



**Performance Review  
Quarter 2 : 2013-14**

**Grasim Industries Limited**  
*A VSF and Cement Major*

# Cautionary Statement

*Statements in this “Presentation” describing the Company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.*

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# Highlights – Quarter 2

- Indian economy continues to face headwinds
  - High volatility in currency (INR /USD range in Q2: from 59.31 to 68.80 and back to 61.75)
  - Declining growth rate
    - FY13 – Q1: 5.4%, Q2 : 5.2%, Q3 : 4.7%, Q4: 4.8%; Q1FY14 : 4.4%
  - General shortage of finance impacting availability of working capital
- VSF business records satisfactory performance considering difficult market conditions
  - Global surplus capacity despite growing demand
- Economic slowdown, prolonged monsoon and other factors impacted Cement business
  - Industry growth lower than GDP

## Strategic Action / Projects:

- Executed agreement to acquire Gujarat Cement unit of 4.8 MTA capacity from Jaypee Cement through demerger route
  - Transaction to be completed by Q1 FY2014-15
- Unexpected floods in Gujarat impacted power plant under trial run and commissioning of VSF and Epoxy projects
  - Expected to be commissioned in phased manner in Q4
- 1.6 Mn. TPA Jharsuguda grinding unit (Odisha) commissioned in Oct.'13 raising cement capacity to 55.50 Mn. TPA
- 25 MW TPP at Malkhed, Karnataka also commissioned

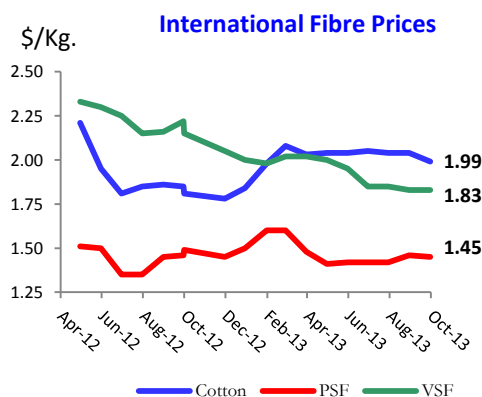
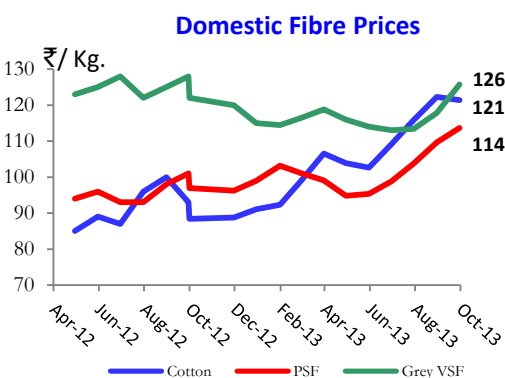
## Business Review

- VSF
- Chemical
- Cement Subsidiary

# Viscose Staple Fibre : Highlights

Quarter 1 2013-14		Quarter 2		% Change (YoY)
		2013-14	2012-13	
377,775	Capacity - Annual (MT)	<b>377,775</b>	352,225	7
92,185*	Capacity - Quarter (MT)	<b>94,444</b>	83,500*	13
87,692	Production (MT)	<b>91,995</b>	79,798	15
77,518	Sales Volumes (MT)	<b>93,025</b>	85,312	9
980	Net Revenue (₹ Cr.)	<b>1,211</b>	1,164	4

\* Operational capacity during the quarter



## Global Industry Scenario

- Over capacity continue to prevail in China affecting global sentiments
- Surplus DG pulp capacity built at the time of boom, affected spot pulp realisations as well as VSF prices

## Business performance

- Production up by 15% on YoY basis aided by
  - Harihar brownfield expansion
  - Construction of new water reservoir ensured uninterrupted operations at Nagda (11 days shutdown in Q2 last year)
- Sales volume increased by 9%, led by higher exports
  - The floods in last week of September and sudden reversal in rupee affected sales at quarter end
- Depreciation of rupee arrested decline in realisation to 4% against 16% decline in prices in international markets

# Viscose Staple Fibre : Highlights (Contd....)

Quarter 1 2013-14	Quarter 2		% Change (YoY)
	2013-14	2012-13	
<b>Standalone Business:</b>			
187 PBIDT (₹ Cr.)	<b>240</b>	251	<b>(4)</b>
18.8% PBIDT Margin (%)	<b>19.6%</b>	21.6%	--
151 PBIT (₹ Cr.)	<b>203</b>	222	<b>(9)</b>
24.0% ROAvCE % (Excl. CWIP)	<b>29.8%</b>	46.0%	

<b>Joint Ventures – Grasim's Share (₹ Cr.):</b>			
351 Revenue – Old JVs #	<b>372</b>	427	<b>(13)</b>
124 - AV Terrace Bay	<b>145</b>	--	--
475	<b>517</b>	427	--
(10) PBIDT - Old JVs #	<b>49</b>	72	<b>(32)</b>
(13) - AV Terrace Bay	<b>(10)</b>	(8)	--
(23)	<b>39</b>	64	--

<b>Consolidated Business (Pulp and Fibre):</b>			
161 PBIDT (₹ Cr.)	<b>269</b>	263	--
161 PBIDT (₹ Cr.) (Comparable) #	<b>269</b>	308	<b>(13)</b>

## ● Cost of production maintained

- Decline in Caustic and Sulphur prices and energy cost
- However cost of imported pulp increased due to rupee depreciation

## ● PBIDT affected by lower realisations

## Joint Ventures

### ● Pulp JVs

- Better performance of pulp JVs sequentially despite decline in pulp sales volume due to lower sales in China
  - China sale is affected due to uncertainty on anti dumping duty investigation there
- Pulp performance improved consolidated PBIDT on QoQ basis

# Results of Domsjo consolidated as JV as against 'Associate' earlier. Corresponding numbers recasted for better comparison

# Viscose Staple Fibre : Outlook

- Rupee depreciation should improve competitiveness of Indian Textile industry
- In long term, VSF continues to hold favorable position in comparison to other fibres
  - Preference for comfort fabric leading to increase in demand for high quality cellulosic fibre
  - Rising population and increasing prosperity in developing economies
- However in the immediate term, prices movement to depend on
  - Recovery of global economy particularly China and US
  - Pressure of overcapacity in China
- Additional capacity from Vilayat to increase volumes
  - Vilayat plant to also produce premium specialty fibre
  - Present market conditions will require balancing between volumes and prices for expanded capacity
- Concerted market development activities are on
  - Cobranding with leading apparel retail chains



# Chemical : Highlights

Quarter 1 2013-14		Quarter 2		% Change (YoY)
		2013-14	2012-13	
440,500	Capacity - Annual (MT)	<b>440,500</b>	258,000	71
71,750*	Capacity - Quarter (MT)	<b>83,500*</b>	64,500	29
71,035	Production (MT)	<b>79,957</b>	63,627	26
72,028	Sales Volumes (MT)	<b>78,356</b>	65,500	20
224	Net Revenue (₹ Cr.)	<b>254</b>	236	8
50	PBIDT (₹ Cr.)	<b>62</b>	67	(8)
22.4%	PBIDT Margin (%)	<b>24.3%</b>	28.3%	
39	PBIT (₹ Cr.)	<b>47</b>	59	(19)
22.3%	ROAvCE % (Excl. CWIP)	<b>19.5%</b>	44.5%	

\* Operational capacity during the quarter

## Industry Scenario

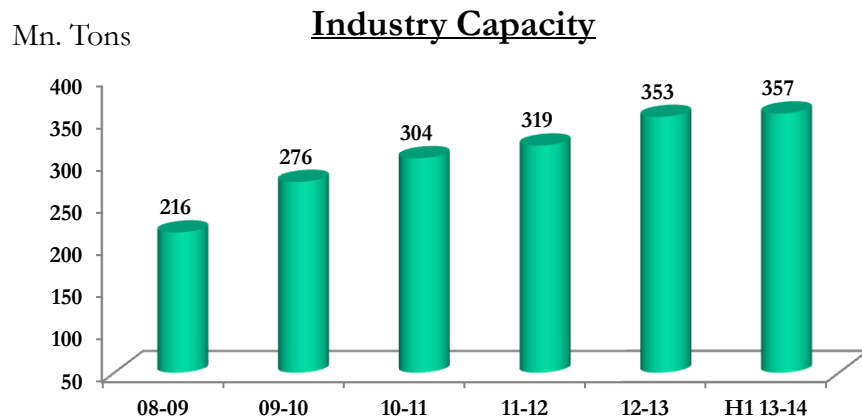
- Caustic realisation, though declined on YoY basis, improved over Q1 due to lower imports

