7.83                                 | 4.15                                 |
| 8.33% GOI 2036 (07/06/2036)    | 8.25                                 | (4.61)                               |
| 8.83% GOI 2041 (MD 12/12/2041) | 11.15                                | 4.58                                 |
| 9.20% GOI 2030 (MD 30/09/2030) | 1.20                                 | 1.97                                 |
| 9.23% GOI 2043 (MD 23/12/2043) | 14.07                                | 2.29                                 |
| 8.17% GOI 2044 (MD 01/12/2044) | 20.41                                | (1.94)                               |
| 7.06% GOI 2046 (MD 10/10/2046) | 6.36                                 | (0.52)                               |
| 7.63% GOI 2059 (MD 17/06/2059) | 0.89                                 | (0.80)                               |
| 7.72% GOI 2055 (MD 26/10/2055) | 4.60                                 | 0.01                                 |
| 6.67% GOI 2050 (MD 17/12/2050) | 3.64                                 | (1.62)                               |
| 6.76% GOI 2061 (MD 22/02/2061) | -                                    | 0.50                                 |
| 6.64% GOI 2035 (MD 16/06/2035) | 1.66                                 | (4.95)                               |
| 6.99% GOI 2051 (MD 15/12/2051) | 3.54                                 | 2.04                                 |
| 7.50% GOI 2034 (10/08/2034)    | -                                    | (0.01)                               |
| 6.95% GOI 2061 (MD 16/12/2061) | 0.94                                 | 0.32                                 |
| 7.40% GOI 2062 (MD 19/09/2062) | 30.45                                | 0.34                                 |



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₹ in crore

| Hedging Instrument             | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------|--------------------------------------|--------------------------------------|
| 7.41% GOI 2036 (MD 19/12/2036) | 8.49                                 | (0.17)                               |
| 7.36% GOI 2052 (MD 12/09/2052) | 28.16                                | 4.96                                 |
| 7.54% GOI 2036 (MD 23/05/2036) | 17.42                                | 4.02                                 |
| 6.67% GOI 2035 (MD 15/12/2036) | 0.22                                 | 0.22                                 |
| 7.25% GOI 2063 (MD 12/06/2063) | 61.88                                | -                                    |
| 7.30% GOI 2053 (MD 19/06/2053) | 47.68                                | -                                    |
| 7.26% GOI 2033 (MD 06/02/2033) | 1.31                                 | -                                    |
| 7.72% GOI 2049 (MD 15/06/2049) | 1.72                                 | -                                    |
| 6.83% GOI (MD 19/01/2039)      | 1.31                                 | -                                    |

## c) Movement in Hedge Reserve

₹ in crore

| Hedge Reserve Account                                              | As at 31 <sup>st</sup> March 2024 |                 |                 |
|--------------------------------------------------------------------|-----------------------------------|-----------------|-----------------|
|                                                                    | Realised                          | Unrealised      | Total           |
| i) Balance at the beginning of the year                            | (56.81)                           | (81.25)         | (138.06)        |
| ii) Add: Changes in the Fair Value during the year and             | (37.59)                           | (403.78)        | (441.37)        |
| iii) Less: Amounts reclassified to Revenue / Profit & Loss Account | (7.06)                            | -               | (7.06)          |
| <b>Balance at the end of the year</b>                              | <b>(87.34)</b>                    | <b>(485.03)</b> | <b>(572.37)</b> |

₹ in crore

| Hedge Reserve Account                                              | As at 31 <sup>st</sup> March 2023 |                |                 |
|--------------------------------------------------------------------|-----------------------------------|----------------|-----------------|
|                                                                    | Realised                          | Unrealised     | Total           |
| i) Balance at the beginning of the year                            | (67.14)                           | (25.85)        | (92.99)         |
| ii) Add: Changes in the Fair Value during the year and             | 5.03                              | (55.40)        | (50.37)         |
| iii) Less: Amounts reclassified to Revenue / Profit & Loss Account | (5.30)                            | -              | (5.30)          |
| <b>Balance at the end of the year</b>                              | <b>(56.81)</b>                    | <b>(81.25)</b> | <b>(138.06)</b> |

| Particulars                                                             | As at 31 <sup>st</sup> March 2024                                                                                                              | As at 31 <sup>st</sup> March 2023                                                                                                   |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| i) Name of the Counter party                                            | HSBC Bank, J.P. Morgan, Citi Bank, Credit Suisse, HDFC Bank, Deutsche Bank; Standard Chartered Bank, DBS, Kotak Bank, ICICI Bank and Axis bank | HSBC Bank, J.P. Morgan, Citi Bank, Credit Suisse, HDFC Bank, Deutsche Bank; Standard Chartered Bank, DBS, Kotak Bank and ICICI Bank |
| ii) Hedge Designation                                                   | Cash Flow Hedge                                                                                                                                | Cash Flow Hedge                                                                                                                     |
| iii) Likely impact of one percentage change in interest rate (100*PV01) |                                                                                                                                                |                                                                                                                                     |
| a) Underlying being hedged                                              | Sovereign Bonds                                                                                                                                | Sovereign Bonds                                                                                                                     |
| b) Derivative                                                           | Forward Rate Agreement                                                                                                                         | Forward Rate Agreement                                                                                                              |

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## Capital Management Objectives and Policies

The Group has established the following capital management objectives, policies and approach to manage the risks that affect its capital position:

- i) To maintain the required level of stability of the Group thereby providing a degree of security to policyholders
- ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- iv) To align the profile of assets and liabilities taking account of risks inherent in the business
- v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Group has met all of these requirements throughout the financial year. In reporting financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory and Development Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

## Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Group are subject to regulatory requirements within the jurisdictions in which it operates.

## B. Financial Risk Management and its Policies for NBFC and HFC Businesses

### Credit Risk

Credit risk is the risk that the NBFC and HFC will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The NBFC and HFC manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The NBFC and HFC has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the NBFC and HFC to assess the potential loss, as a result of the risks to which it is exposed and take corrective action.

### Analysis of maximum exposure to credit risk and collateral and other credit enhancements

The NBFC and HFC by way of loan sanction letter and other loan securing documents agrees with its customers on collateral security to be provided by the customers in secured loan exposures that are subject to credit risk. Collateral security enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfil its primary obligations.



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Collateral security accepted could be in the form of:

- Financial collateral in the form of pledge of equity shares, units of mutual funds, assignment of life insurance policies;
- Current assets in the form of inventories meant for sale or receivables arising out of the sale of finished goods;
- Fixed asset (in the form of immovable properties – real estate, Plant and Machinery, Equipment);
- Third-party obligation (in the form of Irrevocable Unconditional Guarantee issued by Bank, Third party);
- Risk participation from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE); and
- Assignment of borrower's rights and interests under agreements with third parties.

In addition, we also stipulates escrow of cash flows and a Debt Service Reserve Account (DSRA) for project loans. Collateral serves to mitigate the inherent risk of credit loss in an exposure, by either improving recoveries in the event of a default or substituting the borrower.

As part of the assessment of a credit transaction the availability, adequacy and suitability of collateral for the transaction is evaluated and decided upon. The processes includes verification of the title to the collateral offered and valuation by technical experts where warranted. We accept as collateral only securities of good quality and have in place legally effective and enforceable documentation.

For guarantee's taken, the guarantor's creditworthiness is assessed during the credit assessment process of the transaction. We have collateral type specific haircuts in place which are reviewed at intervals as appropriate to the type of collateral.

The NBFC and HFC recognises that collateral can be a credit mitigant (alternative source of repayment), but does not replace or dilute the underwriting standards the group adopts to underwrite credit exposures.

## Liquidity risk

Liquidity risk is defined as the risk that the NBFC & HFC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the NBFC and HFC might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

NBFC & HFC manages its liquidity requirement by analysing the maturity pattern of NBFC & HFC's cash flows of financial assets and financial liabilities. The Assets-Liabilities Management of the NBFC & HFC is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the NBFC & HFC's financial liabilities as at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.

## Financial Liabilities

| ₹ in crore                        |                  |                  |                    |
|-----------------------------------|------------------|------------------|--------------------|
| As at 31 <sup>st</sup> March 2024 | Within 12 Months | After 12 Months  | Total              |
| Trade and Other Payables          | 638.59           | -                | 638.59             |
| Other Financial Liabilities       | 2,903.80         | 416.16           | 3,319.96           |
| Borrowing & Debt Securities       | 45,183.99        | 78,502.44        | 1,23,686.43        |
| <b>Total</b>                      | <b>48,726.38</b> | <b>78,918.60</b> | <b>1,27,644.98</b> |

## Financial Liabilities

| ₹ in crore                        |                  |                  |                  |
|-----------------------------------|------------------|------------------|------------------|
| As at 31 <sup>st</sup> March 2023 | Within 12 Months | After 12 Months  | Total            |
| Trade and Other Payables          | 702.72           | -                | 702.72           |
| Other Financial Liabilities       | 829.81           | 240.53           | 1,070.34         |
| Borrowing and Debt Securities     | 31,641.16        | 63,859.30        | 95,500.46        |
| <b>Total</b>                      | <b>33,173.69</b> | <b>64,099.83</b> | <b>97,273.52</b> |



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## Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The group cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

## Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Group, market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial liabilities held at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.

## Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Interest rate sensitivity statement is placed before Asset liability committee ("ALCO"). The statement captures the duration of rate sensitive assets & liabilities of the company. The impact of change in interest rate on the earning of the company is also presented to ALCO.

To mitigate the interest rate risk, ALM policy of the respective companies stipulates interest rate sensitivity gap of all the time buckets.

## Interest Rate Sensitivity

|                |                         | ₹ in crore                  |                  |                             |                  |
|----------------|-------------------------|-----------------------------|------------------|-----------------------------|------------------|
| Market Indices | Change in Interest rate | 31 <sup>st</sup> March 2024 |                  | 31 <sup>st</sup> March 2023 |                  |
|                |                         | Impact on Profit Before Tax | Impact on Equity | Impact on Profit Before Tax | Impact on Equity |
| Interest Rate  | 25 Basis Point Down     | 63.46                       | 47.18            | 111.28                      | 82.72            |
|                | 50 Basis Point Down     | 126.91                      | 94.36            | 222.57                      | 165.43           |
|                | 25 Basis Point Up       | (63.46)                     | (47.18)          | (111.28)                    | (82.72)          |
|                | 50 Basis Point Up       | (126.91)                    | (94.36)          | (222.57)                    | (165.43)         |

|                          |  |  | ₹ in crore                  |                             |
|--------------------------|--|--|-----------------------------|-----------------------------|
| Particulars              |  |  | As at                       | As at                       |
|                          |  |  | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Variable rate borrowings |  |  | 25,382.62                   | 18,825.99                   |
| Fixed rate borrowings    |  |  | 65,981.52                   | 50,245.05                   |
| <b>Total borrowings</b>  |  |  | <b>91,364.14</b>            | <b>69,071.04</b>            |

## Foreign Exchange Risk

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of fluctuation in foreign exchange rates primarily relates to its External Commercial Borrowings. The Group uses derivative instruments like cross currency swaps to hedge exposure to foreign currency risk.



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The Group has taken foreign currency borrowings. For managing, the foreign currency risk and interest rate risk, arising from changes in applicable benchmark on such borrowings, the Group has entered into Cross Currency Swap (CCS) for loan liability covering the entire tenor of the loan along with the interest payable.

## Capital Management Objectives and Policies

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a capital adequacy ratio, which is weighted assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, the Group being a Non Banking Finance Group has to maintain 15% of capital adequacy ratio of NBFC business and 12% of capital adequacy ratio of HFC business.

The actual Capital Adequacy Ratio is as under:

| Particulars                                                                      | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Capital Adequacy Ratio of Aditya Birla Capital Limited (Core Investment Company) | 111.04%                              | 99.76%                               |
| Capital Adequacy Ratio of NBFC                                                   | 16.24%                               | 16.38%                               |
| Capital Adequacy Ratio of HFC                                                    | 16.79%                               | 21.58%                               |
| Capital Adequacy Ratio of ARC                                                    | 40.70%                               | 33.39%                               |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.

## Derivative Financial Instruments of NBFC and HFC Business

### Aditya Birla Housing Finance Limited

#### 1 Nature and Term of Outstanding Derivative Contracts:

##### a) Overnight Index Swaps (OIS)

₹ in crore

| Particulars                                                                            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| i) Total notional principal amount of OIS agreement undertaken during the year         | -                                    | 50.00                                |
| ii) Total notional principal amount of OIS agreement outstanding as on end of the year | -                                    | 50.00                                |
| iii) Maturity date of OIS                                                              | -                                    | 4 <sup>th</sup> October 2023         |

#### b) The fair value mark to market (MTM) gains or losses in respect of Swap Agreement outstanding as at the Balance Sheet date is stated below:

₹ in crore

| Hedging Instrument         | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------|--------------------------------------|--------------------------------------|
| Overnight Index Swaps(OIS) | -                                    | 0.19                                 |

# NOTES

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## c) Movement in Hedge Reserve

₹ in crore

| Cash Flow Hedge Reserve Account                    | Realised | Unrealised | Total   |
|----------------------------------------------------|----------|------------|---------|
| <b>As at 31<sup>st</sup> March 2024</b>            |          |            |         |
| i) Balance at the beginning of the Year            | -        | -          | -       |
| ii) Add: Changes in the fair value during the Year | -        | -          | -       |
| iii) Less: Amounts reclassified to profit or loss  | -        | -          | -       |
| iv) Balance at the end of the Year                 | -        | -          | -       |
| <b>As at 31<sup>st</sup> March 2023</b>            |          |            |         |
| i) Balance at the beginning of the Year            | -        | (6.65)     | (6.65)  |
| ii) Add: Changes in the fair value during the Year | (14.08)  | (14.26)    | (28.34) |
| iii) Less: Amounts reclassified to profit or loss  | (14.08)  | (20.91)    | (34.99) |
| iv) Balance at the end of the Year                 | -        | -          | -       |

₹ in crore

| Particulars - OIS            | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|------------------------------|--------------------------------------|--------------------------------------|
| i) Name of the Counter Party | -                                    | State bank of India                  |
| ii) Hedge Designation        | -                                    | Effective                            |
| iii) Floating rate           | -                                    | FBIL Mibor                           |
| iv) Fixed rate               | -                                    | 6.96%                                |

## Aditya Birla Finance Limited

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

₹ in crore

| Particulars                             | Notional<br>Amounts | Fair Value<br>- Assets | Fair Value -<br>Liabilities |
|-----------------------------------------|---------------------|------------------------|-----------------------------|
| <b>As at 31<sup>st</sup> March 2024</b> |                     |                        |                             |
| <b>Part I</b>                           |                     |                        |                             |
| (i) Cross Currency Interest Rate Swaps  | 2,381.59            | 7.62                   | 83.04                       |
| (ii) INR Interest Rate swaps            | 800.00              | 0.38                   | 3.69                        |
| (iii) Currency forward                  | 37.29               | 2.40                   | -                           |
| <b>Total</b>                            | <b>3,218.88</b>     | <b>10.40</b>           | <b>86.73</b>                |
| <b>Part II</b>                          |                     |                        |                             |
| (i) Fair value Hedging                  |                     |                        |                             |
| - Interest Rate derivatives             | 500.00              | 0.08                   | 3.62                        |
| (ii) Cash Flow Hedging                  |                     |                        |                             |
| - Cross Currency Interest Rate Swaps    | 2,381.59            | 7.62                   | 83.04                       |
| - Currency Forward                      | 37.29               | 2.40                   | -                           |
| - Interest Rate derivatives             | 300.00              | 0.30                   | 0.07                        |
| <b>Total</b>                            | <b>3,218.88</b>     | <b>10.40</b>           | <b>86.73</b>                |