## Business Performance

- Increased production and sales volume
  - Uninterrupted operations at Nagda
  - Additional volumes post commissioning of Vilayat Plant
- PBIDT at ₹ 62 Crore down by 8% due to lower realisations
  - On QoQ basis realisations up 4%
- Operations of Vilayat plant hampered at quarter end by damage caused to power plant by flood
  - To resume production from Nov' 13 and improve volumes in gradual manner
- Epoxy project (51,500 TPA) expected to be commissioned in Quarter 3

# Cement : Highlights

Quarter 1 2013-14		Quarter 2		% Change (YoY)
		2013-14	2012-13	
<b>Grey Cement (Mn. MT)</b>				
41.80	Clinker capacity - Annual	<b>45.10</b>	38.50	17
53.90	Cement Capacity - Annual	<b>53.90</b>	51.75	4
13.48	Cement Capacity - Qtr.	<b>13.48</b>	12.93	4
10.67	Production	<b>9.71</b>	9.65	1
	Sales Volume			
10.79	- Cement \$	<b>9.88</b>	9.74	1
0.09	- Clinker	<b>0.15</b>	0.15	--
<b>White Cement (LMT)</b>				
1.39	Production	<b>1.51</b>	1.25	20
1.41	Sales Volumes \$\$	<b>1.43</b>	1.31	9



## Industry Scenario

- Demand growth continued to remain sluggish in line with weak macro economic indicators
- Volume remained almost flat
  - Good monsoon
  - Continued weakness in Infrastructure and Housing segment
  - Availability of sand and aggregates
  - Political instability in Andhra Pradesh
- Industry capacity utilisation during the quarter estimated at 66% (Q2 FY13: 67%)
- Capacity addition of 3.5 Mn. Ton during the quarter

## Business Performance

- Capacity utilisation higher than industry at 72%
- Sales volume up by 1% on YoY basis
- White Cement sales volume up by 9%
  - Putty volume up 22% post commissioning of Katni unit in Q1

\$ Includes captive consumption for RMC

\$\$ Includes captive consumption for value added products



# Cement : Financials

Quarter 1 2013-14		Quarter 2		% Change (YoY)
		2013-14	2012-13	
5,294	Net Revenue (₹ Cr.)	<b>4,870</b>	4,972	(2)
1,268	PBIDT (₹ Cr.)	<b>773</b>	1,112	(31)
23.3%	PBIDT Margin (%)	<b>15.7%</b>	22.2%	
995	PBIT (₹ Cr.)	<b>494</b>	860	(43)
17.8%	ROAvCE (%) (Excl. CWIP)	<b>8.5%</b>	17.3%	

- Prices remained under pressure during Aug. and Sep.
  - Average realisation down by 7%
  - Net Revenue decline restricted to 2% with better volume of White cement and Putty
- Variable cost down by 4% YoY
  - Energy cost lower by 9%
    - Petcoke prices eased by 10% and increase in consumption
    - Imported coal price at lowest level since FY11; declined by 13% , gain offset partially by rupee depreciation
  - Raw material cost up by 5% due to increase in diesel prices
- PBIDT registered 31% decline

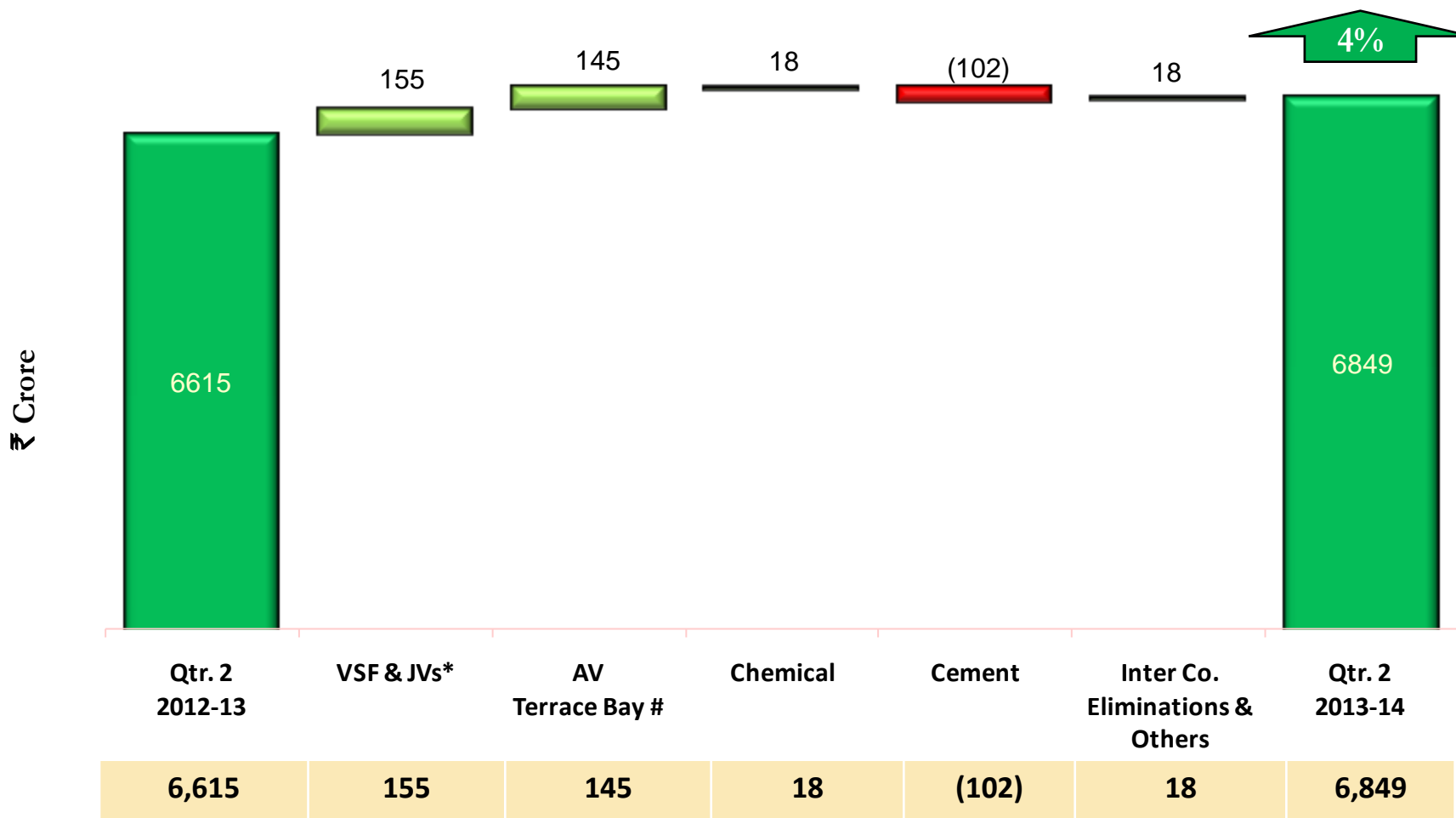
# Cement : Outlook

- Demand growth in FY14 likely to be 5% linked with expected GDP growth rate at ~5%
  - Demand growth has potential to recover to + 8% on improvement in economic environment
- Surplus supply scenario likely to continue over the next 3 years with capacity addition of 55 Mn. Tons by FY16
  - Industry likely to operate below 80% utilisation till FY16 leading to range bound margins
- UltraTech's total capacity to reach 70 Mn. TPA on completion of existing growth plans

	India	Overseas	Total	Remarks
<b>Present</b>	50.9	3.0	53.9	
<b><u>Under Implementation:</u></b>				
• Grinding unit for brown field expansion				
- Commissioned in Oct'13	1.6		1.6	6.6 Mn. TPA clinker capacity commissioned
- Others in phased manner	6.0		6.0	
- Bahrain Grinding unit		0.6	0.6	
• Brown field expansion at Sambhupura, Rajasthan	2.9		2.9	Transaction to be consummated in 7 to 9 Months
• Gujarat cement unit of Jaypee Cement Corp. (JCCL)	4.8		4.8	
<b>Total</b>	<b>66.2</b>	<b>3.6</b>	<b>69.8</b>	