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₹ in crore

| Particulars                             | Notional Amounts | Fair Value - Assets | Fair Value - Liabilities |
|-----------------------------------------|------------------|---------------------|--------------------------|
| <b>As at 31<sup>st</sup> March 2023</b> |                  |                     |                          |
| <b>Part I</b>                           |                  |                     |                          |
| (i) Cross Currency Interest Rate Swaps  | 931.49           | -                   | 7.15                     |
| (ii) INR Interest Rate swaps            | 1,000.00         | 0.84                | 6.54                     |
| (iii) Currency forward                  | 0.00             | -                   | -                        |
| <b>Total</b>                            | <b>1,931.49</b>  | <b>0.84</b>         | <b>13.69</b>             |
| <b>Part II</b>                          |                  |                     |                          |
| (i) Fair value Hedging                  |                  |                     |                          |
| - Interest Rate derivatives             | 900.00           | 0.51                | 6.54                     |
| (ii) Cash Flow Hedging                  |                  |                     |                          |
| - Cross Currency Interest Rate Swaps    | 931.49           | -                   | 7.15                     |
| - Currency Forward                      | -                | -                   | -                        |
| - Interest Rate derivatives             | 100.00           | 0.33                | -                        |
| <b>Total</b>                            | <b>1,931.49</b>  | <b>0.84</b>         | <b>13.69</b>             |

## Note a) : Hedging Activities and Derivatives

The Company is exposed to certain risks relating to its external commercial borrowings. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

## Note b) : Derivatives Designated as Hedging Instruments

### Cash Flow Hedges

The Company is exposed to foreign currency risk arising from its External Commercial borrowings amounting to ₹ 2,381.59 crore. Interest on the borrowings is payable at a floating rate. The Company economically hedged the foreign currency risk arising from the debt with a 'receive floating pay fixed' cross-currency interest rate swap ('swap'). The notional amount of swap is disclosed in the table below. The swap contract converts the cash outflows of the foreign currency borrowings as per table below to cash outflows in INR with a notional amount of ₹ 2,381.59 crore at fixed interest rate.

| Name of Lender                                                                      | Foreign Currency Denominated Borrowing Amount | Interest Rate type     | Notional Amount of swap (₹ in crore) | Interest Rate Swap type |
|-------------------------------------------------------------------------------------|-----------------------------------------------|------------------------|--------------------------------------|-------------------------|
| <b>As at 31<sup>st</sup> March 2024</b>                                             |                                               |                        |                                      |                         |
| JPY Denominated (in JPY crore)<br>(Maturity Range: February 2026 to March 2026)     | 838.94                                        | Floating rate interest | 519.84                               | Fixed Rate Interest     |
| USD Denominated (is USD crore) EDC (Maturity in Mar 2026)                           | 22.50                                         | Floating Rate Interest | 1,861.76                             | Fixed Rate Interest     |
|                                                                                     |                                               |                        | <b>2,381.59</b>                      |                         |
| <b>As at 31<sup>st</sup> March 2023</b>                                             |                                               |                        |                                      |                         |
| JPY Denominated (in JPY crore)<br>(Maturity Range: September 2022 to February 2023) | 838.94                                        | Floating Rate Interest | 519.84                               | Fixed Rate Interest     |
| SMBC Bank (Maturity in Mar 2023)                                                    | 5.00                                          | Floating Rate Interest | 411.65                               | Fixed Rate Interest     |
|                                                                                     |                                               |                        | <b>931.49</b>                        |                         |

There is an economic relationship between the hedged item and the hedging instrument, as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date, etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap are identical to the hedged risk components.

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The company has also taken overnight index swap deals to hedge it's cashflows for underlying NCDs. The details are disclosed in the table below:

| Particulars                | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------|--------------------------------------|--------------------------------------|
| <b>Interest Rate Swaps</b> |                                      |                                      |
| Borrowing Amount           | 300.00                               | 100.00                               |
| Interest Rate Type         | Floating rate interest               | Floating rate interest               |
| Notional Amount of Swap    | 300.00                               | 100.00                               |
| Interest Rate Swap Type    | Fixed rate interest                  | Fixed rate interest                  |

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

The impact of the hedging instruments on the balance sheet is, as follows:

| ₹ in crore                              |                  |                 |                                                        |                                                                               |
|-----------------------------------------|------------------|-----------------|--------------------------------------------------------|-------------------------------------------------------------------------------|
| Particulars                             | Notional Amounts | Carrying Amount | Line item in the<br>Statement of Financial<br>position | Change in Fair Value<br>Used for Measuring<br>Ineffectiveness for the<br>Year |
| <b>As at 31<sup>st</sup> March 2024</b> |                  |                 |                                                        |                                                                               |
| Cross Currency Interest Rate Swaps      | 2,381.59         | (75.41)         | Derivative Financial<br>Instruments                    | (51.68)                                                                       |
| Currency Forward                        | 37.29            | 2.40            | Derivative Financial<br>Instruments                    | 2.40                                                                          |
| Interest Rate Swaps                     | 300.00           | 0.23            | Derivative Financial<br>Instruments                    | (0.06)                                                                        |
| <b>Total</b>                            | <b>2,718.88</b>  | <b>(72.78)</b>  |                                                        | <b>(49.34)</b>                                                                |

| ₹ in crore     |                 |                                                     |                                                        |                                                                               |
|----------------|-----------------|-----------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------|
| Particulars    | Notional Amount | Accumulated fair<br>value adjustment -<br>Liability | Line item in the<br>Statement of<br>Financial Position | Change in Fair Value<br>used for measuring<br>ineffectiveness for the<br>year |
| Fixed Rate NCD | 500.00          | (3.45)                                              | Derivative financial<br>instruments                    | (2.31)                                                                        |
| <b>Total</b>   | <b>500.00</b>   | <b>(3.45)</b>                                       |                                                        | <b>(2.31)</b>                                                                 |

| ₹ in crore                              |                  |                 |                                                        |                                                                               |
|-----------------------------------------|------------------|-----------------|--------------------------------------------------------|-------------------------------------------------------------------------------|
| Particulars                             | Notional Amounts | Carrying Amount | Line item in the<br>Statement of Financial<br>position | Change in Fair Value<br>Used for Measuring<br>Ineffectiveness for the<br>Year |
| <b>As at 31<sup>st</sup> March 2023</b> |                  |                 |                                                        |                                                                               |
| Cross Currency Interest Rate Swaps      | 931.49           | (7.15)          | Derivative financial<br>instruments                    | 44.75                                                                         |
| Currency Forward                        | -                | -               | Derivative financial<br>instruments                    | β                                                                             |
| Interest Rate Swaps                     | 1,000.00         | (5.71)          | Derivative financial<br>instruments                    | (5.73)                                                                        |
| <b>Total</b>                            | <b>1,931.49</b>  | <b>(12.86)</b>  |                                                        | <b>39.02</b>                                                                  |

Figures of ₹ 50,000 or less have been denoted by β.



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₹ in crore

| Particulars    | Notional Amount | Accumulated fair value adjustment - Liability | Line item in the Statement of Financial Position | Change in Fair Value used for measuring ineffectiveness for the year |
|----------------|-----------------|-----------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------|
| Fixed Rate NCD | 900.00          | (5.75)                                        | Derivative financial instruments                 | 5.79                                                                 |
| <b>Total</b>   | <b>900.00</b>   | <b>(5.75)</b>                                 |                                                  | <b>5.79</b>                                                          |

The Impact of Hedged Items on the Balance Sheet is, as follows:

₹ in crore

| Particulars                                           | Change in Fair Value Used for Measuring Ineffectiveness for the Year | Cash Flow Hedge Reserve as at end of the Year |
|-------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------|
| <b>As at 31<sup>st</sup> March 2024</b>               |                                                                      |                                               |
| Foreign Currency denominated Floating Rate Borrowings | 29.28                                                                | (22.47)                                       |
| Debt Securities (NCDs)                                | -                                                                    | 0.16                                          |
| <b>Total</b>                                          | <b>29.28</b>                                                         | <b>(22.32)</b>                                |
| <b>As at 31<sup>st</sup> March 2023</b>               |                                                                      |                                               |
| Foreign Currency denominated Floating Rate Borrowings | (41.51)                                                              | (2.46)                                        |
| Debt Securities (NCDs)                                | -                                                                    | 0.21                                          |
| <b>Total</b>                                          | <b>(41.51)</b>                                                       | <b>(2.25)</b>                                 |

The effect of the Cash Flow Hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

₹ in crore

| Particulars                                           | Total Hedging Gain / (Loss) Recognised in OCI | Ineffective-ness Recognised in Profit or Loss |
|-------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>As at 31<sup>st</sup> March 2024</b>               |                                               |                                               |
| Foreign Currency denominated Floating Rate Borrowings | (20.01)                                       | -                                             |
| Debt Securities (NCDs)                                | (0.05)                                        | 0.02                                          |
| <b>Total</b>                                          | <b>(20.06)</b>                                | <b>0.02</b>                                   |
| <b>As at 31<sup>st</sup> March 2023</b>               |                                               |                                               |
| Foreign Currency denominated Floating Rate Borrowings | 3.45                                          | -                                             |
| Debt Securities (NCDs)                                | -                                             | 0.04                                          |
| <b>Total</b>                                          | <b>3.45</b>                                   | <b>0.04</b>                                   |

## Note c) : Movements in cash flow hedging reserve

₹ in crore

| Particulars                        | Cash Flow Hedging Reserve         |                                   |
|------------------------------------|-----------------------------------|-----------------------------------|
|                                    | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
| <b>As at 1<sup>st</sup> April</b>  | <b>(2.25)</b>                     | <b>(5.70)</b>                     |
| Add/Less: Changes in Fair Value    | (26.81)                           | 4.61                              |
| Add/Less: Deferred Tax             | 6.74                              | (1.16)                            |
| <b>As at 31<sup>st</sup> March</b> | <b>(22.32)</b>                    | <b>(2.25)</b>                     |



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The effect of the fair value hedge in the statement of profit or loss is, as follows:

| Particulars         | Hedge ineffectiveness recognised in statement of profit and loss |                             | Line in the statement of profit and loss that includes hedge ineffectiveness |
|---------------------|------------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------|
|                     | 31 <sup>st</sup> March 2024                                      | 31 <sup>st</sup> March 2023 |                                                                              |
| Interest rate swaps | 0.18                                                             | (0.16)                      | Net gain on fair value changes                                               |

**Note d) : The following table shows the maturity profile of hedging derivatives based on their notional amounts.**

| Particulars                             | ₹ in crore     |                 |                 |
|-----------------------------------------|----------------|-----------------|-----------------|
|                                         | 0 to 12 Months | 1 to 5 Years    | Total           |
| <b>As at 31<sup>st</sup> March 2024</b> |                |                 |                 |
| (i) Cross Currency Interest Rate Swaps  | -              | 2,381.59        | 2,381.59        |
| (ii) Currency Forward                   | 37.29          | -               | 37.29           |
| (iii) Interest Rate Swaps               | 375.00         | 425.00          | 800.00          |
| <b>Total</b>                            | <b>412.29</b>  | <b>2,806.59</b> | <b>3,218.88</b> |
| <b>As at 31<sup>st</sup> March 2023</b> |                |                 |                 |
| (i) Cross Currency Interest Rate Swaps  | -              | 931.49          | 931.49          |
| (iii) Interest Rate Swaps               | 400.00         | 600.00          | 1,000.00        |
| <b>Total</b>                            | <b>400.00</b>  | <b>1,531.49</b> | <b>1,931.49</b> |

## Note:

The Group, its associates and joint ventures have a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses needed to be provided as required under any law/accounting standards.

## ECL Risk

### Impairment Assessment

The credit loss provisioning approach is based on ECL model. This model ensures (a) timely recognition of ECL, (b) assessment of significant increase in credit risk, which will provide better disclosure and (c) ascertainment of better business ratios.

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of Material Accounting Policies.

- An explanation of the Group's internal grading system (Note 'Definition of default and cure' below)
- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default) (Note 'The Group's internal rating and PD estimation process', 'Probability of Default', 'Exposure at Default' below)
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 'Significant increase in credit risk' below)
- The Group's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 'Grouping Financial assets measured on a collective basis is given below)
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Note 'Probability of Default', 'Exposure at Default' and 'Loss Given Default' is given below)

### Definition of Default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.



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As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties and the customer has delay in his repayments over a month.

## The Group's Internal Rating and PD Estimation Process

- a. Internal Rating: A robust internal credit rating framework is vital for effective credit risk management. It is specified by RBI on credit risk management that lender should have an internal rating framework and the lenders must have independent Credit Risk Control Units (CRCU) or equivalents that are responsible for the design or selection, implementation and performance of their internal rating systems. Accordingly, we also have an internal rating framework developed along with CRISIL, with ratings being assigned to all the customer/ portfolio pool – (eligible customers for Ratings) and used extensively in internal decision-making.
- b. It is further specified in the policy that Internal rating/grading/scoring of the borrower/client is at least Investment grade rating as per ABFL's internal credit rating model or valid/live external rating."

## Probability of Default (PD)

PD is calculated basis likelihood that the borrower will default within one year horizon (Basis for Stage 1), For Stage 2 – it is defined as significant increase in credit risk and probability is defined as borrower's probability to default in lifetime.

## Exposure at Default

Gross exposure/potential gross exposure under a facility (i.e., the amount that is legally owed to the lender) at the time of default by a borrower. Exposure at Default gives an estimate of the amount outstanding.

## Loss Given Default (LGD)

LGD is usually shown as the percentage of Exposure at Default that the lender might lose in case the borrower defaults. It depends, among others, on the type of collateral, its value, borrower rating and the expected proceeds from the sale (e.g., sales proceeds from sales of collaterals/securities) of the assets, NPV net of recovery costs.

## Significant Increase in Credit Risk

- a. There is significant increase in credit risk, when there is deterioration in account performance and expected resolution is not available.
- b. Further, for large borrowers after assessing the following Risks in totality and deterioration in each factor, it is then assessed whether there is a significant increase in credit risk
  - i. Industry Risk
  - ii. Business Risk
  - iii. Management Risk
  - iv. Financial Risk
  - v. Banking Conduct and Facility level Conduct.

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- c. Significant increase in credit risk is also gauged through Credit Rating. Credit rating is an opinion of capacity of borrower to meet its financial obligations to the depositor or bondholder (i.e. lender of money) on a particular issue or type of instrument (i.e. a domestic or foreign currency: short or medium or long-term, etc.) in a timely manner. The rating measures the relative risk of an issuers ability and willingness to repay both interest and principal over the period of the rated instrument. i.e. rating signifies the risk of default of the borrower that is rated.

## Grouping Financial Assets Measured on a Collective Basis

The Group calculates ECLs either on a collective or an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

1. Corporate Portfolio

Asset classes where the Group calculates ECL on a collective basis include:

1. Retail Portfolio

The ECL methodology allows for individual assessment for corporates and therefore these loans are generally measured individually as each of these exposures have unique characteristics and structuring. For retail exposures and exposures which can be clubbed in homogenous pools, ECL is measured on a collective basis. This has been arrived at based on common characteristics like nature of product, customer profile etc.

## Analysis of Risk Concentration

Concentration analysis are presented for portfolio pool, location, top borrower exposures, Group exposures etc. These are regularly analysed and presented for further review/action.

## An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans of Housing Finance Business, is as follows:

### A Reconciliation of Gross Carrying Amount of Housing Finance Business:

|                                                      | ₹ in crore       |               |               |                  |
|------------------------------------------------------|------------------|---------------|---------------|------------------|
|                                                      | Stage 1          | Stage 2       | Stage 3       | Total            |
| <b>31<sup>st</sup> March 2024</b>                    |                  |               |               |                  |
| Gross Carrying Amount - Opening Balance              | 13,119.61        | 242.51        | 445.91        | 13,808.03        |
| New Assets Originated or Purchased                   | 8,448.01         | 0.27          | 2.75          | 8,451.03         |
| Assets Derecognised or Repaid (excluding Write Offs) | (4,096.46)       | (71.91)       | (152.64)      | (4,321.01)       |
| Transfers to Stage 1                                 | 80.71            | (62.92)       | (17.79)       | -                |
| Transfers to Stage 2                                 | (123.79)         | 128.01        | (4.22)        | -                |
| Transfers to Stage 3                                 | (65.77)          | (40.99)       | 106.76        | -                |
| Amounts Written Off                                  | (4.73)           | (1.05)        | (55.29)       | (61.07)          |
| <b>Gross Carrying Amount Closing Balance</b>         | <b>17,357.58</b> | <b>193.92</b> | <b>325.48</b> | <b>17,876.98</b> |
| <b>31<sup>st</sup> March 2023</b>                    |                  |               |               |                  |
| Gross Carrying Amount - Opening Balance              | 11,067.05        | 638.44        | 422.94        | 12,128.43        |
| New Assets Originated or Purchased                   | 5,274.93         | 11.67         | 12.75         | 5,299.35         |
| Assets Derecognised or Repaid (excluding Write Offs) | (3,369.93)       | (78.73)       | (115.09)      | (3,563.75)       |
| Transfers to Stage 1                                 | 403.70           | (325.81)      | (77.89)       | 0.00             |
| Transfers to Stage 2                                 | (124.32)         | 135.24        | (10.92)       | -                |
| Transfers to Stage 3                                 | (128.10)         | (136.40)      | 264.50        | -                |
| Amounts Written Off                                  | (3.72)           | (1.90)        | (50.38)       | (56.00)          |
| <b>Gross Carrying Amount Closing Balance</b>         | <b>13,119.61</b> | <b>242.51</b> | <b>445.91</b> | <b>13,808.03</b> |



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## B Reconciliation of ECL Balance for Housing Finance Business is given below:

₹ in crore

|                                                                                | Stage 1      | Stage 2      | Stage 3       | Total         |
|--------------------------------------------------------------------------------|--------------|--------------|---------------|---------------|
| <b>31<sup>st</sup> March 2024</b>                                              |              |              |               |               |
| ECL Allowance - Opening Balance                                                | 87.43        | 16.04        | 147.64        | 251.11        |
| New Assets Originated or Purchased                                             | 38.46        | 0.05         | 0.94          | 39.45         |
| Assets Derecognised or Repaid (excluding Write Offs)                           | (26.30)      | (2.81)       | (45.97)       | (75.08)       |
| Transfers to Stage 1                                                           | 1.89         | (1.44)       | (0.45)        | -             |
| Transfers to Stage 2                                                           | (7.89)       | 8.45         | (0.56)        | -             |
| Transfers to Stage 3                                                           | (24.15)      | (15.78)      | 39.93         | -             |
| Impact on year end ECL of exposures transferred between Stages during the year | 28.96        | 9.41         | (5.87)        | 32.50         |
| ECL recognised due to change in credit risk                                    | (24.26)      | 1.27         | (0.95)        | (23.94)       |
| Recoveries                                                                     | -            | -            | (4.94)        | (4.94)        |
| Amounts Written Off                                                            | (0.12)       | (0.06)       | (19.82)       | (20.00)       |
| <b>ECL Allowance - Closing Balance</b>                                         | <b>74.02</b> | <b>15.13</b> | <b>109.95</b> | <b>199.10</b> |
| <b>31<sup>st</sup> March 2023</b>                                              |              |              |               |               |
| ECL Allowance - Opening Balance                                                | 56.24        | 45.11        | 131.64        | 232.99        |
| New Assets Originated or Purchased                                             | 32.38        | 0.94         | 4.60          | 37.92         |
| Assets Derecognised or Repaid (excluding Write Offs)                           | (18.83)      | (5.49)       | (9.21)        | (33.53)       |
| Transfers to Stage 1                                                           | 43.40        | (24.26)      | (19.14)       | -             |
| Transfers to Stage 2                                                           | (0.80)       | 3.85         | (3.05)        | -             |
| Transfers to Stage 3                                                           | (0.74)       | (9.41)       | 10.15         | -             |
| Impact on year end ECL of exposures transferred between Stages during the year | (34.02)      | 1.22         | 73.10         | 40.30         |
| ECL recognised due to change in credit risk                                    | 11.42        | 4.26         | (1.41)        | 14.27         |
| Recoveries                                                                     | (1.59)       | (0.16)       | (3.27)        | (5.02)        |
| Amounts Written Off                                                            | (0.03)       | (0.02)       | (35.77)       | (35.82)       |
| <b>ECL Allowance - Closing Balance</b>                                         | <b>87.43</b> | <b>16.04</b> | <b>147.64</b> | <b>251.11</b> |

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**An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans of NBFC Business is as follows:**

**A Reconciliation of Gross Carrying Amount of NBFC Business:**

|                                                      | ₹ in crore         |                 |                 |                    |
|------------------------------------------------------|--------------------|-----------------|-----------------|--------------------|
|                                                      | Stage 1            | Stage 2         | Stage 3         | Total              |
| <b>31<sup>st</sup> March 2024</b>                    |                    |                 |                 |                    |
| Gross Carrying Amount - Opening Balance              | 75,757.85          | 2,187.35        | 2,507.09        | 80,452.29          |
| New Assets Originated or Purchased                   | 60,348.57          | 504.10          | 289.05          | 61,141.72          |
| Assets Derecognised or Repaid (excluding Write Offs) | (33,274.62)        | (522.08)        | (338.83)        | (34,135.53)        |
| Transfers to Stage 1                                 | 691.98             | (659.46)        | (32.52)         | -                  |
| Transfers to Stage 2                                 | (1,051.38)         | 1,070.71        | (19.33)         | -                  |
| Transfers to Stage 3                                 | (536.56)           | (257.48)        | 794.04          | -                  |
| Amounts Written Off                                  | (994.91)           | (228.90)        | (550.43)        | (1,774.24)         |
| <b>Gross Carrying Amount Closing Balance</b>         | <b>1,00,940.93</b> | <b>2,094.24</b> | <b>2,649.07</b> | <b>1,05,684.24</b> |
| <b>31<sup>st</sup> March 2023</b>                    |                    |                 |                 |                    |
| Gross Carrying Amount - Opening Balance              | 49,770.28          | 2,955.75        | 1,956.03        | 54,682.06          |
| New Assets Originated or Purchased                   | 47,293.49          | 354.98          | 315.49          | 47,963.96          |
| Assets Derecognised or Repaid (excluding Write Offs) | (20,744.66)        | (586.20)        | (399.43)        | (21,730.29)        |
| Transfers to Stage 1                                 | 1,219.54           | (1,160.05)      | (59.49)         | -                  |
| Transfers to Stage 2                                 | (1,080.95)         | 1,086.92        | (5.97)          | -                  |
| Transfers to Stage 3                                 | (474.93)           | (378.34)        | 853.27          | -                  |
| Amounts Written Off                                  | (224.92)           | (85.71)         | (152.81)        | (463.44)           |
| <b>Gross Carrying Amount Closing Balance</b>         | <b>75,757.85</b>   | <b>2,187.35</b> | <b>2,507.09</b> | <b>80,452.29</b>   |

**B Reconciliation of ECL Balance is given below for NBFC Business:**

|                                                         | ₹ in crore    |              |                 |                 |
|---------------------------------------------------------|---------------|--------------|-----------------|-----------------|
|                                                         | Stage 1       | Stage 2      | Stage 3         | Total           |
| <b>31<sup>st</sup> March 2024</b>                       |               |              |                 |                 |
| ECL Allowance - Opening Balance                         | 374.67        | 70.66        | 1,157.94        | 1,603.27        |
| Increase in New/Existing Assets Originated or Purchased | 1,011.83      | 243.10       | 716.02          | 1,970.95        |
| Assets Derecognised or Repaid (excluding Write Offs)    | (24.02)       | (3.01)       | (0.76)          | (27.79)         |
| Transfers to Stage 1                                    | 20.60         | (11.31)      | (9.29)          | -               |
| Transfers to Stage 2                                    | (6.32)        | 15.71        | (9.39)          | -               |
| Transfers to Stage 3                                    | (4.27)        | (5.91)       | 10.18           | -               |
| Amounts Written Off                                     | (994.91)      | (228.90)     | (542.28)        | (1,766.09)      |
| <b>ECL Allowance - Closing Balance</b>                  | <b>377.58</b> | <b>80.34</b> | <b>1,322.42</b> | <b>1,780.34</b> |
| <b>31<sup>st</sup> March 2023</b>                       |               |              |                 |                 |
| ECL Allowance - Opening Balance                         | 160.00        | 141.94       | 772.88          | 1,074.82        |
| New Assets Originated or Purchased                      | 482.51        | 62.18        | 553.49          | 1,098.18        |
| Assets Derecognised or Repaid (excluding Write Offs)    | (79.81)       | (9.23)       | (17.77)         | (106.81)        |
| Transfers to Stage 1                                    | 41.34         | (27.08)      | (14.26)         | -               |
| Transfers to Stage 2                                    | (2.56)        | 5.02         | (2.46)          | -               |
| Transfers to Stage 3                                    | (1.88)        | (16.46)      | 18.34           | -               |
| Amounts Written Off                                     | (224.93)      | (85.71)      | (152.28)        | (462.92)        |
| <b>ECL Allowance - Closing Balance</b>                  | <b>374.67</b> | <b>70.66</b> | <b>1,157.94</b> | <b>1,603.27</b> |

Stage 1 represents 'High Grade' internal rating.

Stage 2 represents 'Sub-Standard' internal rating.

Stage 3 represents 'Credit-Impaired'.



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## C. Financial Risk Management Objectives for Other Businesses:

The Group's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives, include trade and other receivables, investments, and cash and cash equivalents that arises directly from its operations.

The Group's activities expose it to market risk, liquidity risk, credit risk and foreign exchange

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts, principal only swaps that are entered to hedge foreign currency risk exposure, interest rate swaps to hedge variable interest rate exposure and commodity fixed price swaps to hedge commodity price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Group is exposed to and their management are given below:

| Risks                   | Exposure Arising From                                                                                         | Measurement                                                                    | Management                                                                                                                                                 |
|-------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market Risk:</b>     |                                                                                                               |                                                                                |                                                                                                                                                            |
| - Foreign Exchange Risk | Committed commercial transactions, Financial Assets and Liabilities not denominated in INR                    | Cash Flow Forecasting, Sensitivity Analysis                                    | Forward foreign exchange contracts, forward currency options and principal only / currency swaps                                                           |
| - Interest Rate Risk    | Long-Term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities | Sensitivity Analysis, Interest rate Movements                                  | Interest Rate swaps Portfolio Diversification and Duration Management for Mutual Fund Schemes                                                              |
| - Equity Price Risk     | Investments (other than Subsidiaries, Joint Ventures and Associates which are carried at cost)                | Financial Performance of the Investee Companies and its price in equity market | Investments are long term in nature and in Companies with sound management with leadership positions in their respective businesses                        |
| -Commodity Price Risks  | Movement in prices of commodities mainly Imported Thermal Coal and Pet Coke                                   | Sensitivity Analysis, Commodity Price Tracking                                 | Commodity Fixed Prices Swaps/ Options                                                                                                                      |
| <b>Credit Risk</b>      | Trade Receivables, Investments, Derivative Financial Instruments, ICDs                                        | Ageing Analysis, Credit Rating, Counter party Credit Evaluation                | Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria based approval process |
| <b>Liquidity Risk</b>   | Borrowings, Other Liabilities and liquid investments                                                          | Rolling Cash Flow Forecasts, Long Range Business Forecast                      | Adequate unused credit lines and borrowing facilities, sufficient cash and marketable securities                                                           |

The Management updates the Audit Committee on a quarterly basis about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Group on periodical basis about various risks to the business and the status of various activities planned to mitigate such risks.



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**Details relating to the risks are provided here below:**

## 1. Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to import of fuels, raw materials and spare parts, plant and equipment, exports, foreign currency borrowings and the Group's net investments in foreign subsidiaries/joint ventures.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

## (i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at 31<sup>st</sup> March 2024 are not denominated in Indian Rupees. The sensitivities do not take into account the Group's sales and costs and the results of the sensitivities could change due to other factors, such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

### Effect as 31<sup>st</sup> March 2024

|                                          | USD      | EUR     | GBP    | JPY    | CAD    | CNY/<br>CNH | AUD     | SEK    | BDT    | CHF    | Others* | Total           |
|------------------------------------------|----------|---------|--------|--------|--------|-------------|---------|--------|--------|--------|---------|-----------------|
| <b>Effect of 5% Strengthening of INR</b> |          |         |        |        |        |             |         |        |        |        |         |                 |
| On Profit \$                             | 105.21   | 21.86   | (1.48) | 6.05   | (2.07) | (0.18)      | 14.58   | 0.00   | (0.00) | 0.01   | 0.10    | <b>144.08</b>   |
| On Equity \$                             | (0.21)   | -       | -      | -      | -      | -           | -       | -      | -      | (0.12) | -       | <b>(0.33)</b>   |
| <b>Effect of 5% Diminishing of INR</b>   |          |         |        |        |        |             |         |        |        |        |         |                 |
| On Profit \$                             | (105.21) | (21.86) | 1.48   | (6.05) | 2.07   | 0.18        | (14.58) | (0.00) | 0.00   | (0.01) | (0.10)  | <b>(144.08)</b> |
| On Equity \$                             | 0.21     | -       | -      | -      | -      | -           | -       | -      | -      | 0.12   | -       | <b>0.33</b>     |

\* Others represents currency in Sri Lankan Rupees

### Effect as 31<sup>st</sup> March 2023

|                                          | USD     | EUR     | GBP    | JPY    | CAD    | CNY/<br>CNH | AUD     | SEK | BDT | CHF    | Others* | Total           |
|------------------------------------------|---------|---------|--------|--------|--------|-------------|---------|-----|-----|--------|---------|-----------------|
| <b>Effect of 5% Strengthening of INR</b> |         |         |        |        |        |             |         |     |     |        |         |                 |
| On Profit \$                             | 59.30   | 25.33   | (2.17) | (4.37) | (2.04) | (0.25)      | 35.81   | -   | -   | 0.01   | 0.15    | <b>111.77</b>   |
| On Equity \$                             | (5.11)  | (2.71)  | (2.26) | 0.02   | -      | -           | 1.63    | -   | -   | (0.10) | 0.00    | <b>(8.53)</b>   |
| <b>Effect of 5% Diminishing of INR</b>   |         |         |        |        |        |             |         |     |     |        |         |                 |
| On Profit \$                             | (59.30) | (25.33) | 2.17   | 4.37   | 2.04   | 0.25        | (35.81) | -   | -   | (0.01) | (0.15)  | <b>(111.77)</b> |
| On Equity \$                             | 5.11    | 2.71    | 2.26   | (0.02) | -      | -           | (1.63)  | -   | -   | 0.10   | (0.00)  | <b>8.53</b>     |

\* Others represents currency in Bangladeshi Taka, Kuwaiti Dinar, Sri Lankan Rupees, Mozambique New Metical, Omani Rial, Philippines Peso, Tanzanian Shilingi, etc.