# Financial Performance

# Consolidated Revenue



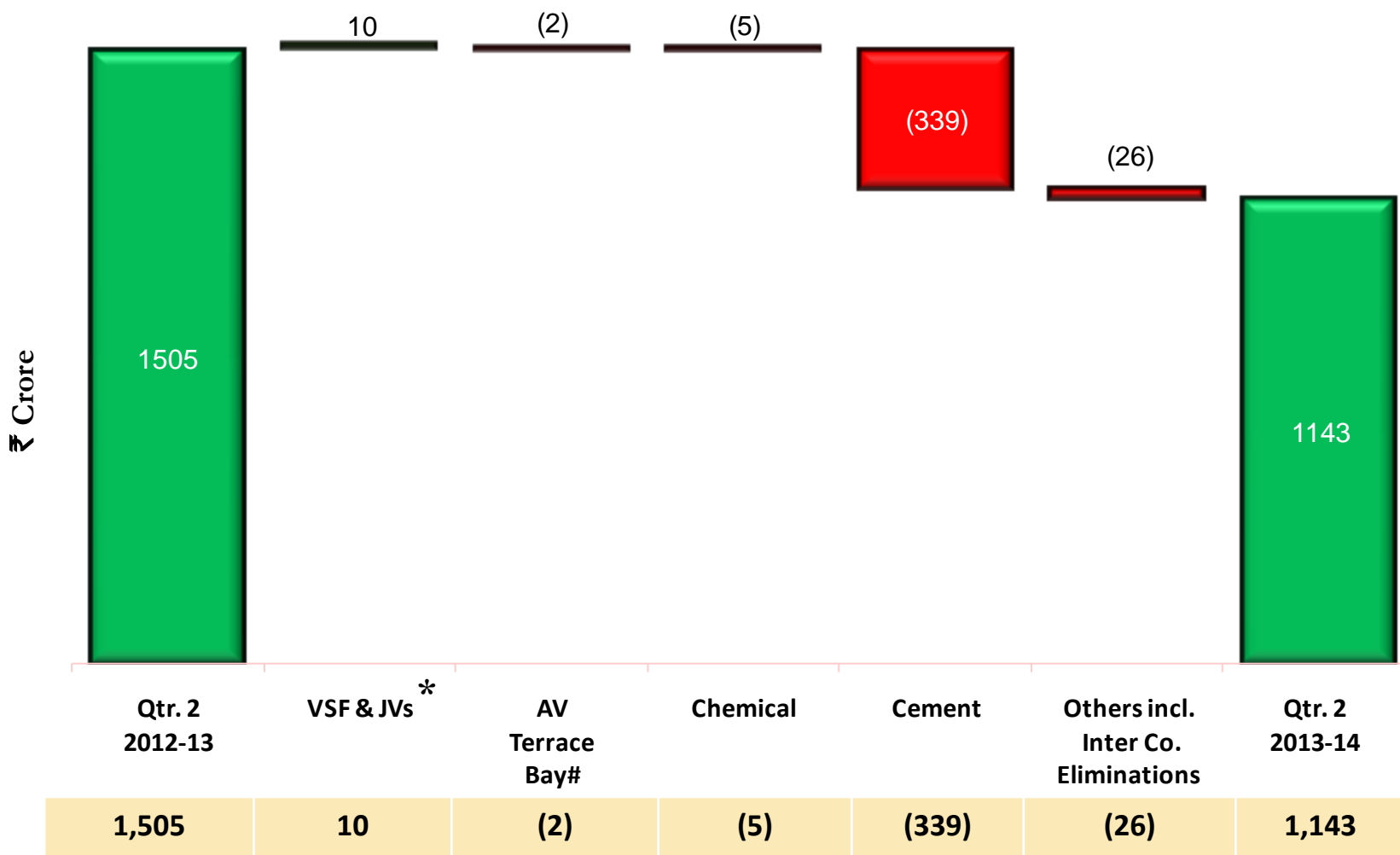
\* Includes revenue of Domsjo (₹ 128 cr) consolidated as JV as against 'Associate' till September 2012

# Acquired in July' 12 and became operational from October'12

# Financial Performance – Consolidated

			(₹ Crore)				
Half Year		%		Quarter 2		%	Quarter 1
2013-14	2012-13	Change		2013-14	2012-13	Change	2013-14
<b>13,785</b>	13,451	<b>2</b>	Revenue	<b>6,849</b>	6,615	<b>4</b>	6,936
<b>11,435</b>	10,414	<b>10</b>	Operating Costs	<b>5,814</b>	5,210	<b>12</b>	5,620
<b>2,693</b>	3,273	<b>(18)</b>	PBIDT	<b>1,143</b>	1,505	<b>(24)</b>	1,549
<b>214</b>	161	<b>33</b>	Finance Cost	<b>119</b>	87	<b>37</b>	95
<b>702</b>	604	<b>16</b>	Depreciation	<b>358</b>	307	<b>17</b>	344
<b>1,777</b>	2,507	<b>(29)</b>	PBT	<b>666</b>	1,112	<b>(40)</b>	1,110
<b>383</b>	694	<b>(45)</b>	Tax Expenses	<b>124</b>	309	<b>(60)</b>	259
<b>381</b>	522		Minority Share	<b>114</b>	222		267
<b>1,060</b>	1,338	<b>(21)</b>	PAT (Incl. share in Associates)	<b>450</b>	620	<b>(27)</b>	610
<b>115.4</b>	145.7	<b>(21)</b>	EPS (₹)	<b>49.0</b>	67.5	<b>(27)</b>	66.4

# Consolidated PBIDT



# Acquired in July' 12

\* Includes Domsjo (Rs. 38 crore) consolidated as JV as against associate till September 2012



# Net Profit

(₹ Crore)

Half Year						Quarter 2				
2013-14		2012-13		% Change		2013-14		2012-13		% Change
Total Co.	Grasim's share	Total Co.	Grasim's share			Total Co.	Grasim's share	Total Co.	Grasim's share	
	640		656	(2)	Standalone PAT		414		383	8
946	570	1,316	794	(28)	UltraTech Cement	280	169	553	333	(49)
7	7	3	3		Grasim Bhiwani Textiles	5	5	3	3	
(31)	(13)	(55)	(19)		Fibre and DG Pulp JVs	47	16	11	8	
(70)	(28)	(19)	(8)		AV Terrace Bay	(32)	(13)	(19)	(8)	
910	47	474	25	92	Idea Cellular	448	23	240	12	86
	(163)		(113)		Inter Company Eliminations / Others		(163)		(112)	
	421		682	(38)	Grasim's Share in Subsidiaries / JVs		37		237	(84)
	1,060		1,338	(21)	Grasim Consolidated PAT		450		620	(27)

# Balance Sheet : Grasim

Standalone		Consolidated (₹ Crore)		
As on 30th Sep'13	As on 31st Mar'13	EQUITY & LIABILITIES	As on 30th Sep'13	As on 31st Mar'13
		<b>Shareholders' Funds</b>		
<b>10,771</b>	10,122	Net Worth	<b>20,937</b>	19,657
-	-	Minority Interest	<b>6,495</b>	6,221
		<b>Non Current Liabilities</b>		
<b>1,111</b>	981	Long Term Borrowings	<b>7,041</b>	6,653
<b>386</b>	344	Deferred Tax Liability (Net)	<b>2,511</b>	2,301
<b>60</b>	56	Long Term Liabilities & Provisions	<b>221</b>	205
		<b>Current Liabilities</b>		
<b>348</b>	314	ST Borrowings/Current Maturities of LT	<b>3,089</b>	2,908
<b>1,153</b>	1,234	Current Liabilities & Provisions	<b>6,282</b>	6,125
<b>13,829</b>	13,052	<b>SOURCES OF FUNDS</b>	<b>46,577</b>	44,070
		<b>ASSETS</b>		
		<b>Non-Current Assets</b>		
<b>2,648</b>	2,072	Net Fixed Assets	<b>19,747</b>	17,552
<b>2,543</b>	2,693	Capital WIP & Advances	<b>6,432</b>	7,219
-	-	Goodwill on Consolidation	<b>3,252</b>	3,010
		<b>Non- Current Investments</b>		
<b>2,636</b>	2,636	Cement Subsidiary	-	-
<b>1,762</b>	1,883	Other Investments	<b>1,615</b>	3,165
<b>289</b>	171	Long Term Loans and Advances	<b>590</b>	457
		<b>Current Assets</b>		
<b>1,693</b>	1,706	Current Investments (MF/Bonds)	<b>6,158</b>	4,846
<b>2,257</b>	1,891	Other Current Assets	<b>8,782</b>	7,822
<b>13,829</b>	13,052	<b>APPLICATION OF FUNDS</b>	<b>46,577</b>	44,070
<b>1,459</b>	1,295	Total Borrowings	<b>10,130</b>	9,561
<b>1,874</b>	2,034	Total Liquid Funds	<b>6,430</b>	6,735
<b>416</b>	739	Liquid Funds (Net of Debt)	<b>(3,700)</b>	(2,826)



# Strong Financials

(₹ Crore)	Standalone		Consolidated	
	H1 FY 2013-14	Full Year 2012-13	H1 FY 2013-14	Full Year 2012-13
Net Worth	<b>10,771</b>	10,122	<b>20,937</b>	19,657
Debt	<b>1,459</b>	1,295	<b>10,130</b>	9,561
Net Debt (+) over liquid funds (-)	<b>(416)</b>	(739)	<b>3,700</b>	2,826
Capital Employed	<b>12,616</b>	11,761	<b>40,073</b>	37,740
Debt:Equity (x)	<b>0.14</b>	0.13	<b>0.37</b>	0.37
Interest Cover	<b>18.7</b>	21.3	<b>8.7</b>	10.9
Book Value (₹)	<b>1,173</b>	1,103	<b>2,280</b>	2,141
ROAvCE (%) (Excluding CWIP)			<b>12.4</b>	17.5
RONW (%)			<b>10.4</b>	13.6

**Strong Balance Sheet to support growth plans**

# Capex

# Capex plan

(₹ Crore)

	Capex under Implemen-tation \$	Work in Progress as on 01-04-13	Net Capex	Cash Outflow		Capex spent during H1
				FY14	FY15 onward	
<b><u>Standalone</u></b>						
VSF Expansion : Vilayat (120K TPA), Harihar (36K TPA)	2,178					
Chemical Expansion : Vilayat (182K TPA)	947					
Epoxy Project : Vilayat (51,500 TPA)	238					
Nagda Revamp	278					
Normal Capex : VSF	394					
: Chemical & Others	197					
<b>Standalone Capex (A)</b>	<b>4,232</b>	<b>2,688</b>	<b>1,544</b>	<b>1,255</b>	<b>289</b>	<b>533</b>
<b><u>Cement Subsidiary</u></b>						
Capacity expansion : Raipur (4.8 Mn. TPA) (With GU and Bulk Terminal) : Malkhed (4.4 Mn. TPA) : Shambhupura (2.9 Mn. TPA)	7,188					
Material Evacuation, Logistic Infrastructure	874					
Thermal Power (50 MW) & Waste Heat Recovery	622					
RMC Business	364					
Modernisation, Upgradation and others (Incl. Land)	4,679					
<b>Cement Business Capex (B)</b>	<b>13,727</b>	<b>4,352</b>	<b>9,375</b>	<b>3,206</b>	<b>6,169</b>	<b>1,132</b>
<b>Capex (A + B)</b>	<b>17,959</b>	<b>7,040</b>	<b>10,919</b>	<b>4,461</b>	<b>6,458</b>	<b>1,665</b>

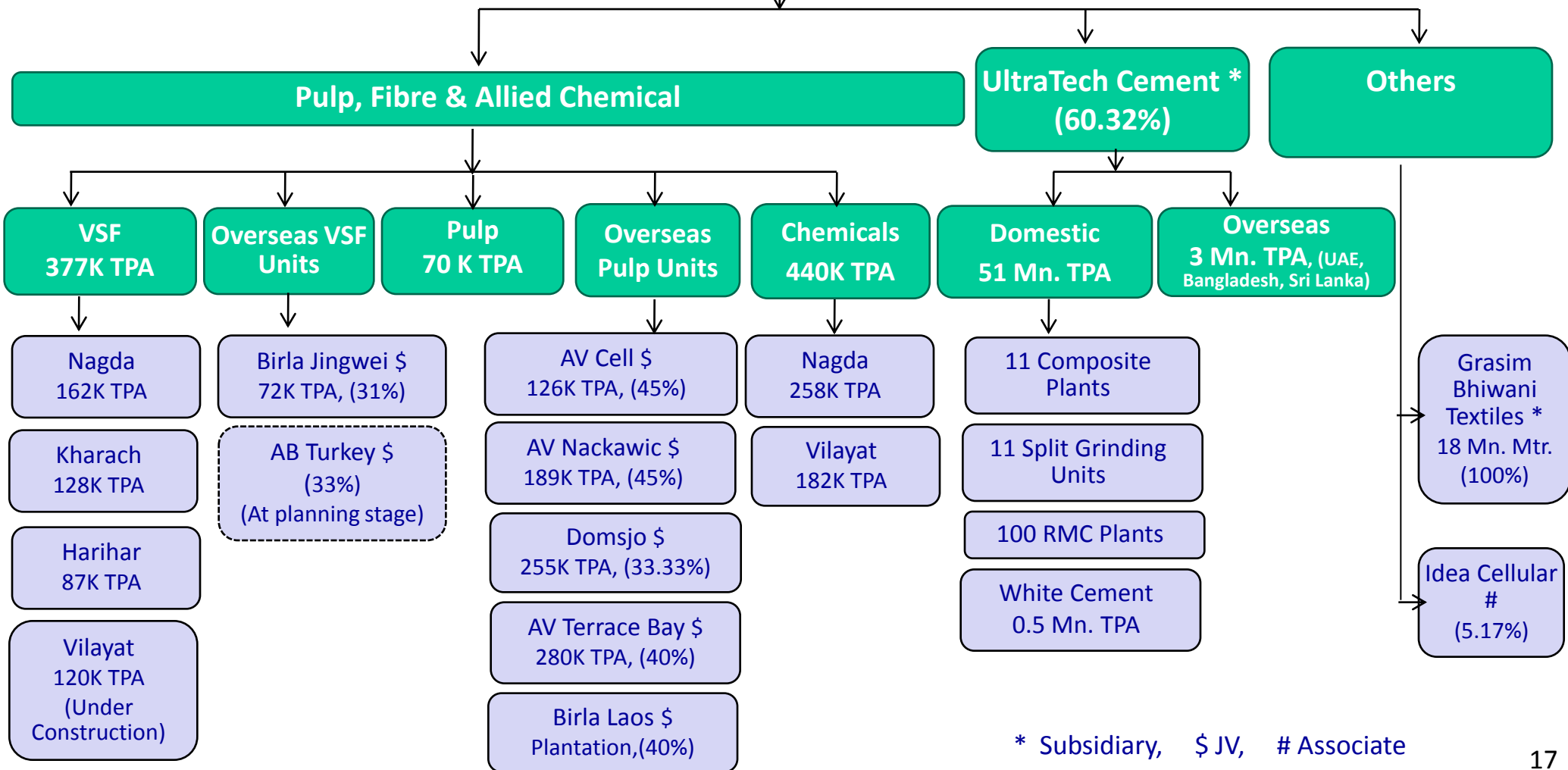
\$ Excludes capex already capitalised on commissioning till 31<sup>st</sup> March 2013

## Summary

# Summary

- Businesses impacted by slowdown in economy
  - Surplus capacities will continue to exert pressure till environment improves
  - Continuous cost optimisation measures and R&D to help meet these challenges
- Both businesses to consolidate leadership
  - On-going Capacity Expansions nearing completion, to drive volumes and profitability
  - Will help to move forward rapidly with recovery in markets