\$ sensitivity on profit represents changes in FVTPL items and Equity represents changes in FVTOCI items.



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The Group's net exposure to foreign currency risk at the end of the reporting period is given below:

Unhedged Foreign Currency (Payable)/ Receivable

₹ in crore

| Currency Pair | As at                       |                             |
|---------------|-----------------------------|-----------------------------|
|               | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| AUD           | (39.90)                     | -                           |
| USD           | 23.00                       | (417.00)                    |
| SEK           | (0.04)                      | -                           |
| CHF           | (0.25)                      | -                           |
| LKR           | 2.00                        | 3.00                        |

## (ii) Hedging Activities and Derivatives:

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group uses various derivative financial instruments, such as foreign exchange forward contracts, option contracts, future contracts and currency swaps to manage and mitigate its exposure to foreign exchange risk. The Group reports periodically to its Risk Management Committee, the foreign exchange risks and compliance of the policies to manage its foreign exchange risk.

The Group assesses hedge effectiveness based on the following criteria:

- (i) an economic relationship between the hedged item and the hedging instrument;
- (ii) the effect of credit risk; and
- (iii) assessment of the hedge ratio.

The Group designates the forward exchange contracts to hedge its currency risk, and generally applies a hedge ratio of 1:1. The Group's policy is to match the tenor of the forward exchange contracts with the hedged item.

## (a) Cash Flow Hedge

Details of Foreign Exchange Forward Contracts and Interest Rate and Cross Currency Swap Outstanding as on 31<sup>st</sup> March 2024

| Sr. No.               | Type of Hedges and Risks                                                         | Foreign Currency Amount (in crore) |             | Weighted Average Foreign Exchange Rate |             | Nominal Value (₹ in crore) |             | Carrying Amount of Hedging Instrument (₹ in crore) |             | Maturity Date-Range      |
|-----------------------|----------------------------------------------------------------------------------|------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|
|                       |                                                                                  | Assets                             | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |
| Foreign Exchange Risk |                                                                                  |                                    |             |                                        |             |                            |             |                                                    |             |                          |
| 1)                    | Foreign exchange forward contracts Outstanding as on 31 <sup>st</sup> March 2024 |                                    |             |                                        |             |                            |             |                                                    |             |                          |
| a                     | USD                                                                              | 1.35                               | 0.72        | 83.38                                  | 83.64       | 112.14                     | 60.94       | 0.17                                               | 0.07        | 15-04-2024 to 07-10-2024 |
| b                     | EUR                                                                              | 2.96                               | 0.29        | 91.45                                  | 90.98       | 270.65                     | 26.60       | (1.55)                                             | (0.18)      | 15-04-2024 to 27-02-2025 |
| c                     | JPY                                                                              | 11.30                              | -           | 0.56                                   | -           | 6.33                       | -           | (0.00)                                             | -           | 28-06-2024               |
| d                     | AUD                                                                              | 0.35                               | -           | 55.75                                  | -           | 19.31                      | -           | (0.23)                                             | -           | 24-05-2024 to 28-02-2025 |
| e                     | GBP                                                                              | 0.00                               | 0.34        | 105.76                                 | 106.24      | 0.37                       | 36.04       | (0.00)                                             | (0.11)      | 30-04-2024 to 27-02-2025 |
| f                     | CHN                                                                              | -                                  | 0.79        | -                                      | 11.61       | -                          | 9.20        | -                                                  | (0.09)      | 30-04-2024 to 28-02-2025 |
| 2)                    | Cross Currency Interest Rate Swaps Outstanding as on 31 <sup>st</sup> March 2024 |                                    |             |                                        |             |                            |             |                                                    |             |                          |
| a                     | USD                                                                              | 0.09                               | -           | 83.27                                  | -           | 7.35                       | -           | 0.01                                               | -           | Upto Apr 2024            |

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Details of Foreign Exchange Forward Contracts and Interest Rate and Cross Currency Swap Outstanding as on 31<sup>st</sup> March 2023

| Sr. No.               | Type of Hedges and Risks                                                         | Foreign Currency Amount (in crore) |             | Weighted Average Foreign Exchange Rate |             | Nominal Value (₹ in crore) |             | Carrying Amount of Hedging Instrument (₹ in crore) |             | Maturity Date-Range      |
|-----------------------|----------------------------------------------------------------------------------|------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|
|                       |                                                                                  | Assets                             | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |
| Foreign Exchange Risk |                                                                                  |                                    |             |                                        |             |                            |             |                                                    |             |                          |
| 1)                    | Foreign exchange forward contracts Outstanding as on 31 <sup>st</sup> March 2023 |                                    |             |                                        |             |                            |             |                                                    |             |                          |
| a                     | USD                                                                              | 11.39                              | 1.93        | 82.48                                  | 83.22       | 939.12                     | 160.62      | 8.00                                               | 0.32        | 10-04-2023 to 20-03-2024 |
| b                     | EUR                                                                              | 0.25                               | 5.81        | 87.40                                  | 87.41       | 21.85                      | 507.85      | 0.76                                               | (17.47)     | 20-04-2023 to 27-02-2024 |
| c                     | JPY                                                                              | -                                  | 89.36       | -                                      | 0.64        | -                          | 56.79       | -                                                  | 0.42        | 28-02-2024               |
| d                     | AUD                                                                              | 0.57                               | -           | 57.40                                  | -           | 32.72                      | -           | (0.05)                                             | -           | 28-06-2024               |
| e                     | GBP                                                                              | -                                  | 0.45        | -                                      | 101.00      | -                          | 45.45       | -                                                  | 1.40        | 23-02-2023 to 22-03-2024 |
| 2)                    | Cross Currency Interest Rate Swaps Outstanding as on 31 <sup>st</sup> March 2023 |                                    |             |                                        |             |                            |             |                                                    |             |                          |
| a                     | USD                                                                              | 0.01                               |             | 75.18                                  |             | 0.66                       | -           | 2.05                                               | -           | Apr 23 to Nov 23         |

## Foreign currency cash flows:

| Particulars                         | As at                       | Average Exchange Rate (USD/INR) | Nominal Foreign Currency USD crore | Fair Value Assets (Liabilities) (₹ in crore) |
|-------------------------------------|-----------------------------|---------------------------------|------------------------------------|----------------------------------------------|
| Buy Currency: (USD)                 |                             |                                 |                                    |                                              |
| -For External Commercial Borrowings | 31 <sup>st</sup> March 2024 | 83.35                           | 5.00                               | (0.01)                                       |
| -for Foreign Currency Bonds         | 31 <sup>st</sup> March 2024 | 72.50                           | 20.00                              | 18.78                                        |
| Buy Currency : (USD)                |                             |                                 |                                    |                                              |
| -for Foreign Currency Bonds         | 31 <sup>st</sup> March 2023 | 72.50                           | 20.00                              | 30.27                                        |

## Interest Rates Outstanding on Receive Floating and Pay Fix Contracts:

| Particulars  | As at                       | Average Contracted Fixed Interest Rates* | Nominal Amount USD crore | Fair Value Assets (Liabilities) (₹ in crore) |
|--------------|-----------------------------|------------------------------------------|--------------------------|----------------------------------------------|
| 0 to 2 years | 31 <sup>st</sup> March 2024 | 5.39%                                    | 5.00                     | 0.30                                         |
| 2 to 5 years | 31 <sup>st</sup> March 2024 | 4.68%                                    | 24.00                    | 36.86                                        |
| 0 to 2 years | 31 <sup>st</sup> March 2023 | -                                        | -                        | -                                            |
| 2 to 5 years | 31 <sup>st</sup> March 2023 | 3.32%                                    | 5.00                     | 0.90                                         |

## Cross Currency and Interest Rate Swaps:

| Particulars  | As at                       | Average Contracted Fixed Interest Rates* | Average Exchange Rate (USD/INR) | Nominal Amount USD crore | Fair Value Assets/ (Liabilities) (₹ in crore) |
|--------------|-----------------------------|------------------------------------------|---------------------------------|--------------------------|-----------------------------------------------|
| 0 to 2 years | 31 <sup>st</sup> March 2024 | -                                        | -                               | -                        | -                                             |
| 0 to 2 years | 31 <sup>st</sup> March 2023 | 5.19%                                    | 73.55                           | 14.00                    | (87.13)                                       |

## Currency Options:

| Particulars   | As at                       | Average Exchange Rate (USD/INR) | Nominal Amount USD crore | Fair Value Assets/ (Liabilities) (₹ in crore) |
|---------------|-----------------------------|---------------------------------|--------------------------|-----------------------------------------------|
| 2 to 10 years | 31 <sup>st</sup> March 2024 | 72.52                           | 20.00                    | 435.55                                        |
| 2 to 10 years | 31 <sup>st</sup> March 2023 | 72.52                           | 20.00                    | 440.94                                        |

\*Includes weighted average rate for Cross Currency Interest Rate Swaps, Principal Only Swap and Coupon Swaps.



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The line item in the Balance Sheet, that includes the above Hedging Instruments, is “Other Financial Assets/Other Financial Liabilities”.

## Recognition of gains/(losses) under foreign exchange forward contracts and interest rates swaps contracts designated under cash flows hedges:

₹ in crore

| Particulars | As at 31 <sup>st</sup> March 2024 |                                     | As at 31 <sup>st</sup> March 2023 |                                     |
|-------------|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
|             | Effective Hedge (OCI)             | Ineffective Hedge (Profit and Loss) | Effective Hedge (OCI)             | Ineffective Hedge (Profit and Loss) |
| Gain/(Loss) | (52.51)                           | -                                   | (126.39)                          | -                                   |

### (b) Hedge of net investments in foreign operations:

Derivative asset as at 31<sup>st</sup> March 2024 includes forward contracts of AED 1,120.31 million (31<sup>st</sup> March 2023: AED 1,054.06 million) which has been designated as a hedge of the net investment in the Ultratech’s subsidiary UltraTech Cement Middle East Investments Limited (UCMEIL). This derivative is being used to hedge the Group’s exposure to AED foreign exchange risk on these investments. Gains or losses on the retranslation of these derivatives are transferred to OCI to offset any gains or losses on translation of the net investments in the subsidiaries. There is no ineffectiveness during the year ended 31<sup>st</sup> March 2024.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the forward contracts.

| Particulars                                                        | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|
| Currency exchange risk hedged                                      | AED to INR                  | AED to INR                  |
| Nominal amount of hedging instruments                              | AED 1,120.31 mn             | AED 1,056.09 mn             |
| Maturity date                                                      | March 2025 to March 2033    | March 2024 to March 2033    |
| Carrying value of hedging instruments (Derivative Assets)          | ₹ 27.51 crore               | ₹ 2.21 crore                |
| Change in the fair value of the hedging instrument during the year | ₹ 27.51 crore               | ₹ 2.21 crore                |
| Fair value gain on effective hedge                                 | ₹ 27.51 crore               | ₹ 2.21 crore                |

### (c) Fair Value Hedge

Details of Foreign Exchange Forward Contracts Outstanding as on 31<sup>st</sup> March 2024

| Sr. No. | Type of Hedges and Risks | Foreign Currency Amount (in crore) |             | Weighted Average Foreign Exchange Rate |             | Nominal Value (₹ in crore) |             | Carrying Amount of Hedging Instrument (₹ in crore) |             | Maturity Date-Range      |
|---------|--------------------------|------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|
|         |                          | Assets                             | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |
| a       | USD                      | 27.58                              | 0.19        | 83.56                                  | 83.36       | 2,305.05                   | 15.45       | 1.14                                               | 0.03        | 10-04-2024 to 04-09-2024 |
| b       | EUR                      | 4.57                               | 0.36        | 92.51                                  | 91.20       | 423.19                     | 32.90       | (6.29)                                             | (0.34)      | 15-04-2024 to 27-02-2025 |
| c       | JPY                      | 2.36                               | -           | 0.59                                   | -           | 1.39                       | -           | (0.08)                                             | -           | 31-05-2024               |
| d       | AUD                      | 4.18                               | -           | 55.58                                  | -           | 232.38                     | -           | (4.32)                                             | -           | 05-04-2024 to 21-02-2025 |
| e       | CNY/RMB/CNH              | 0.76                               | -           | 11.95                                  | -           | 9.10                       | -           | (0.25)                                             | -           | 30-04-2024 to 30-09-2024 |
| f       | GBP                      | -                                  | 0.28        | -                                      | 105.06      | -                          | 29.09       | -                                                  | 0.13        | 30-04-2024 to 21-11-2024 |

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## Details of Foreign Exchange Forward Contracts Outstanding as on 31<sup>st</sup> March 2023

| Sr. No. | Type of Hedges and Risks | Foreign Currency Amount (in crore) |             | Weighted Average Foreign Exchange Rate |             | Nominal Value (₹ in crore) |             | Carrying Amount of Hedging Instrument (₹ in crore) |             | Maturity Date-Range      |
|---------|--------------------------|------------------------------------|-------------|----------------------------------------|-------------|----------------------------|-------------|----------------------------------------------------|-------------|--------------------------|
|         |                          | Assets                             | Liabilities | Assets                                 | Liabilities | Assets                     | Liabilities | Assets                                             | Liabilities |                          |
| a       | USD                      | 15.40                              | 1.32        | 83.24                                  | 83.18       | 1,281.84                   | 110.16      | (4.44)                                             | 1.20        | 05-04-2023 To 29-12-2023 |
| b       | EUR                      | 3.08                               | 1.37        | 88.84                                  | 89.18       | 273.36                     | 122.52      | 0.91                                               | (6.45)      | 28-04-2023 To 07-02-2024 |
| c       | CHF                      | -                                  | 0.01        | -                                      | 89.62       | -                          | 0.46        | -                                                  | 0.00        | 28-04-2023               |
| d       | AUD                      | 5.51                               | -           | 56.46                                  | -           | 311.12                     | -           | -                                                  | 3.85        | 05-04-2023 To 07-03-2024 |
| e       | CNY/RMB/CNH              | 0.22                               | 0.78        | 12.03                                  | 12.13       | 2.66                       | 9.50        | (0.03)                                             | 0.12        | 28-04-2023 To 29-12-2023 |
| f       | GBP                      | -                                  | 0.22        | -                                      | 98.13       | -                          | 21.25       | (0.97)                                             | -           | 27-04-2023 To 28-11-2023 |