# Organizational Structure

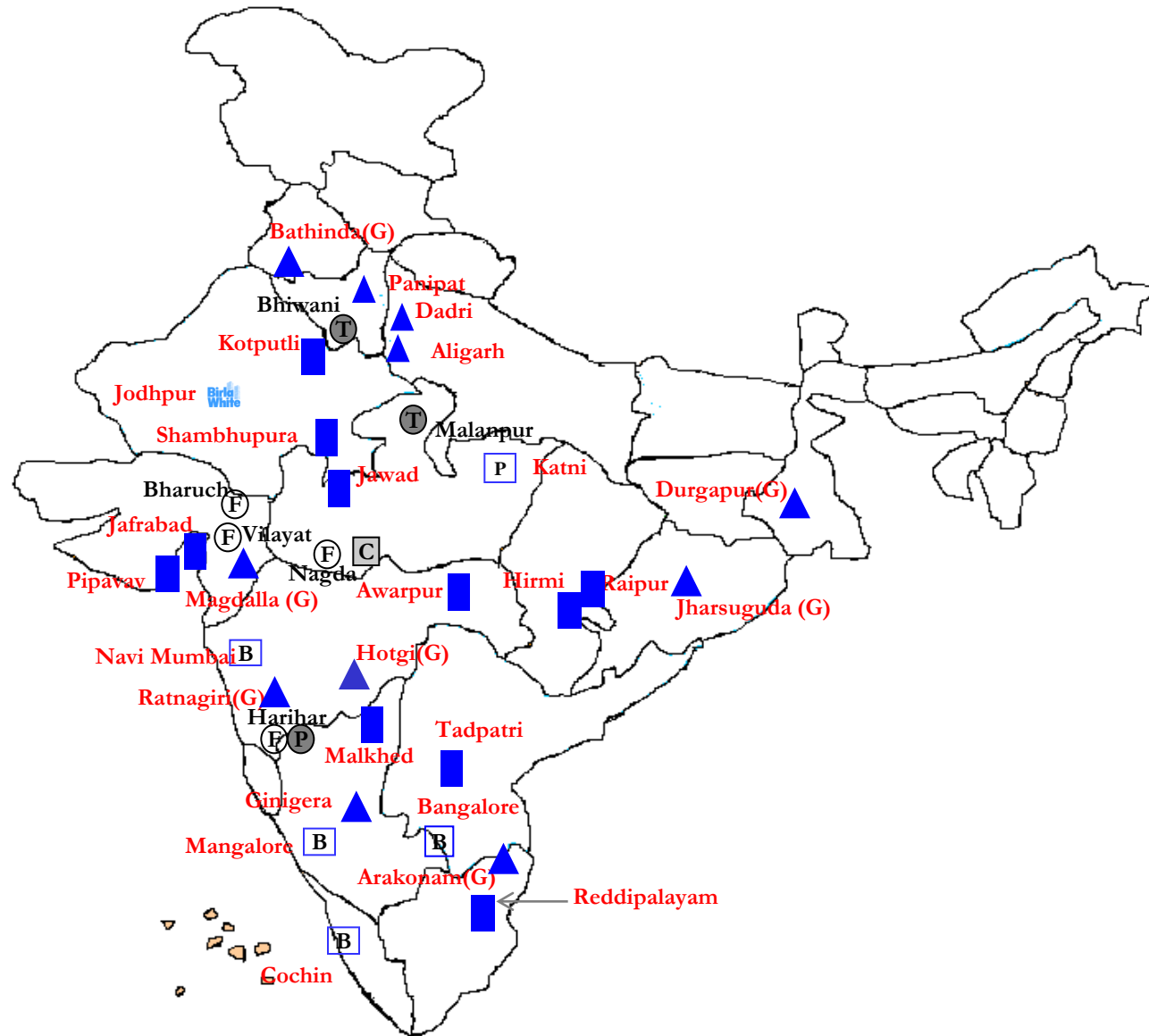


\* Subsidiary, \$ JV, # Associate



# Plant Locations– Grasim & its subsidiaries

- UltraTech Cement Plants
- ▲ UltraTech Grinding Units (G)
- ▲ UltraTech White Cement Plant
- B UltraTech Bulk Cement Terminals
- P UltraTech Putty Plant
- F Fibre plants
- P Pulp plant
- C Chemical plant
- T Textiles units



ADITYA BIRLA



**Thank You**



**Grasim Industries Limited**

**Annexure**



# Annexure

- **Consolidated Financial Performance**
- **Standalone Financial Performance**
- **Consolidated and Standalone Profitability**
- **Revenue & PBIDT Chart**
- **VSF Summary**
- **Chemical Summary**
- **Cement Summary**

# Consolidated Financial Performance

(₹ Crore)

	Quarter - 2		%	Half Year		%	Full Year
	2013-14	2012-13	Change	2013-14	2012-13	Change	2012-13
Net Sales & Op. Income	<b>6,848.7</b>	6,614.9	4	<b>13,784.8</b>	13,451.0	2	27,904.3
Other Income	<b>109.1</b>	99.8	9	<b>342.6</b>	235.5	45	619.1
PBIDT	<b>1,143.3</b>	1,505.2	(24)	<b>2,692.5</b>	3,272.6	(18)	6,543.1
PBIDT Margin (%)	<b>16.4%</b>	22.4%		<b>19.1%</b>	23.9%		22.9%
Finance Cost	<b>119.3</b>	86.8	37	<b>214.2</b>	160.8	33	324.1
Depreciation	<b>357.7</b>	306.6	17	<b>701.6</b>	604.4	16	1,252.1
PBT	<b>666.3</b>	1,111.8	(40)	<b>1,776.7</b>	2,507.4	(29)	4,966.9
Exceptional Item	-	-		-	-		204.4
PBT (After exceptional item)	<b>666.3</b>	1,111.8	(40)	<b>1,776.7</b>	2,507.4	(29)	5,171.3
Total Tax	<b>124.0</b>	308.9	(60)	<b>382.9</b>	694.4	(45)	1,467.2
PAT (Before Minority Share)	<b>542.3</b>	802.9	(32)	<b>1,393.8</b>	1,812.9	(23)	3,704.1
Share in Profit of Associates	<b>22.5</b>	38.1	(41)	<b>47.9</b>	46.8	2	73.7
Minority Share	<b>114.5</b>	221.5		<b>381.4</b>	522.1		1,073.4
PAT (After Minority Share)	<b>450.3</b>	619.6	(27)	<b>1,060.3</b>	1,337.6	(21)	2,704.4
Cash Profit (Before Minority Share)	<b>1,005.2</b>	1,242.3	(19)	<b>2,346.9</b>	2,655.1	(12)	5,076.7

# Standalone Financial Performance

(₹ Crore)

	Quarter 2		% Change	Half Year		% Change	Full Year 2012-13
	2013-14	2012-13		2013-14	2012-13		
Net Sales & Op. Income	<b>1,421.4</b>	1,364.1	4	<b>2,584.5</b>	2,627.4	(2)	5,255.0
Other Income	<b>205.3</b>	191.7	7	<b>287.0</b>	256.8	12	434.6
PBIDT	<b>482.5</b>	500.4	(4)	<b>780.8</b>	880.1	(11)	1,522.7
PBIDT Margin (%)	<b>29.7%</b>	32.2%		<b>27.2%</b>	30.5%		26.8%
Finance Cost	<b>9.4</b>	7.8	21	<b>17.3</b>	13.9	24	39.1
Depreciation	<b>53.0</b>	38.6	37	<b>101.4</b>	74.6	36	159.2
PBT	<b>420.1</b>	454.0	(7)	<b>662.1</b>	791.6	(16)	1,324.4
Exceptional Item	-	-		-	-		204.4
PBT (After Exceptional Item)	<b>420.1</b>	454.0	(7)	<b>662.1</b>	791.6	(16)	1,528.9
Tax Expense	<b>6.6</b>	71.2	(91)	<b>22.5</b>	135.9	(83)	302.9
PAT	<b>413.5</b>	382.7	8	<b>639.6</b>	655.7	(2)	1,226.0
EPS	<b>45.0</b>	41.7	8	<b>69.7</b>	71.4	(2)	133.5

# Profitability Snapshot

( ₹ Crore)	Standalone				Consolidated			
	FY	FY	FY	H1 FY	FY	FY	FY	H1 FY
	2010-11	2011-12	2012-13	2013-14	2010-11	2011-12	2012-13	2013-14
Net Turnover & Op. Income	4,640	4,974	5,255	<b>2,585</b>	21,550	25,244	27,904	<b>13,785</b>
PBIDT	1,817	1,722	1,523	<b>781</b>	5,395	6,321	6,543	<b>2,693</b>
PBIDT Margin (%)	36.8	31.7	26.8	<b>27.2</b>	24.6	24.3	22.9	<b>19.1</b>
Finance Cost	46	36	39	<b>17</b>	407	314	324	<b>214</b>
PBDT	1,771	1,686	1,484	<b>764</b>	4,988	6,007	6,219	<b>2,478</b>
Tax Expenses	413	365	303	<b>22</b>	954	1,321	1,467	<b>383</b>
<b>PAT # (After Minority Share)</b>	<b>1,182</b>	<b>1,177</b>	<b>1,022</b>	<b>640</b>	<b>2,279</b>	<b>2,648</b>	<b>2,500</b>	<b>1,060</b>
EPS (₹) #	128.8	128.2	111.3	<b>69.7</b>	248.4	288.4	272.3	<b>115.5</b>
DPS (₹)	20.0	22.5	22.5	-	--	--	--	--
ROAvCE (PBIT Basis)(%)					16.5	17.5	15.3	<b>10.2</b>
RONW (%) #					16.8	16.7	13.6	<b>10.4</b>
Interest Cover (x)	30.3	36.8	21.3	<b>18.7</b>	10.6	13.4	10.9	<b>8.7</b>

# before exceptional / extraordinary gain

# Revenue Chart

(₹ Crore)

Half Year		%	Net Revenue	Quarter 2		%	Quarter 1
2013-14	2012-13	Change		2013-14	2012-13	Change	2013-14
<b>2,191</b>	2,226	(2)	Viscose Staple Fibre	<b>1,211</b>	1,164	4	980
<b>478</b>	475	1	Chemical	<b>254</b>	236	8	224
<b>49</b>	51		Others	<b>26</b>	26		23
<b>(133)</b>	(125)		Eliminations (Inter Segment)	<b>(69)</b>	(62)		(64)
<b>2,585</b>	2,627	(2)	Standalone Net Revenue	<b>1,421</b>	1,364	4	1,163
			<u>Subsidiaries</u>				
<b>10,164</b>	10,334	(2)	Cement	<b>4,870</b>	4,972	(2)	5,294
<b>229</b>	195	18	Textiles	<b>131</b>	116	13	98
<b>991</b>	471		Pulp JVs and Fibre JV (Pro Rata)	<b>517</b>	268		475
<b>(184)</b>	(176)		Eliminations (Inter Company)/Others	<b>(90)</b>	(105)		(94)
<b>11,200</b>	10,824	3	Total for Subsidiaries & JVs	<b>5,427</b>	5,251	3	5,773
<b>13,785</b>	13,451	2	Consolidated Net Revenue	<b>6,849</b>	6,615	4	6,936