### (c) Fair Value Hedge of Interest rate outstanding on Receive Floating and Pay Fix contracts:

| ₹ in crore   |                             |                                        |                |                                 |
|--------------|-----------------------------|----------------------------------------|----------------|---------------------------------|
| Particular   | As at                       | Average contracted fixed interest rate | Nominal Amount | Fair Value Assets (Liabilities) |
| 0 to 6 years | 31 <sup>st</sup> March 2024 | -                                      | -              | -                               |
| 0 to 6 years | 31 <sup>st</sup> March 2023 | 6.99%                                  | 250            | (2.25)                          |

## 2. Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the prevailing market interest rates. The Group's exposure to the risk, due to changes in interest rates, relates primarily to the Group's short-term borrowings (excluding commercial papers) with floating interest rates. For all long-term borrowings in foreign currency with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Group constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

### Interest Rate Exposure:

| ₹ in crore                                    |                  |                          |                       |                                 |
|-----------------------------------------------|------------------|--------------------------|-----------------------|---------------------------------|
| Particulars                                   | Total Borrowings | Floating Rate Borrowings | Fixed Rate Borrowings | Non-Interest Bearing Borrowings |
| INR                                           | 21,210.32        | 9,928.23                 | 10,967.37             | 314.72                          |
| USD                                           | 5,964.29         | 2,211.06                 | 3,753.23              | -                               |
| <b>Total as at 31<sup>st</sup> March 2024</b> | <b>27,174.61</b> | <b>12,139.29</b>         | <b>14,720.60</b>      | <b>314.72</b>                   |
| INR                                           | 13,462.07        | 3,287.02                 | 9,816.27              | 358.78                          |
| USD                                           | 4,437.24         | 1,150.44                 | 3,286.80              | -                               |
| <b>Total as at 31<sup>st</sup> March 2023</b> | <b>17,899.31</b> | <b>4,437.46</b>          | <b>13,103.07</b>      | <b>358.78</b>                   |

**Note:** Interest rate risk hedged for Foreign Currency borrowings has been shown under Fixed Rate borrowings.



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## Interest Rate Sensitivities for Floating Rate Borrowings (impact of increase in 1%):

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for the unhedged floating rate borrowings have been done on the notional value of the foreign currency (excluding the revaluation).

| Particulars | As at 31 <sup>st</sup> March 2024 |        | As at 31 <sup>st</sup> March 2023 |        |
|-------------|-----------------------------------|--------|-----------------------------------|--------|
|             | Impact On                         |        | Impact On                         |        |
|             | Profit Before Tax                 | Equity | Profit Before Tax                 | Equity |
| INR         | 99.28                             | 74.29  | 32.87                             | 24.60  |
| USD         | 22.11                             | 16.55  | 11.50                             | 8.61   |

**Note:** If the rate is decreased by 100 bps the Profit Before Tax will increase by an equal amount.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings, which is monitored on continuous basis. For foreign currency long-term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. These swaps are designated to hedge underlying debt obligations. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

### 3. Equity Price Risk

The Group is exposed to equity price risk arising from Equity Investments (other than Joint Ventures and Associates, which are carried at cost).

#### Equity Price Sensitivity Analysis:

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices of the quoted investments increase/decrease by 5%, Other Comprehensive Income for the year ended 31<sup>st</sup> March 2024, would increase/decrease by ₹ 573.29 crore (for the year ended 31<sup>st</sup> March 2023 by ₹ 400.29 crore).

### 4. Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

The carrying amount of financial assets represents the maximum credit risk exposure.

#### a. Trade Receivables

Trade receivables are consisting of a large number of customers. The Group has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Group assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

Total trade receivables as on 31<sup>st</sup> March 2024 is ₹ 6,410.89 crore (excluding ₹ 570.31 crore of Insurance and NBFC/HFC Business) (31<sup>st</sup> March 2023 : ₹ 5,564.90 crore (excluding ₹ 357.02 crore of Insurance and NBFC/HFC Business)).

Given the diverse nature of the Group's businesses, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the Group's net sales or for any of the Group's primary businesses during the current year and in the previous year. Therefore, the Group does not expect any material risk on account of non-performance by any of its counter parties.



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As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date, wherever outstanding is for longer period and involves higher risk.

As per policy receivables are classified into different buckets based on the overdue period ranging from 4 months to one year to more than two years. There are different provisioning norms for each bucket which are ranging from 10% to 100%.

## Movement of Loss Allowance:

| Particulars                                   | ₹ in crore                           |                                      |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
|                                               | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| <b>Provision at the beginning of the year</b> | <b>157.32</b>                        | <b>201.81</b>                        |
| Add: Provided during the Year                 | 31.32                                | 13.32                                |
| Less: Utilised during the Year                | (6.99)                               | (59.12)                              |
| Less: Written Back during the Year            | (4.20)                               | (3.89)                               |
| Effect of Foreign Conversion                  | 0.24                                 | 5.20                                 |
| <b>Provision at the end of the year</b>       | <b>177.69</b>                        | <b>157.32</b>                        |

## b. Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit Risk on cash and cash equivalents, deposits with banks/financial institutions is generally low, as the said deposits have been made with banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low, as the Group enters into the Derivative Contracts with the reputed banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparties. Investments primarily include investments in units of quoted Mutual Funds, quoted Bonds; Non-Convertible Debentures issued by Government/ Semi-Government Agencies/PSU Bonds/High Investment grade Corporates, etc. These Mutual Funds and Counterparties have low credit risk.

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories, and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total non-current and current investments (excluding Investment of Insurance and NBFC/HFC Business) as on 31<sup>st</sup> March 2024 is ₹ 23,521.27 crore (31<sup>st</sup> March 2023 ₹ 18,082.04 crore).

## Financial Guarantees:

The Group has given corporate guarantees of ₹ 1.70 crore (previous year ₹ 1.70 crore).

## 5. Liquidity Risk:

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of credit facilities to meet obligations, when due. The Group's treasury team is responsible for managing liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by the senior management. The Management monitors the Group's liquidity position through rolling forecasts and long range business forecasts on the basis of expected cash flows.



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The table below provides details of financial liabilities and financial assets as on the reporting date.

₹ in crore

| As at 31 <sup>st</sup> March 2024                                                           | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total     |
|---------------------------------------------------------------------------------------------|------------------|--------------|-------------------|-----------|
| <b>Financial Liabilities</b>                                                                |                  |              |                   |           |
| Borrowings (including Current Maturities of Long-term Debts) *                              | 10,361.37        | 9,422.92     | 13,864.55         | 33,648.84 |
| Trade Payables                                                                              | 14,159.34        | 0.23         | -                 | 14,159.57 |
| Interest Accrued but not Due on Borrowings                                                  | 407.39           | -            | -                 | 407.39    |
| Other Financial Liabilities (excluding Deferred Premium Payable and Derivative Liabilities) | 7,788.32         | 30.81        | 11.14             | 7,830.27  |
| Lease Liabilities *                                                                         | 458.22           | 1,382.68     | 983.26            | 2,824.16  |
| Deferred Premium Payable *                                                                  | 47.81            | 191.20       | 95.44             | 334.45    |
| Derivative Liabilities                                                                      | 116.22           | -            | -                 | 116.22    |
| <b>Liquid Financial Assets</b>                                                              |                  |              |                   |           |
| Surplus Investments in Mutual Funds, Bonds and Fixed Deposits with Corporates and Banks.    | 9,658.94         | 434.34       | 1,250.89          | 11,344.17 |

\* Contractual amount

₹ in crore

| As at 31 <sup>st</sup> March 2023                                                                                | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total     |
|------------------------------------------------------------------------------------------------------------------|------------------|--------------|-------------------|-----------|
| <b>Financial Liabilities</b>                                                                                     |                  |              |                   |           |
| Borrowings (including Current Maturities of Long-term Debts) *                                                   | 6,812.27         | 5,908.53     | 6,556.69          | 19,277.49 |
| Trade Payables                                                                                                   | 12,088.46        | -            | -                 | 12,088.46 |
| Interest Accrued but not Due on Borrowings                                                                       | 370.85           | -            | -                 | 370.85    |
| Other Financial Liabilities (excluding Deferred Premium Payable and Derivative Liabilities)                      | 6,282.58         | 26.02        | -                 | 6,308.59  |
| Lease Liabilities *                                                                                              | 229.85           | 765.17       | 759.79            | 1,754.81  |
| Deferred Premium Payable *                                                                                       | 47.68            | 191.00       | 143.44            | 382.12    |
| Derivative Liabilities                                                                                           | 111.93           | -            | -                 | 111.93    |
| <b>Liquid Financial Assets</b>                                                                                   |                  |              |                   |           |
| Surplus Investments in Mutual Funds, Bonds, Fixed Deposits with Corporates and Banks and Larsen & Toubro Shares. | 10,476.53        | 364.67       | 80.45             | 10,921.65 |

\* Contractual amount

## 6. Commodity Price Risk Management:

Commodity price risk for the Group is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Group. Since the energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Group enters into forward covers for imported coal, enter into long-term supply agreement for pet coke, identifying new sources of supply, etc. While forward covers are prevailing in the markets for coal, but in the case of pet coke no such derivative available; it has to be procured at spot prices. Additionally, processes and policies related to such risks are reviewed and controlled by the senior management and fuel requirements are monitored by the central procurement team.

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## 4.11 CAPITAL MANAGEMENT (OTHER THAN FINANCIAL SERVICES SEGMENT) (IND AS 1)

The Group's objectives, when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Group's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders. The Group monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

| Particulars                                                                                                         | ₹ in crore                           |                                      |
|---------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                                                     | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
| Total Debt (Bank and Other Borrowings)                                                                              | 26,780.40                            | 17,899.31                            |
| Less: Liquid Investments (Mutual Funds, Bonds, Fixed Deposits with Corporates and Banks and Larsen & Toubro Shares) | 11,344.17                            | 10,921.65                            |
| Net Debt                                                                                                            | 15,436.23                            | 6,977.66                             |
| Owner's Equity                                                                                                      | 88,652.40                            | 78,741.99                            |
| <b>Net Debt to Equity (In times)</b>                                                                                | <b>0.17</b>                          | <b>0.09</b>                          |

In addition the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, Outside liabilities to Net Worth etc., which is maintained by the Group.

## 4.12 ADDITIONAL INFORMATION DETAILS

### 4.12.1 Government Grants (Ind AS 20)

- The Company has outstanding interest-free loans from State Government repayable in full in next one to five years. Company has done the initial recognition of loan at fair value Using prevailing market interest rate for an equivalent loan. The difference between contractual Value and fair value of loan is the government grant which will be recognised in the Statement of Profit and Loss over the remaining period of loan.
- Other Operating Revenue (Note 3.1) includes incentives against capital investments received by UTCL amounting to ₹ 684.72 crore (Previous Year ₹ 356.71 crore) under the State Investment Promotion Scheme.
- Repairs to plant and machinery are net of subsidy received by UTCL [under State Investment Promotion Scheme] ₹ Nil (Previous Year ₹ 1.29 crore).
- Sales Tax deferment loan granted under State Investment Promotion Scheme has been considered as a government grant, and the difference between the fair value and nominal value as on the date being recognised as an income. Accordingly, an amount of ₹13.42 crore (Previous Year ₹ 50.26 crore) has been recognised as an income by UTCL. Every year, change in fair value is accounted for as an interest expense.

**4.12.2** The Supreme Court of India has allowed an appeal filed by the State of Rajasthan in a matter relating to transfer of mining lease in the name of the UltraTech's wholly owned subsidiary, Gotan Lime Stone Khanij Udyog Private Limited ("GKUPL"), and has directed the State of Rajasthan to frame and notify its policy relating to transfer of mining lease and thereafter pass appropriate order in respect of the mining lease of GKUPL. The State Government has notified the new policy related to the transfer of new mining lease, based on which the UTCL has requested the State Government to consider reinstatement of the mines in its favour.

**4.12.3** In terms of a Scheme of Arrangement between Jaiprakash Associates Limited (JAL); Jaypee Cement Corporation Limited (JCCL), UTCL ("The Parties") and their respective shareholders and creditors, sanctioned by the National Company Law Tribunal, Mumbai and Allahabad bench, together with necessary approvals from the stock exchanges, Securities and Exchange Board of India (SEBI), and the Competition Commission of India; UTCL had on 27<sup>th</sup> June, 2017, issued Series A Redeemable Preference Shares of ₹ 1,000 crore to JAL (Series A RPS) for a period of 5 years or such longer period as may be agreed by the Parties (the "Term"). The Series A RPS were held in escrow until satisfaction of certain conditions precedent in relation to the Dalla Super Plant and mines situated in the state of Uttar Pradesh (Earlier known as JP Super), to be redeemed post the expiry of the Term as per the agreement between



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The Parties. Upon expiry of the Term, UTCL offered redemption of the Series A RPS within the stipulated number of days, post adjustment of certain costs pertaining to the conditions precedent, as per the terms of the agreement entered into between The Parties.

Redemption of the Series A RPS was subject to issuance of a joint notice to the escrow agent. The Series A RPS could not be redeemed due to inaction on the part of JAL in signing the joint instruction notice. This matter has since been referred to arbitration and the arbitration proceedings are pending. UTCL has classified the Series A RPS to Other Financial Liabilities as Liability for Capital Goods.

**4.12.4** The Board of Directors of ABCL at its meeting held on 27<sup>th</sup> March 2023, has approved the sale of its entire stake of 50.002% of the issued and paid-up share capital of Aditya Birla Insurance Brokers Limited ("ABIBL") to Edme Services Private Limited, part of the Samara Capital Group and an affiliate of Samara Alternate Investment Fund.

The proposed transaction is subject to receipt of the approval of IRDAI and other regulatory / statutory approvals and satisfaction of other conditions under the Share Purchase Agreement. Upon completion of the proposed transaction, ABIBL shall cease to be a subsidiary of the ABCL.

## **4.12.5 Disclosure Related to investment in Aditya Birla Health Insurance Co. Limited (ABHI)**

Aditya Birla Health Insurance Co. Limited ("ABHI") has made a preferential allotment of 5,07,07,454 equity shares of ₹ 10 each to Platinum Jasmine A 2018 Trust, acting through its trustee, Platinum Owl C 2018 RSC Limited, being a wholly owned subsidiary of Abu Dhabi Investment Authority ("ADIA"), on 21<sup>st</sup> October 2022.

Consequently, ABHI ceased to be a subsidiary and has been accounted as a joint venture. This has resulted in fair value gain of ₹ 2,754.27 crore in FY23 representing difference between fair value of retained interest in ABHI and derecognition of net assets of ABHI in accordance with Ind AS 110 'Consolidated Financial Statements'.

As a result, financial statement for FY24 are not comparable with FY 23.

**4.12.6** During the year, Scheme of Amalgamation of Aditya Birla Money Insurance Advisory Services Limited ("ABMIASL"), Aditya Birla Money Mart Limited ("ABMML") and Aditya Birla Capital Technology Services Limited ("ABCTSL") with Aditya Birla Financial Shared Services Limited ("ABFSSL"), all wholly owned subsidiaries of the ABCL was filed with Hon'ble National Company Law Tribunal ("NCLT"). Ahmedabad Bench and the approval from Hon'ble NCLT is awaited.

**4.12.7** During the year ABCL has issued equity share capital through Qualified Institutional Placement of 10,00,00,000 shares to Qualified Institutional Buyers and through Preferential Issuance of 7,57,11,688 shares to its Promoter and a member of Promoter Group entity, both aggregating to ₹ 3,000 crore. In accordance with Ind AS 32, the costs that are attributable directly to the above transaction, have been adjusted against security premium reserve of ABCL. Pursuant to this, the Company's shareholding in ABCL has decreased from 54.15% to 52.79%.

## **4.12.8 Involvement with unconsolidated structured entities by Aditya Birla ARC Limited:**

The Group has concluded that the Assets Reconstruction trust in which it invests, but does not consolidate meet the definition of structured entities because :

- The voting rights in the company are not dominant rights in deciding who controls them because the right relate to administrative tasks only.
- Trust activities are restricted by trust deed.
- Insufficient equity to permit the structured entity to finance its activities without substantial financial support, and
- The trust have well defined objective to provide recovery activities to investors.

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The following table describes the type of structured entities that the company does not consolidate but in which it holds an interest-

₹ in crore

| Type of Structures Entity  | Nature and Purpose                                                                                                 | Interest Held by the Company          | As of 31 <sup>st</sup> March 2024 |                           | As of 31 <sup>st</sup> March 2023 |                           |
|----------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------|---------------------------|-----------------------------------|---------------------------|
|                            |                                                                                                                    | Investment in Security Receipts (SRs) | SRs issued by Trust               | SRs subscribed by Company | SRs issued by Trust               | SRs subscribed by Company |
| Asset Reconstruction Trust | To acquire stressed assets for the purpose of carrying on the activity of securitisation and assets reconstruction | Acting as trustee to the Trusts       | 5.70                              | 0.86                      | 5.70                              | 0.86                      |

The following table sets out an analysis of the carrying amount of interest held by company in unconsolidated structure entities. The maximum exposure to loss in carrying amount of the asset held is as below:-

₹ in crore

| Carrying Amount           | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|---------------------------|-----------------------------------|-----------------------------------|
| Investment in SR          | 557.85                            | 475.83                            |
| Advance to Trusts         | 13.70                             | 8.19                              |
| Reimbursement from Trusts | 0.01                              | 0.03                              |
| Fees Receivable           | 9.56                              | 3.39                              |

**4.13** The CFS are comprised of the Audited Financial Statements (except as mentioned otherwise) of the Company, its Subsidiaries and its interest in Joint Ventures and Associates for the year ended 31<sup>st</sup> March 2024, which are as under:

| Name of the Company                                                                                        | Abbreviation | Country of Incorporation | Grasim's                    |                             |
|------------------------------------------------------------------------------------------------------------|--------------|--------------------------|-----------------------------|-----------------------------|
|                                                                                                            |              |                          | Ownership Interest %        |                             |
|                                                                                                            |              |                          | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Subsidiaries:                                                                                              |              |                          |                             |                             |
| ABNL Investments Limited                                                                                   | ABIL         | India                    | 100.00                      | 100.00                      |
| Samruddhi Swastik Trading And Investments Limited                                                          | SSTIL        | India                    | 100.00                      | 100.00                      |
| Grasim Business Services Private Limited (w.e.f. 4 <sup>th</sup> January 2023)                             | GBSPL        | India                    | 100.00                      | 100.00                      |
| Aditya Birla Solar Limited (merged with Aditya Birla Renewables Limited w.e.f. 23 <sup>rd</sup> June 2023) | ABSL         | India                    | -                           | 100.00                      |
| Aditya Birla Renewables Limited                                                                            | ABREL        | India                    | 100.00                      | 100.00                      |
| Aditya Birla Renewables SPV1 Limited (74% of ABREL and 26% of UTCL)                                        | ABRSPV1      | India                    | 88.90                       | 88.90                       |
| Aditya Birla Renewables Subsidiary Limited (74% of ABREL)                                                  | ABRSL        | India                    | 74.00                       | 74.00                       |
| Aditya Birla Renewable Energy Limited (74% of ABREL and 26% of UTCL)                                       | ABReEL       | India                    | 88.90                       | 88.90                       |
| Aditya Birla Renewable Solar Limited (74% of ABREL)                                                        | ABReSL       | India                    | 74.00                       | 74.00                       |
| ABReL SPV2 Limited (100% of ABREL)                                                                         | ABRSPV2      | India                    | 100.00                      | 100.00                      |
| Aditya Birla Renewables Utkal Limited (74% of ABREL)                                                       | ABRUL        | India                    | 74.00                       | 74.00                       |
| ABReL Solar Power Limited (26% of Grasim & 74% of ABREL)                                                   | ASPL         | India                    | 100.00                      | 100.00                      |
| ABReL Renewables EPC Limited (100% of ABREL)                                                               | ABRELEPC     | India                    | 100.00                      | 100.00                      |
| ABReL Century Energy Limited (74% of ABREL)                                                                | ABRELCEPC    | India                    | 74.00                       | 74.00                       |
| ABReL (MP) Renewables Limited (w.e.f 16 <sup>th</sup> June 2022) (74% of ABREL and 26% of UTCL)            | ABRELMP      | India                    | 88.90                       | 88.90                       |
| ABReL Green Energy Limited (w.e.f 22 <sup>nd</sup> June 2022) (74% of ABREL and 26% of UTCL)               | ABRELG       | India                    | 88.90                       | 88.90                       |
| ABReL EPCCO Services Limited (w.e.f 4 <sup>th</sup> April 2022)(100% of ABREL)                             | ABREPCCO     | India                    | 100.00                      | 100.00                      |
| ABReL EPC Limited (w.e.f 13 <sup>th</sup> June 2022)(100% of ABREL)                                        | ABREEPC      | India                    | 100.00                      | 100.00                      |



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| Name of the Company                                                                                           | Abbreviation | Country of Incorporation | Grasim's                    |                             |
|---------------------------------------------------------------------------------------------------------------|--------------|--------------------------|-----------------------------|-----------------------------|
|                                                                                                               |              |                          | Ownership Interest %        |                             |
|                                                                                                               |              |                          | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| ABReL (RJ) Projects Limited (w.e.f 22 <sup>nd</sup> June 2023) (74% of ABREL and 26% of UTCL)                 | ABREL RJ     | India                    | 88.90                       | 100.00                      |
| ABReL (Odisha) SPV Limited (w.e.f 15 <sup>th</sup> June 2022) (74% of ABREL and 26% of UTCL)                  | ABRLO        | India                    | 88.90                       | 88.90                       |
| ABREL Hybrid Projects Limited (w.e.f 31 <sup>st</sup> August 2023) (100% of ABREL)                            | ABRELHY      | India                    | 100.00                      | -                           |
| Aditya Birla Renewables Green Power Private Limited (Formerly known as Waacox Ltd.) (100% of ABREL)           | WEPL         | India                    | 100.00                      | 100.00                      |
| Aditya Birla Capital Limited (refer note 4.12.8)                                                              | ABCL         | India                    | 52.68                       | 54.15                       |
| Aditya Birla PE Advisors Private Limited (100% of ABCL)                                                       | ABPEAPL      | India                    | 52.68                       | 54.15                       |
| Aditya Birla Capital Technology Services Limited (100% of ABCL)                                               | ABCTSL       | India                    | 52.68                       | 54.15                       |
| Aditya Birla Trustee Company Private Limited (100% of ABCL)                                                   | ABTCPL       | India                    | 52.68                       | 54.15                       |
| Aditya Birla Money Limited (73.53% of ABCL)                                                                   | ABML         | India                    | 38.74                       | 39.85                       |
| Aditya Birla Financial Shared Services Limited (100% of ABCL)                                                 | ABFSSL       | India                    | 52.68                       | 54.15                       |
| Aditya Birla Finance Limited (100% of ABCL)                                                                   | ABFL         | India                    | 52.68                       | 54.15                       |
| Aditya Birla Insurance Brokers Limited (50.002% of ABCL)                                                      | ABIBL        | India                    | 26.34                       | 27.07                       |
| Aditya Birla Housing Finance Limited (100% of ABCL)                                                           | ABHFL        | India                    | 52.68                       | 54.15                       |
| Aditya Birla Money Mart Limited (100% of ABCL)                                                                | ABMML        | India                    | 52.68                       | 54.15                       |
| Aditya Birla Money Insurance Advisory Services Limited (100% of ABMML)                                        | ABMIASL      | India                    | 52.68                       | 54.15                       |
| Aditya Birla Sun Life Insurance Company Limited (51% of ABCL)                                                 | ABSLI        | India                    | 26.87                       | 27.62                       |
| Aditya Birla Sun Life Pension Management Limited (100% of ABSLI)                                              | ABSPML       | India                    | 26.87                       | 27.62                       |
| Aditya Birla ARC Limited (100% of ABCL)                                                                       | ABARC        | India                    | 52.68                       | 54.15                       |
| Aditya Birla Stressed Asset AMC Private Limited (100% of ABCL)                                                | ABSA         | India                    | 52.68                       | 54.15                       |
| ABARC-AST-001-Trust (100% of ABCL)                                                                            | ABARCT       | India                    | 52.68                       | 54.15                       |
| ABARC-AST-008-Trust (100% of ABCL)                                                                            |              | India                    | 52.68                       | 54.15                       |
| ABARC-AST-010-Trust (100% of ABCL) (w.e.f 23 <sup>rd</sup> June 2022)                                         |              | India                    | 52.68                       | 54.15                       |
| Aditya Birla Special Situation Fund -1 (100% of ABCL)                                                         | ABSSF        | India                    | 52.68                       | 54.15                       |
| Aditya Birla Capital Digital Limited (100% of ABCL) (w.e.f 23 <sup>rd</sup> March 2023)                       | ABCDL        | India                    | 52.68                       | 54.15                       |
| UltraTech Cement Limited (UTCL)                                                                               | UltraTech    | India                    | 57.27                       | 57.27                       |
| UltraTech Cement Lanka Private Limited (80% of UTCL)                                                          | UTCLPL       | Sri Lanka                | 45.82                       | 45.82                       |
| Harish Cement Limited (100% of UTCL)                                                                          | HCL          | India                    | 57.27                       | 57.27                       |
| UltraTech Cement Middle East Investments Limited (100% of UTCL)                                               | UCMEIL       | UAE                      | 57.27                       | 57.27                       |
| Star Cement Co. LLC, Dubai (100% of UCMEIL)                                                                   | SCCLD        | UAE                      | 57.27                       | 57.27                       |
| Star Cement Co. LLC, Ras-Al-Khaimah (100% of UCMEIL)                                                          | SCCLRAK      | UAE                      | 57.27                       | 57.27                       |
| Al Nakhla Crusher LLC, Fujairah (100% of UCMEIL)                                                              | ANCL         | UAE                      | 57.27                       | 57.27                       |
| Arabian Cement Industry LLC, Abu Dhabi (100% of UCMEIL)                                                       | ACIL         | UAE                      | 57.27                       | 57.27                       |
| UltraTech Cement Bahrain Company WLL, Bahrain (formerly known as Arabian Gulf Cement Co WLL) (100% of UCMEIL) | UTCBC        | Bahrain                  | 57.27                       | 57.27                       |
| Bhagwati Lime Stone Company Private Limited (100% of UTCL)                                                    | BLCPL        | India                    | 57.27                       | 57.27                       |
| Gotan Limestone Khanij Udyog Private Limited (100% of UTCL)                                                   | GKU          | India                    | 57.27                       | 57.27                       |
| PT UltraTech Cement Indonesia (Liquidated w.e.f 14 <sup>th</sup> June 2022)                                   | PTUCI        | Indonesia                | -                           | -                           |
| PT UltraTech Mining Sumatera (Liquidated w.e.f 14 <sup>th</sup> June 2022)                                    | PTUMS        | Indonesia                | -                           | -                           |
| PT UltraTech Mining Indonesia (Liquidated w.e.f 14 <sup>th</sup> June 2022)                                   | PUMI         | Indonesia                | -                           | -                           |
| PT UltraTech Investments Indonesia (Liquidated w.e.f 14 <sup>th</sup> June 2022)                              | PTUII        | Indonesia                | -                           | -                           |
| Krishna Holdings PTE Limited (Liquidated w.e.f 24 <sup>th</sup> November 2022)                                | KHPL         | Singapore                | -                           | -                           |
| Murari Holdings Limited (Struck off w.e.f 30 <sup>th</sup> September 2022)                                    | MUHL         | British Virgin Islands   | -                           | -                           |