# PBIDT – Chart

(₹ Crore)

Half Year		%	PBIDT	Quarter 2		%	Quarter 1
2013-14	2012-13	Change		2013-14	2012-13	Change	2013-14
<b>427</b>	527	(19)	Viscose Staple Fibre	<b>240</b>	251	(4)	187
<b>112</b>	133	(16)	Chemical	<b>62</b>	67	(8)	50
<b>242</b>	219	10	Others	<b>180</b>	182	(1)	61
<b>781</b>	880	(11)	Standalone PBIDT	<b>483</b>	500	(4)	298
			<u>Subsidiaries</u>				
<b>2,041</b>	2,503	(18)	Cement	<b>773</b>	1,112	(31)	1,268
<b>16</b>	13		Textiles	<b>10</b>	10		6
<b>16</b>	10		Pulp JVs and Fibre JVs (Pro Rata)	<b>39</b>	20		(23)
<b>(161)</b>	(134)		Eliminations (Inter Company)/Others	<b>(161)</b>	(137)		-
<b>1,912</b>	2,393	(20)	Total for Subsidiaries & JVs	<b>661</b>	1,005	(34)	1,251
<b>2,693</b>	3,273	(18)	Consolidated PBIDT	<b>1,143</b>	1,505	(24)	1,549

# Viscose Staple Fibre : Summary

		Quarter 2		% Change	Half Year		% Change	Full Year 2012-13
		2013-14	2012-13		2013-14	2012-13		
Capacity*	TPA	<b>94,444</b>	83,500	13	<b>1,86,629</b>	1,67,000	12	3,43,100
Production	MT	<b>91,995</b>	79,798	15	<b>1,79,687</b>	1,63,202	10	3,37,492
Sales Volumes	MT	<b>93,025</b>	85,312	9	<b>1,70,544</b>	1,62,324	5	3,36,065
Net Revenue	₹ Cr.	<b>1,211</b>	1,164	4	<b>2,191</b>	2,226	(2)	4,472
PBIDT	₹ Cr.	<b>240</b>	251	(4)	<b>427</b>	527	(19)	931
PBIDT Margin	%	<b>19.6%</b>	21.6%		<b>19.5%</b>	23.7%		20.7%
PBIT	₹ Cr.	<b>203</b>	222	(9)	<b>354</b>	472	(25)	810
Capital Employed (Incl. CWIP)	₹ Cr.	<b>4,688</b>	3,366	39	<b>4,688</b>	3,366	39	4,088
ROAvCE (Excl. CWIP)	%	<b>29.8%</b>	46.0%	--	<b>27.0%</b>	46.6%	--	37.7%

\* Operational capacity during the period

# Chemical : Summary

		Quarter 2		%	Half Year		%	Full Year
		2013-14	2012-13	Change	2013-14	2012-13	Change	2012-13
Capacity*	TPA	<b>83,500</b>	64,500	29	<b>1,55,250</b>	1,29,000	20	2,58,000
Production	MT	<b>79,957</b>	63,627	26	<b>1,50,992</b>	1,32,793	14	2,70,191
Sales Volumes	MT	<b>78,356</b>	65,500	20	<b>1,50,384</b>	1,34,966	11	2,69,438
Net Revenue	₹ Cr.	<b>254</b>	236	8	<b>478</b>	475	1	951
PBIDT	₹ Cr.	<b>62</b>	67	(8)	<b>112</b>	133	(16)	245
PBIDT Margin	%	<b>24.3%</b>	28.3%		<b>23.4%</b>	28.0%		25.7%
PBIT	₹ Cr.	<b>47</b>	59	(19)	<b>86</b>	116	(26)	211
Capital Employed (Incl. CWIP)	₹ Cr.	<b>1,679</b>	1,124	49	<b>1,679</b>	1,124	49	1,468
ROAvCE (Excl. CWIP)	%	<b>19.5%</b>	44.5%		<b>22.4%</b>	51.0%		46.0%

\* Operational capacity during the period

# Cement : Summary

		Quarter 2		%	Half Year		%	Full Year
		2013-14	2012-13	Change	2013-14	2012-13	Change	2012-13
<u>Grey Cement</u>								
Capacity	Mn. TPA	<b>13.48</b>	12.94	4	<b>26.95</b>	25.86	4	53.90
Production	Mn. MT	<b>9.71</b>	9.65	1	<b>20.38</b>	20.41	(0)	42.59
Cement Sales Volumes <sup>\$</sup>	Mn. MT	<b>9.88</b>	9.74	1	<b>20.67</b>	20.57	--	42.75
Clinker Sales Volumes	Mn. MT	<b>0.15</b>	0.15	-	<b>0.24</b>	0.34	(29)	0.89
<u>White Cement</u>								
	₹ Cr.							
Production	Lac MT	<b>1.51</b>	1.25	20	<b>2.89</b>	2.59	12	5.73
Sales Volumes <sup>\$\$</sup>	Lac MT	<b>1.43</b>	1.31	9	<b>2.84</b>	2.64	8	5.66
Net Revenue	₹ Cr.	<b>4,870</b>	4,972	(2)	<b>10,164</b>	10,334	(2)	21,319
PBIDT	₹ Cr.	<b>773</b>	1,112	(31)	<b>2,041</b>	2,503	(18)	5,143
PBIDT Margin	%	<b>15.7%</b>	22.2%		<b>19.7%</b>	24.0%		23.8%
PBIT	₹ Cr.	<b>494</b>	860	(43)	<b>1,489</b>	2,003	(26)	4,120
Capital Employed (Incl. CWIP)	₹ Cr.	<b>27,863</b>	24,434	14	<b>27,863</b>	24,434	14	26,707
ROAvCE (Excl. CWIP)	%	<b>8.5%</b>	17.3%		<b>12.8%</b>	20.3%		19.8%

<sup>\$</sup> Includes captive consumption for RMC

<sup>\$\$</sup> Includes captive consumption for value added products



**UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2013**

**PART I: STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2013** ₹ Crore

Particulars	Three Months Ended			Six Months Ended		Year Ended
	30-09-2013	30-06-2013	30-09-2012	30-09-2013	30-09-2012	31-03-2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income from Operations</b>						
Net Sales / Income from Operations (Net of Excise Duty)	6,800.79	6,890.87	6,562.56	13,691.66	13,358.04	27,639.72
Other Operating Income	47.90	45.28	52.34	93.18	93.00	264.60
<b>Total Income from Operations (Net)</b>	<b>6,848.69</b>	<b>6,936.15</b>	<b>6,614.90</b>	<b>13,784.84</b>	<b>13,451.04</b>	<b>27,904.32</b>
<b>2 Expenses</b>						
Cost of Materials Consumed	1,714.61	1,591.28	1,408.88	3,305.89	2,891.61	6,143.15
Purchases of Stock-in-Trade	114.60	102.03	86.87	216.63	162.74	339.65
Changes [Decrease / (Increase)] in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(32.72)	(48.33)	(19.30)	(81.05)	(99.66)	(196.25)
Employee Benefits Expense	503.25	453.34	391.24	956.59	766.57	1,670.63
Power and Fuel Cost	1,323.28	1,327.98	1,384.66	2,651.26	2,772.31	5,603.83
Freight and Handling Expenses	1,080.18	1,173.09	979.72	2,253.27	2,060.41	4,469.47
Depreciation and Amortisation Expense	357.74	343.89	306.56	701.63	604.44	1,252.06
Other Expenses	1,111.31	1,021.00	977.46	2,132.31	1,859.93	3,950.25
<b>Total Expenses</b>	<b>6,172.25</b>	<b>5,964.28</b>	<b>5,516.09</b>	<b>12,136.53</b>	<b>11,018.35</b>	<b>23,232.79</b>
<b>3 Profit from Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)</b>	<b>676.44</b>	<b>971.87</b>	<b>1,098.81</b>	<b>1,648.31</b>	<b>2,432.69</b>	<b>4,671.53</b>
Other Income	109.18	233.41	99.84	342.59	235.49	619.53
<b>5 Profit from Ordinary Activities before Finance Costs and Exceptional Items (3 + 4)</b>	<b>785.62</b>	<b>1,205.28</b>	<b>1,198.65</b>	<b>1,990.90</b>	<b>2,668.18</b>	<b>5,291.06</b>
Finance Costs	119.31	94.91	86.82	214.22	160.81	324.14
<b>7 Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5 - 6)</b>	<b>666.31</b>	<b>1,110.37</b>	<b>1,111.83</b>	<b>1,776.68</b>	<b>2,507.37</b>	<b>4,966.92</b>
Exceptional Item (Refer Note 3)	-	-	-	-	-	204.43
<b>9 Profit from Ordinary Activities before Tax (7 + 8)</b>	<b>666.31</b>	<b>1,110.37</b>	<b>1,111.83</b>	<b>1,776.68</b>	<b>2,507.37</b>	<b>5,171.35</b>
Tax Expense (Refer Note 4)	123.96	258.90	308.89	382.86	694.44	1,467.21
<b>11 Net Profit after Tax before profit of Associates and adjustment for Minority Interest (9 - 10)</b>	<b>542.35</b>	<b>851.47</b>	<b>802.94</b>	<b>1,393.82</b>	<b>1,812.93</b>	<b>3,704.14</b>
Add : Share in Profit of Associates	22.48	25.41	38.14	47.89	46.78	73.65
Less : Minority Interest	114.50	266.87	221.50	381.37	522.13	1,073.40
<b>14 Net Profit for the Period (11 + 12 - 13)</b>	<b>450.33</b>	<b>610.01</b>	<b>619.58</b>	<b>1,060.34</b>	<b>1,337.58</b>	<b>2,704.39</b>
Paid up Equity Share Capital (Face Value ₹ 10 per share)	91.82	91.81	91.76	91.82	91.76	91.79
Reserve excluding Revaluation Reserves						19,522.09
<b>15 Earnings per Share (of ₹ 10/- each) (Not Annualised):</b>						
(a) Basic (₹)	49.05	66.45	67.54	115.50	145.81	294.75
(b) Diluted (₹)	49.02	66.41	67.48	115.43	145.69	294.51