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| Name of the Company                                                                                          | Abbreviation | Country of Incorporation | Grasim's                    |                             |
|--------------------------------------------------------------------------------------------------------------|--------------|--------------------------|-----------------------------|-----------------------------|
|                                                                                                              |              |                          | Ownership Interest %        |                             |
|                                                                                                              |              |                          | 31 <sup>st</sup> March 2024 | 31 <sup>st</sup> March 2023 |
| Mukundan Holdings Limited (Struck off w.e.f 27 <sup>th</sup> April 2022)                                     | MHL          | British Virgin Islands   | -                           | -                           |
| UltraTech Nathdwara Cement Limited - (Refer Note- 4.3 c)                                                     | UNCL         | India                    | -                           | 57.27                       |
| Merit Plaza Limited - (Refer Note- 4.3 c)                                                                    | MPL          | India                    | -                           | 57.27                       |
| Swiss Merchandise Infrastructure Limited - (Refer Note- 4.3 c)                                               | SMIL         | India                    | -                           | 57.27                       |
| Bhumi Resources (Singapore) PTE Limited                                                                      | BHUMI        | Singapore                | 57.27                       | 57.27                       |
| Star Super Cement Industries LLC (51% by MUHL and 49% by MHL)                                                | SSCILLC      | UAE                      | 57.27                       | 57.27                       |
| Binani Cement Tanzania Limited (100% of SSCILLC)                                                             | BCTL         | Tanzania                 | 57.27                       | 57.27                       |
| BC Tradelink Limited, Tanzania (100% of SSCILLC)                                                             | BCTL         | Tanzania                 | 57.27                       | 57.27                       |
| PT Anggana Energy Resources, Indonesia (100% of BHUMI)                                                       | PTAER        | Indonesia                | 57.27                       | 57.27                       |
| Binani Cement (Uganda) Limited (100% of SSCILLC)                                                             | BCUL         | Uganda                   | 57.27                       | 57.27                       |
| Duqm Cement project International, LLC, Oman * (w.e.f 29 <sup>th</sup> January 2023)                         | DCPI         | Oman                     | 40.09                       | 40.09                       |
| Letein Valley Cement Limited (w.e.f. 16 <sup>th</sup> January 2024)                                          | LVCL         | India                    | 57.27                       | -                           |
| <b>Joint Venture Companies (JVs):</b>                                                                        |              |                          |                             |                             |
| AV Group NB Inc.                                                                                             | AVNB         | Canada                   | 45.00                       | 45.00                       |
| Birla Jingwei Fibres Company Limited                                                                         | BJFC         | China                    | 26.63                       | 26.63                       |
| Bhubaneswari Coal Mining Limited                                                                             | BCML         | India                    | 26.00                       | 26.00                       |
| Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi                                                          | ABEST        | Turkey                   | 33.33                       | 33.33                       |
| Bhaskarpara Coal Company Limited (47.37% of UTCL)                                                            | BCCL         | India                    | 27.14                       | 27.14                       |
| Aditya Group AB                                                                                              | AGAB         | Sweden                   | 33.33                       | 33.33                       |
| AV Terrace Bay Inc.                                                                                          | AVTB         | Canada                   | 40.00                       | 40.00                       |
| Aditya Birla Power Composites Limited                                                                        | ABPCL        | India                    | 51.00                       | 51.00                       |
| Aditya Birla Health Insurance Company Limited (45.89% of ABCL) (W.e.f 21 <sup>st</sup> October 2022)         | ABHICL       | India                    | 24.17                       | 24.86                       |
| Aditya Birla Sun Life Trustee Private Limited (50.85% of ABCL)                                               | ABSTPL       | India                    | 26.79                       | 27.54                       |
| Aditya Birla Wellness Private Limited (51% of ABCL)                                                          | ABWPL        | India                    | 26.87                       | 27.62                       |
| Birla Advanced Knits Private Limited                                                                         | BAKPL        | India                    | 50.00                       | 50.00                       |
| <b>Associates:</b>                                                                                           |              |                          |                             |                             |
| Aditya Birla Science & Technology Company Private Limited                                                    | ABSTCL       | India                    | 49.50                       | 49.50                       |
| Madanpur (North) Coal Company Private Limited (11.17% of UTCL)                                               | MCCPL        | India                    | 6.40                        | 6.40                        |
| Aditya Birla Sun Life AMC Limited (45.14% of ABCL)) (refer note- 4.4 c)                                      | ABSAMC       | India                    | 23.78                       | 27.08                       |
| Aditya Birla Sun Life AMC (Mauritius) Limited. (100% Subsidiary of ABSAMC)                                   | ABSAMCM      | Mauritius                | 23.78                       | 27.08                       |
| Aditya Birla Sun Life AMC Limited, Dubai (100% Subsidiary of ABSAMC)                                         | ABSAMCD      | UAE                      | 23.78                       | 27.08                       |
| Aditya Birla Sun Life AMC Pte. Limited, Singapore (100% Subsidiary of ABSAMC)                                | ABSAMCS      | Singapore                | 23.78                       | 27.08                       |
| Renew Surya Uday Private Limited                                                                             | RUSPL        | India                    | 26.00                       | 26.00                       |
| Aditya Birla Idea Payment Bank (under liquidation w.e.f. 18 <sup>th</sup> September 2019)                    | ABIPB        | India                    | -                           | -                           |
| Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (w.e.f 15 <sup>th</sup> April 2022) | RAKW         | UAE                      | 17.06                       | 17.06                       |
| Modern Block Factory Establishment (100% of RAKW)(w.e.f 15 <sup>th</sup> April 2022)                         | MBFE         | UAE                      | 17.06                       | 17.06                       |
| Ras Al Khaimah Lime Co, Noora LLC (100% of RAKW) (w.e.f 15 <sup>th</sup> April 2022)                         | RAKLC        | UAE                      | 17.06                       | 17.06                       |
| Greenyana Sunstream Private Limited- w.e.f. 26 <sup>th</sup> May 2022                                        | GSPL         | India                    | 26.00                       | 26.00                       |



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## 4.14 Additional Information as required by paragraph 2 of the General instruction for preparation of CFS as per Schedule III of the Companies Act, 2013

Year ended 31<sup>st</sup> March 2024

₹ in crore

| Sr. No   | Name of the Entity                                                              | Net Assets (Total Assets minus Total Liabilities) |                     | Share in Profit or Loss #           |                     | Share in Other Comprehensive Income (OCI) # |                     | Share in Total Comprehensive Income (TCI) # |                     |
|----------|---------------------------------------------------------------------------------|---------------------------------------------------|---------------------|-------------------------------------|---------------------|---------------------------------------------|---------------------|---------------------------------------------|---------------------|
|          |                                                                                 | As % of Consolidated Net Assets                   | Amount (₹ in crore) | As % of Consolidated Profit or Loss | Amount (₹ in crore) | As % of Consolidated OCI                    | Amount (₹ in crore) | As % of Consolidated TCI                    | Amount (₹ in crore) |
| <b>A</b> | <b>Parent</b>                                                                   |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
|          | Grasim Industries Limited                                                       | 36.87%                                            | 51,223.92           | 9.52%                               | 945.39              | 98.33%                                      | 3,896.30            | 34.86%                                      | 4,841.69            |
| <b>B</b> | <b>Subsidiaries</b>                                                             |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
|          | <b>Indian</b>                                                                   |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1        | UltraTech Cement Limited (incl. Subsidiaries)                                   | 42.77%                                            | 59,425.09           | 70.33%                              | 6,980.94            | 0.51%                                       | 20.35               | 50.41%                                      | 7,001.29            |
| 2        | Aditya Birla Capital Limited (incl. Subsidiaries)                               | 29.42%                                            | 40,870.88           | 25.10%                              | 2,491.02            | 1.58%                                       | 62.76               | 18.39%                                      | 2,553.78            |
| 3        | Samruddhi Swastik Trading and Investment Limited                                | 0.05%                                             | 63.63               | 0.02%                               | 1.71                | 0.00%                                       | -                   | 0.01%                                       | 1.71                |
| 4        | ABNL Investments Limited                                                        | 0.08%                                             | 113.45              | 0.08%                               | 8.03                | 0.06%                                       | 2.25                | 0.07%                                       | 10.28               |
| 5        | Aditya Birla Renewables Limited (incl. Subsidiaries)                            | 0.64%                                             | 893.99              | -1.88%                              | (186.91)            | 0.01%                                       | 0.52                | -1.34%                                      | (186.39)            |
| 6        | Grasim Business Services Pvt. Ltd.                                              | 0.00%                                             | 0.39                | 0.00%                               | 0.34                | 0.00%                                       | -                   | 0.00%                                       | 0.34                |
|          | <b>Subtotal (B)</b>                                                             | <b>72.96%</b>                                     | <b>1,01,367.43</b>  | <b>93.64%</b>                       | <b>9,295.13</b>     | <b>2.17%</b>                                | <b>85.88</b>        | <b>67.54%</b>                               | <b>9,381.01</b>     |
| <b>C</b> | <b>Associates</b>                                                               |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
|          | <b>Indian</b>                                                                   |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1        | Aditya Birla Science & Technology Company Private Limited                       | 0.03%                                             | 42.36               | 0.06%                               | 5.52                | 0.00%                                       | (0.07)              | 0.04%                                       | 5.45                |
| 2        | Madanpur (North) Coal Company Limited                                           | 0.00%                                             | 0.89                | 0.00%                               | 0.01                | 0.00%                                       | -                   | 0.00%                                       | 0.01                |
| 3        | Renew Surya Uday Pvt. Ltd.                                                      | 0.02%                                             | 31.69               | 0.01%                               | 0.64                | 0.00%                                       | -                   | 0.00%                                       | 0.64                |
| 4        | Greenyana Sunstream Private Limited                                             | 0.00%                                             | 5.84                | 0.00%                               | (0.15)              | 0.00%                                       | -                   | 0.00%                                       | (0.15)              |
| 5        | Aditya Birla Sun Life AMC Limited                                               | 3.93%                                             | 5,456.18            | 3.80%                               | 377.59              | -0.03%                                      | (1.04)              | 2.71%                                       | 376.55              |
|          | <b>Foreign</b>                                                                  |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1        | Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (RAKW) | 0.61%                                             | 853.36              | 0.23%                               | 22.99               | 0.36%                                       | 14.14               | 0.27%                                       | 37.13               |
|          | <b>Subtotal (C)</b>                                                             | <b>4.60%</b>                                      | <b>6,390.32</b>     | <b>4.10%</b>                        | <b>406.60</b>       | <b>0.33%</b>                                | <b>13.03</b>        | <b>3.02%</b>                                | <b>419.63</b>       |
| <b>D</b> | <b>Joint Ventures</b>                                                           |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
|          | <b>Indian</b>                                                                   |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1        | Bhubaneswari Coal Mining Limited                                                | 0.18%                                             | 248.10              | 0.48%                               | 47.27               | -0.01%                                      | (0.35)              | 0.34%                                       | 46.92               |
| 2        | Aditya Birla Wellness Private Limited                                           | 0.01%                                             | 9.15                | -0.03%                              | (2.62)              | 0.00%                                       | (0.03)              | -0.02%                                      | (2.65)              |
| 3        | Aditya Birla Sun Life Trustee Company Private Limited                           | 0.00%                                             | 0.86                | 0.00%                               | 0.14                | 0.00%                                       | -                   | 0.00%                                       | 0.14                |

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forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Sr. No                        | Name of the Entity                                  | Net Assets (Total Assets minus Total Liabilities) |                     | Share in Profit or Loss #           |                     | Share in Other Comprehensive Income (OCI) # |                     | Share in Total Comprehensive Income (TCI) # |                     |
|-------------------------------|-----------------------------------------------------|---------------------------------------------------|---------------------|-------------------------------------|---------------------|---------------------------------------------|---------------------|---------------------------------------------|---------------------|
|                               |                                                     | As % of Consolidated Net Assets                   | Amount (₹ in crore) | As % of Consolidated Profit or Loss | Amount (₹ in crore) | As % of Consolidated OCI                    | Amount (₹ in crore) | As % of Consolidated TCI                    | Amount (₹ in crore) |
| 4                             | Bhaskarpara Coal Company Limited                    | 0.00%                                             | 4.07                | 0.00%                               | 0.02                | 0.00%                                       | -                   | 0.00%                                       | 0.02                |
| 5                             | Aditya Birla Power Composites Private Limited       | 0.00%                                             | 0.94                | -0.07%                              | (6.68)              | 0.00%                                       | 0.03                | -0.05%                                      | (6.65)              |
| 6                             | Aditya Birla Health Insurance Co. Limited           | 2.13%                                             | 2,956.61            | -0.84%                              | (83.48)             | 0.18%                                       | 6.98                | -0.55%                                      | (76.50)             |
| 7                             | Birla Advanced Knits Pvt. Ltd.                      | 0.00%                                             | 0.62                | -0.23%                              | (22.40)             | 0.00%                                       | (0.01)              | -0.16%                                      | (22.41)             |
| <b>Foreign</b>                |                                                     |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1                             | AV Group NB Inc.                                    | 0.35%                                             | 480.46              | -1.59%                              | (158.04)            | 0.30%                                       | 11.73               | -1.05%                                      | (146.31)            |
| 2                             | Birla Jingwei Fibres Company Limited                | 0.04%                                             | 57.32               | 0.05%                               | 4.91                | -0.04%                                      | (1.64)              | 0.02%                                       | 3.27                |
| 3                             | Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi | 0.00%                                             | 0.38                | 0.00%                               | 0.04                | 0.00%                                       | (0.13)              | 0.00%                                       | (0.09)              |
| 4                             | Aditya Group AB                                     | 0.24%                                             | 333.99              | -0.35%                              | (35.21)             | -1.24%                                      | (49.20)             | -0.61%                                      | (84.41)             |
| 5                             | AV Terrace Bay Inc. \$                              | 0.00%                                             | -                   | -0.62%                              | (61.88)             | 0.00%                                       | -                   | -0.45%                                      | (61.88)             |
| <b>Subtotal (D)</b>           |                                                     | <b>2.95%</b>                                      | <b>4,092.50</b>     | <b>-3.20%</b>                       | <b>(317.93)</b>     | <b>-0.82%</b>                               | <b>(32.62)</b>      | <b>-2.52%</b>                               | <b>(350.55)</b>     |
| Consolidation Adjustments (E) |                                                     | -17.38%                                           | (24,135.78)         | -4.07%                              | (403.54)            | 0.00%                                       | (0.12)              | -2.91%                                      | (403.66)            |
| <b>TOTAL (A+B+C+D+E)</b>      |                                                     | <b>100.00%</b>                                    | <b>1,38,938.38</b>  | <b>100.00%</b>                      | <b>9,925.65</b>     | <b>100.00%</b>                              | <b>3,962.47</b>     | <b>100.00%</b>                              | <b>13,888.12</b>    |

# Before Non-Controlling Interest

\$ AVTB is not consolidated as the Company's share of losses has exceeded the Company's interest in the said investment as per Ind AS 28.