**PART II : SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2013**

PARTICULARS OF SHAREHOLDING							
<b>A</b>	<b>Public Shareholding *</b>						
	Number of Shares (000's)	55,289	55,156	57,150	55,289	57,150	55,350
	Percentage of Shareholding	60.22%	60.09%	62.30%	60.22%	62.30%	60.31%
	<b>Promoter &amp; promoter group shareholding *</b>						
	a) Pledged / Encumbered						
	- Number of Shares (000's)	-	-	-	-	-	-
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of Shares (000's)	23,429	23,429	23,429	23,429	23,429	23,429
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of Shares (as a % of the total share capital of the Company)	25.52%	25.52%	25.54%	25.52%	25.54%	25.53%
	* Excludes shares represented by Global Depository Receipts						
<b>B</b>	<b>INVESTORS COMPLAINTS</b>						
	Pending at the beginning of the Quarter	-					
	Received during the Quarter	4					
	Disposed of during the Quarter	4					
	Remaining unresolved at the end of the Quarter	-					

**UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED  
FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2013**

₹ Crore

Particulars	Three Months Ended			Six Months Ended		Year Ended
	30-09-2013	30-06-2013	30-09-2012	30-09-2013	30-09-2012	31-03-2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. SEGMENT REVENUE</b>						
a Viscose Staple Fibre and Wood Pulp	1,637.39	1,363.40	1,337.25	3,000.79	2,540.08	5,428.24
b Cement - Grey, White and Allied Products	4,869.87	5,293.98	4,971.95	10,163.85	10,334.15	21,319.09
c Chemicals - Caustic Soda and Allied Chemicals	253.82	224.27	236.03	478.09	475.36	951.25
d Others #	172.05	135.85	148.96	307.90	259.44	543.84
<b>TOTAL</b>	<b>6,933.13</b>	<b>7,017.50</b>	<b>6,694.19</b>	<b>13,950.63</b>	<b>13,609.03</b>	<b>28,242.42</b>
(Less) : Inter Segment Revenue	(84.44)	(81.35)	(79.29)	(165.79)	(157.99)	(338.10)
<b>Total Operating Income</b>	<b>6,848.69</b>	<b>6,936.15</b>	<b>6,614.90</b>	<b>13,784.84</b>	<b>13,451.04</b>	<b>27,904.32</b>
<b>2. SEGMENT RESULTS</b>						
a Viscose Staple Fibre and Wood Pulp	210.11	105.28	221.42	315.39	456.00	724.68
b Cement - Grey, White and Allied Products	472.81	860.21	828.14	1,333.02	1,911.48	3,848.30
c Chemicals - Caustic Soda and Allied Chemicals	47.47	38.78	58.54	86.25	115.89	210.72
d Others #	10.16	6.07	11.20	16.23	12.02	30.99
<b>TOTAL</b>	<b>740.55</b>	<b>1,010.34</b>	<b>1,119.30</b>	<b>1,750.89</b>	<b>2,495.39</b>	<b>4,814.69</b>
Add / (Less) :						
Finance Costs	(119.31)	(94.91)	(86.82)	(214.22)	(160.81)	(324.14)
Net Unallocable Income / (Expenditure )	45.07	194.94	79.35	240.01	172.79	476.37
<b>Profit from Ordinary Activities after Finance Costs but before Exceptional Item</b>	<b>666.31</b>	<b>1,110.37</b>	<b>1,111.83</b>	<b>1,776.68</b>	<b>2,507.37</b>	<b>4,966.92</b>
Exceptional Item (Refer Note 3)	-	-	-	-	-	204.43
<b>Profit from Ordinary Activities before Tax</b>	<b>666.31</b>	<b>1,110.37</b>	<b>1,111.83</b>	<b>1,776.68</b>	<b>2,507.37</b>	<b>5,171.35</b>
	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>
	<b>30-09-2013</b>	<b>30-06-2013</b>	<b>30-09-2012</b>	<b>30-09-2013</b>	<b>30-09-2012</b>	<b>31-03-2013</b>
<b>3. CAPITAL EMPLOYED</b>						
(Segment Assets - Segment Liabilities)						
a Viscose Staple Fibre and Wood Pulp	6,996.26	6,451.90	4,486.08	6,996.26	4,486.08	6,118.85
b Cement - Grey, White and Allied Products	23,817.40	23,227.30	21,389.80	23,817.40	21,389.80	22,525.47
c Chemicals - Caustic Soda and Allied Chemicals	1,679.44	1,579.03	1,124.32	1,679.44	1,124.32	1,468.42
d Others #	286.05	280.60	252.01	286.05	252.01	272.71
<b>TOTAL</b>	<b>32,779.15</b>	<b>31,538.83</b>	<b>27,252.21</b>	<b>32,779.15</b>	<b>27,252.21</b>	<b>30,385.45</b>
Add: Unallocated Corporate Capital Employed	7,293.64	7,045.93	7,054.07	7,293.64	7,054.07	7,354.77
<b>TOTAL CAPITAL EMPLOYED</b>	<b>40,072.79</b>	<b>38,584.76</b>	<b>34,306.28</b>	<b>40,072.79</b>	<b>34,306.28</b>	<b>37,740.22</b>

# Others segment mainly represents Textiles and Investment Subsidiaries

**NOTES:**

1. a. The Company has opted to publish Consolidated Financial Results. The Standalone Financial Results are available at the Company's websites, [www.adityabirla.com](http://www.adityabirla.com) and [www.grasim.com](http://www.grasim.com) and on the websites of the Stock Exchanges, [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
  - b. The above Results were reviewed by the Audit Committee and approved by the Board of Directors today.
  - c. Previous periods' figures have been regrouped/rearranged wherever necessary to conform to the current periods' classification.
2. Key numbers of Standalone Financial Results of the Company are as under:

	₹ Crore					
	Three Months Ended			Six Months Ended		Year Ended
	30-09-2013 (Unaudited)	30-06-2013 (Unaudited)	30-09-2012 (Unaudited)	30-09-2013 (Unaudited)	30-09-2012 (Unaudited)	31-03-2013 (Audited)
Total Operating Income	1,421.44	1,163.07	1,364.14	2,584.51	2,627.36	5,255.01
Profit before Tax	420.11	242.03	453.96	662.14	791.58	1,528.88 *
Net Profit after Tax	413.51	226.13	382.73	639.64	655.67	1,225.99 *
* Includes Exceptional Gain (Refer Note 3)	-	-	-	-	-	204.43

3. Exceptional item of ₹ 204.43 Crore appearing in the audited results for the year ended 31st March, 2013 represents profit on sale of the long-term investments in Thai Carbon Black Public Company Limited, Thailand and Alexandria Carbon Black Co., S.A.E., Egypt.
4. Tax expenses for the quarter and six months ended 30th September, 2013 are net of provisions pertaining to earlier years' write back amounting to ₹ 18.38 Crore and ₹ 19.27 Crore respectively.
5. The unexpected floods at Vilayat in Gujarat, in the last week of September, 2013, disrupted the erection work of the Greenfield Viscose Staple Fibre Project and operations of Chemical Plant. However, there is no significant impact on the Company's profitability.