## Year ended 31<sup>st</sup> March 2023

₹ in crore

| Sr. No | Name of the Entity                                   | Net Assets (Total Assets minus Total Liabilities) |                     | Share in Profit or Loss #           |                     | Share in Other Comprehensive Income (OCI) # |                     | Share in Total Comprehensive Income (TCI) # |                     |
|--------|------------------------------------------------------|---------------------------------------------------|---------------------|-------------------------------------|---------------------|---------------------------------------------|---------------------|---------------------------------------------|---------------------|
|        |                                                      | As % of Consolidated Net Assets                   | Amount (₹ in crore) | As % of Consolidated Profit or Loss | Amount (₹ in crore) | As % of Consolidated OCI                    | Amount (₹ in crore) | As % of Consolidated TCI                    | Amount (₹ in crore) |
| A      | Parent                                               |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
|        | Grasim Industries Limited                            | 37.53%                                            | 46,126.14           | 19.17%                              | 2,123.73            | 96.64%                                      | (3,074.01)          | -12.03%                                     | (950.28)            |
| B      | Subsidiaries                                         |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
|        | Indian                                               |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1      | UltraTech Cement Limited (incl. Subsidiaries)        | 43.57%                                            | 53,556.51           | 45.76%                              | 5,069.87            | -0.27%                                      | 8.66                | 64.31%                                      | 5,078.53            |
| 2      | Aditya Birla Capital Limited (incl. Subsidiaries)    | 27.94%                                            | 34,344.36           | 39.25%                              | 4,347.78            | 3.08%                                       | (97.97)             | 53.81%                                      | 4,249.81            |
| 3      | Samruddhi Swastik Trading and Investment Limited     | 0.05%                                             | 61.93               | 0.01%                               | 1.28                | 0.00%                                       | -                   | 0.02%                                       | 1.28                |
| 4      | ABNL Investments Limited                             | 0.08%                                             | 103.17              | -0.07%                              | (7.47)              | -0.04%                                      | 1.40                | -0.08%                                      | (6.07)              |
| 5      | Aditya Birla Renewables Limited (incl. Subsidiaries) | 0.70%                                             | 864.08              | -0.24%                              | (26.15)             | -0.10%                                      | 3.25                | -0.29%                                      | (22.90)             |
| 6      | Aditya Birla Solar Limited                           | 0.09%                                             | 115.76              | 0.11%                               | 12.21               | 0.00%                                       | 0.02                | 0.15%                                       | 12.23               |
| 7      | Grasim Business Services Pvt. Ltd.                   | 0.00%                                             | 0.07                | 0.00%                               | (0.03)              | 0.00%                                       | -                   | 0.00%                                       | (0.03)              |
|        | Subtotal (B)                                         | 72.45%                                            | 89,045.88           | 84.83%                              | 9,397.49            | 2.66%                                       | (84.64)             | 117.92%                                     | 9,312.85            |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Sr. No   | Name of the Entity                                                              | Net Assets (Total Assets minus Total Liabilities) |                     | Share in Profit or Loss #           |                     | Share in Other Comprehensive Income (OCI) # |                     | Share in Total Comprehensive Income (TCI) # |                     |
|----------|---------------------------------------------------------------------------------|---------------------------------------------------|---------------------|-------------------------------------|---------------------|---------------------------------------------|---------------------|---------------------------------------------|---------------------|
|          |                                                                                 | As % of Consolidated Net Assets                   | Amount (₹ in crore) | As % of Consolidated Profit or Loss | Amount (₹ in crore) | As % of Consolidated OCI                    | Amount (₹ in crore) | As % of Consolidated TCI                    | Amount (₹ in crore) |
| <b>C</b> | <b>Associates</b>                                                               |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
|          | <b>Indian</b>                                                                   |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1        | Aditya Birla Science & Technology Company Private Limited                       | 0.03%                                             | 36.91               | 0.07%                               | 8.28                | 0.00%                                       | 0.13                | 0.11%                                       | 8.41                |
| 2        | Madanpur (North) Coal Company Limited                                           | 0.00%                                             | 0.88                | 0.00%                               | -                   | 0.00%                                       | -                   | 0.00%                                       | -                   |
| 3        | Renew Surya Uday Pvt. Ltd.                                                      | 0.03%                                             | 31.05               | 0.01%                               | 1.07                | 0.00%                                       | -                   | 0.01%                                       | 1.07                |
| 4        | Greenyana Sunstream Private Limited                                             |                                                   | 5.99                |                                     | (0.28)              |                                             | -                   | 0.00%                                       | (0.28)              |
| 5        | Aditya Birla Sun Life AMC Limited (Refer Note 2.40 (A))                         | 4.67%                                             | 5,742.46            | 2.58%                               | 285.94              | -0.09%                                      | 2.75                | 3.66%                                       | 288.69              |
|          | <b>Foreign</b>                                                                  |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1        | Ras Al Khaimah Co. for White Cement & Construction Materials P.S.C U.A.E (RAKW) | 0.66%                                             | 816.23              | 0.03%                               | 3.52                | 0.78%                                       | (24.87)             | -0.27%                                      | (21.35)             |
|          | <b>Subtotal (C)</b>                                                             | <b>5.40%</b>                                      | <b>6,633.52</b>     | <b>2.69%</b>                        | <b>298.53</b>       | <b>0.69%</b>                                | <b>(21.99)</b>      | <b>3.50%</b>                                | <b>276.54</b>       |
| <b>D</b> | <b>Joint Ventures</b>                                                           |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
|          | <b>Indian</b>                                                                   |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1        | Bhubaneswari Coal Mining Limited                                                | 0.16%                                             | 201.18              | 0.30%                               | 33.41               | 0.00%                                       | (0.12)              | 0.42%                                       | 33.29               |
| 2        | Aditya Birla Wellness Private Limited                                           | 0.01%                                             | 11.80               | 0.01%                               | 1.01                | 0.00%                                       | 0.06                | 0.01%                                       | 1.07                |
| 3        | Aditya Birla Sun Life Trustee Company Private Limited                           | 0.00%                                             | 0.72                | 0.00%                               | 0.06                | 0.00%                                       | -                   | 0.00%                                       | 0.06                |
| 4        | Bhaskarpara Coal Company Limited                                                | 0.01%                                             | 6.55                | 0.00%                               | 0.01                | 0.00%                                       | -                   | 0.00%                                       | 0.01                |
| 5        | Aditya Birla Power Composites Private Limited                                   | 0.01%                                             | 7.59                | -0.09%                              | (10.42)             | 0.00%                                       | -                   | -0.13%                                      | (10.42)             |
| 6        | Aditya Birla Health Insurance Co. Limited                                       | 2.47%                                             | 3,032.67            | -0.24%                              | (26.74)             | -0.21%                                      | 6.74                | -0.25%                                      | (20.00)             |
| 7        | Birla Advanced Knits Pvt. Ltd.                                                  | 0.02%                                             | 23.03               | -0.02%                              | (1.84)              | 0.00%                                       | -                   | -0.02%                                      | (1.84)              |
|          | <b>Foreign</b>                                                                  |                                                   |                     |                                     |                     |                                             |                     |                                             |                     |
| 1        | AV Group NB Inc.                                                                | 0.51%                                             | 626.77              | -1.03%                              | (114.26)            | 0.37%                                       | (11.67)             | -1.59%                                      | (125.93)            |
| 2        | Birla Jingwei Fibres Company Limited                                            | 0.04%                                             | 54.05               | -0.11%                              | (12.32)             | 0.01%                                       | (0.20)              | -0.16%                                      | (12.52)             |
| 3        | Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi                             | 0.00%                                             | 0.57                | 0.00%                               | 0.04                | 0.00%                                       | (0.06)              | 0.00%                                       | (0.02)              |
| 4        | Aditya Group AB                                                                 | 0.34%                                             | 418.39              | 0.37%                               | 41.51               | -0.19%                                      | 5.94                | 0.60%                                       | 47.45               |
| 5        | AV Terrace Bay Inc. \$                                                          | 0.00%                                             | -                   | 0.00%                               | (0.03)              | 0.02%                                       | (0.59)              | -0.01%                                      | (0.62)              |
|          | <b>Subtotal (D)</b>                                                             | <b>3.57%</b>                                      | <b>4,383.32</b>     | <b>-0.81%</b>                       | <b>(89.57)</b>      | <b>0.00%</b>                                | <b>0.10</b>         | <b>-1.13%</b>                               | <b>(89.47)</b>      |
|          | Consolidation Adjustments (E)                                                   | -18.95%                                           | (23,276.04)         | -5.89%                              | (651.98)            | 0.01%                                       | (0.24)              | -8.26%                                      | (652.22)            |
|          | <b>TOTAL (A+B+C+D+E)</b>                                                        | <b>100.00%</b>                                    | <b>1,22,912.82</b>  | <b>100.00%</b>                      | <b>11,078.20</b>    | <b>100.00%</b>                              | <b>(3,180.78)</b>   | <b>100.00%</b>                              | <b>7,897.42</b>     |

# Before Non-Controlling Interest

\$ AVTB is not consolidated as the Company's share of losses has exceeded the Company's interest in the said investment as per Ind AS 28.

# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

## 4.15 DISTRIBUTION MADE AND PROPOSED (IND AS 1):

₹ in crore

| Particulars                                                                                                                                                                                                                                                                                  | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cash Dividend Declared and Paid on Equity Shares :</b>                                                                                                                                                                                                                                    | 658.46                               | 658.32                               |
| Final dividend for the Year ended on 31 <sup>st</sup> March 2023: ₹ 10 per share of face value of ₹ 2 each<br>(31 <sup>st</sup> March 2022: ₹ 5 per share and Special Dividend ₹ 5 per share of face value of ₹ 2 each)                                                                      |                                      |                                      |
| <b>Proposed Dividend on Equity Shares # :</b>                                                                                                                                                                                                                                                | 664.03                               | 658.46                               |
| Final dividend for the Year ended on 31 <sup>st</sup> March 2024: ₹ 10 per share of face value of ₹ 2 each<br>(31 <sup>st</sup> March 2023: ₹ 10 per share of face value of ₹ 2 each). For partly paid-up shares, dividend will be paid in the proportion of paid-up value per equity share. |                                      |                                      |

# Proposed dividends on equity shares are subject to approval of Annual General Meeting, and are not recognised as a liability as at 31<sup>st</sup> March.

## 4.16 OTHER STATUTORY INFORMATION

- (i) Disclosure related to relationship of the Company with a company which is Struck off under Section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956 as at 31<sup>st</sup> March 2024 are as follows:

₹ in crore

| Sr. No. | Name of struck off Company                                          | Nature of Transactions with struck-off Company | Relationship with Struck off Company, if any | Balance as at<br>31 <sup>st</sup> March 2024 | Balance as at<br>31 <sup>st</sup> March 2023 |
|---------|---------------------------------------------------------------------|------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|
| 1       | Greenhandle Products Private Limited                                | Purchase of Goods and services                 | Not Related                                  | -                                            | -                                            |
| 2       | Rwitvastra Natural Clothing Pvt. Ltd.                               | Customer Advance                               | Not Related                                  | β                                            | -                                            |
| 3       | KRS Fashionworks Private Limited                                    | Security Deposit & Trade Payable               | Not Related                                  | β                                            | -                                            |
| 4       | Poonam Petrochem Pvt. Ltd.                                          | Scrap Sale                                     | Not Related                                  | β                                            | -                                            |
| 5       | KRM Construction India                                              | Receivables                                    | Not Related                                  | β                                            | (0.01)                                       |
| 6       | LKPRO Constructions (OPC) Private Limited                           | Receivables                                    | Not Related                                  | -                                            | 0.01                                         |
| 7       | Virtuous Infotech Private Limited                                   | Receivables                                    | Not Related                                  | -                                            | 0.12                                         |
| 8       | Garg Building Material {Closing Balance: (₹ 43,848)}                | Receivables                                    | Not Related                                  | β                                            | (0.01)                                       |
| 9       | Pamban Builders (OPC) Private Limited {Closing Balance: (₹ 13,315)} | Receivables                                    | Not Related                                  | β                                            | 0.01                                         |
| 10      | Alliance Projects Private Limited                                   | Receivables                                    | Not Related                                  | 0.02                                         | 0.12                                         |
| 11      | Maark Vision Architects Private Limited                             | Loan to Customer                               | Not Related                                  | -                                            | 3.23                                         |
| 12      | Ceeplast Trading Company Private Limited                            | AMC Charges                                    | Not Related                                  | β                                            | -                                            |
| 13      | Chaturbhuj Securities Private Limited                               | AMC Charges                                    | Not Related                                  | β                                            | -                                            |
| 14      | Doniv Enterprises Private LIMITED                                   | AMC Charges                                    | Not Related                                  | β                                            | -                                            |
| 15      | Orion Media Private Limited                                         | AMC Charges                                    | Not Related                                  | β                                            | -                                            |
| 16      | Pusha Steels Limited                                                | AMC Charges                                    | Not Related                                  | β                                            | -                                            |
| 17      | Gurukul Commosales Private Limited                                  | AMC Charges                                    | Not Related                                  | β                                            | -                                            |
| 18      | Savinan Enterprises Private Limited                                 | Commission Charges                             | Not Related                                  | β                                            | β                                            |
| 19      | Emirate Fashions Private Limited                                    | Loan given                                     | Not Related                                  | β                                            | 0.10                                         |



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

₹ in crore

| Sr. No. | Name of struck off Company                        | Nature of Transactions with struck-off Company | Relationship with Struck off Company, if any | Balance as at 31 <sup>st</sup> March 2024 | Balance as at 31 <sup>st</sup> March 2023 |
|---------|---------------------------------------------------|------------------------------------------------|----------------------------------------------|-------------------------------------------|-------------------------------------------|
| 20      | Chennai School Of Ship Management Private Limited | Loan given                                     | Not Related                                  | β                                         | 0.81                                      |
| 21      | Uttam Consultancy Private Limited                 | Loan given                                     | Not Related                                  | β                                         | 6.59                                      |
| 22      | Vintage Motors Private Limited                    | Payable towards distribution fees              | Not Related                                  | -                                         | β                                         |
| 23      | The Riders Zone Private Limited                   | Payable towards distribution fees              | Not Related                                  | -                                         | β                                         |
| 24      | Dimple Motors Private Limited                     | Payable towards distribution fees              | Not Related                                  | -                                         | 0.01                                      |
| 25      | Virtual Securities Private Limited                | AMC Charges                                    | Not Related                                  | β                                         | β                                         |
| 26      | Jmm Nine Stocks Private Limited                   | AMC Charges                                    | Not Related                                  | β                                         | β                                         |
| 27      | Makshi Multitrading Private Limited               | AMC Charges                                    | Not Related                                  | β                                         | β                                         |
| 28      | Moneyspider Investment Services Private Limited   | Commission Charges                             | Not Related                                  | β                                         | β                                         |
| 29      | Gangour Distributors Private Limited              | AMC Charges                                    | Not Related                                  | β                                         | β                                         |
| 30      | Indo Austro Corporation Private Limited           | AMC Charges                                    | Not Related                                  | β                                         | β                                         |
| 31      | Ayyappan Capital Services Private Limited         | AMC Charges                                    | Not Related                                  | β                                         | β                                         |
| 32      | Katman Finbiz Services Private Limited            | AMC Charges                                    | Not Related                                  | β                                         | β                                         |

Note: Figures of ₹ 50,000 or less have been denoted by β.

- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iii) As on 31<sup>st</sup> March 2024 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions except as mentioned in Note 2.21. The funds have been utilised for the specific purpose for which it were raised.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (vii) The Company is in compliance with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



# NOTES

forming part of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2024

- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

## 4.17 AUTHORISATION OF FINANCIAL STATEMENTS:

The Consolidated Financial Statements for the year ended on 31<sup>st</sup> March 2024 were approved by the Board of Directors on 22<sup>nd</sup> May 2024.

Signatures to Notes '1' to '4'

### For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

### Vikas R Kasat

Partner

Membership No.: 105317

Mumbai

Dated: 22<sup>nd</sup> May 2024

### For KKC & Associates LLP

Chartered Accountants

Firm's Registration No.: 105146W/W100621

### Gautam Shah

Partner

Membership No.: 117348

For and on behalf of the Board of Directors of

### GRASIM INDUSTRIES LIMITED

CIN-L17124MP1947PLC000410

### Harikrishna Agarwal

Managing Director

DIN: 09288720

### Pavan K. Jain

Chief Financial Officer

Mumbai

Dated: 22<sup>nd</sup> May 2024

### V. Chandrasekaran

Independent Director

DIN: 03126243

### Sailesh Kumar Daga

Company Secretary

Membership No.: F 4164



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## **Grasim Industries Limited**

### **Registered Office:**

Birlagram, Nagda - 456 331,  
Madhya Pradesh

### **Corporate Office:**

Aditya Birla Centre,  
'A' Wing, 2<sup>nd</sup> Floor,  
S. K. Ahire Marg, Worli,  
Mumbai - 400 030, Maharashtra

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