6. UltraTech Cement Ltd. (UltraTech), a subsidiary of the Company, has signed an agreement with Jaypee Cement Corporation Limited (JCCL) and its holding company Jaiprakash Associates Limited to acquire the Gujarat Cement Unit of JCCL comprising of an integrated cement unit at Sewagram and Grinding Unit at Wanakbori, through demerger under the provisions of Companies Act, 1956, subject to requisite approvals, at an enterprise value of ₹ 3,800 Crore besides the actual net working capital at closing. The consideration (net of liabilities to be taken over) will be discharged by allotment of UltraTech's equity shares, of market value not exceeding ₹ 150 Crore, to the shareholders of JCCL.
  
7. The Competition Commission of India (CCI) vide its order dated 20th June, 2012 has imposed a penalty of ₹ 1,175.49 Crore on UltraTech for alleged cartelisation with certain other companies. On appeal before the Competition Appellate Tribunal against the said order, the same has been stayed on deposit of 10% of the penalty amounting to ₹ 117.55 Crore, pending disposal of the appeal.  
  
UltraTech continues to believe that it has a good case based on legal opinion, accordingly no provision has been made.
  
8.
  - a. During the quarter, the Company has allotted 14,219 fully paid up equity shares of ₹ 10 each upon exercise of employee stock options.
  - b. The Company has, in October, 2013, approved grant of 1,36,604 Options and 18,699 Restricted Stock Units under Employee Stock Option Schemes.



# Grasim Industries Limited

## 9. Consolidated Statement of Assets and Liabilities as at 30th September, 2013:

₹ Crore

Particulars		AS AT	
		30-09-2013	31-03-2013
		(Unaudited)	(Audited)
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	91.82	91.79	
(b) Share Capital (Other than Equity)	49.55	42.66	
(c) Reserves and Surplus	20,796.07	19,522.09	
<b>Sub-total - Shareholders' Funds</b>	<b>20,937.44</b>	<b>19,656.54</b>	
<b>2. Minority Interest</b>	<b>6,494.73</b>	<b>6,220.98</b>	
<b>3. Non-current Liabilities</b>			
(a) Long-Term Borrowings	7,041.35	6,653.07	
(b) Deferred Tax Liabilities (Net)	2,521.24	2,310.62	
(c) Other Long-Term Liabilities	17.44	15.29	
(d) Long-Term Provisions	204.02	189.51	
<b>Sub-total - Non-Current Liabilities</b>	<b>9,784.05</b>	<b>9,168.49</b>	
<b>4. Current Liabilities</b>			
(a) Short-Term Borrowings	1,804.65	1,774.27	
(b) Trade Payables	2,941.92	2,886.81	
(c) Other Current Liabilities #	3,509.71	3,232.32	
(d) Short-Term Provisions	1,114.70	1,139.94	
<b>Sub-total - Current Liabilities</b>	<b>9,370.98</b>	<b>9,033.34</b>	
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>46,587.20</b>	<b>44,079.35</b>	
<b>B. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed Assets	25,154.35	23,636.00	
(b) Goodwill on Consolidation	3,251.72	3,009.69	
(c) Deferred Tax Assets (Net)	10.51	9.35	
(d) Non-Current Investments	1,614.93	3,164.92	
(e) Long-Term Loans and Advances (Includes Capital Advances)	1,615.18	1,591.72	
<b>Sub-total - Non-Current Assets</b>	<b>31,646.69</b>	<b>31,411.68</b>	
<b>2. Current Assets</b>			
(a) Current Investments	6,158.31	4,845.87	
(b) Inventories	4,400.44	3,740.76	
(c) Trade Receivables	2,268.03	2,186.29	
(d) Cash and Cash Equivalents*	248.90	229.18	
(e) Short-Term Loans and Advances	1,816.95	1,626.87	
(f) Other Current Assets	47.88	38.70	
<b>Sub-total - Current Assets</b>	<b>14,940.51</b>	<b>12,667.67</b>	
<b>TOTAL -ASSETS</b>	<b>46,587.20</b>	<b>44,079.35</b>	

# Includes current maturities of long-term debts ₹ 1,283.89 Crore (Previous Year ₹ 1,134.09 Crore)

\* Cash & Cash Equivalents represents Cash & Bank Balances

For and on behalf of Board of Directors

Place : Mumbai  
Date : 30th October, 2013

**K.K.Maheshwari**  
Managing Director

**Grasim Industries Limited**  
**Regd. Office: Birlagram, Nagda 456 331 (M.P.)**  
*An Aditya Birla Group Company*  
**www.adityabirla.com and www.grasim.com**



### **Grasim Reports Financial Results for Q2 FY 2013-14**

**Consolidated Net Revenue : ₹ 6,849 Cr. | PBIDT : ₹ 1,143 Cr. | PAT : ₹ 450 Cr.**

#### **Consolidated Financial Performance:**

Grasim Industries Limited, an Aditya Birla Group Company, has reported Revenue of ₹ 6,849 crore and Net Profit of ₹ 450 crore in the 2<sup>nd</sup> quarter of FY 2014 vis-à-vis ₹ 6,615 crore and ₹ 620 crore respectively in the 2<sup>nd</sup> quarter of FY 2013.

#### **Viscose Staple Fibre**

VSF business has recorded a satisfactory performance, given the challenging market conditions. Supported by capacity expansion at Harihar, production increased by 15% over last year.

Sales volume at 93,025 MT was up by 9% led by higher exports. Though VSF demand is growing globally, the overcapacity in China created at the time of VSF boom has created pressure on realizations in global markets. The rupee depreciation led increase in pulp cost was offset by decline in caustic and sulphur prices. However, lower realisation resulted in marginal decline in operating profit in standalone business. Sequentially, operating profit rose by 29% with higher volumes as well as better realisation. Consolidated PBIDT of the business has also improved sequentially by 68% from ₹ 161 crore to ₹ 269 crore, supported by better performance from pulp units.

#### **Cement Subsidiary (UltraTech Cement)**

The combined cement and clinker sales volume was 10.03 Mn. Tons. Net Revenue stood at ₹ 4,870 crore (₹ 4,972 crore). Profit after Tax was at ₹ 280 crore (₹ 553 crore).

**Its performance has been impacted mainly on account of lower selling prices as well as subdued demand owing to monsoon impact and low offtake from the infrastructure and housing sectors.**

The benefit of softening in prices of imported coal was largely negated by the devaluation of the rupee. Optimization of the fuel mix helped in power and fuel cost reduction.

#### **Chemical Business**

The Chemical business reported a 26% rise in production and 20% growth in sales volumes, with uninterrupted operations at Nagda and the commissioning of the Caustic Soda plant at Vilayat (Gujarat) in Quarter 1. Volumes will improve with the gradual ramp up of capacity. ECU realisations saw a correction from the peak level witnessed during FY 2013, even as it rose by 4% QoQ.

## **VSF & Chemical Capex**

The VSF project (120,000 TPA) at Vilayat in Gujarat is expected to be commissioned in a phased manner in Quarter 4 and Epoxy project (51,000 TPA) in Quarter 3. The commissioning has been delayed by recent floods at Vilayat, causing damage to power plants and other equipments.

## **Cement Capex**

With the commissioning of the grinding unit (1.6 Mn. TPA) at Jharsuguda, Odisha in October 2013, Cement capacity stands augmented to 55.5 Mn. TPA. On commissioning of all the projects currently under implementation and the acquisition of Gujarat cement unit of Jaypee Cement Corp., UltraTech's cement capacity will increase to 70 Mn. TPA.

## **Outlook**

The VSF industry continues to face pricing pressure in the immediate term, given the surplus capacity in China. Capacity addition in China is expected to slowdown because of subnormal returns in industry currently. In Cement, the demand is expected to grow by 5% in FY 2014 due to the slowdown in the GDP growth rate. It however should recover to over 8% with the improvement in the economic environment.

Capacity expansions in VSF and Cement will provide additional volumes, driving growth and further consolidate the Company's leadership. This will enable the Company to move forward rapidly, with the recovery in the market.

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## **GRASIM INDUSTRIES LIMITED**

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Registered Office : Birlagram, Nagda - 456 331 (M.P.)

[www.grasim.com](http://www.grasim.com) & [www.adityabirla.com](http://www.adityabirla.com)

twitter: [www.twitter.com/adityabirlagrp](https://twitter.com/adityabirlagrp) Twitter handle is @AdityaBirlaGrp

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### Cautionary Statement

Statements in this "Press Release" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those express or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

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