



**Performance Review  
Quarter 2 : 2014-15**

**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

## Business Environment :

- Indian economy showing initial signs of recovery with improvement in sentiments
  - GDP expanded by 5.7% in Q1 FY14-15 as against 4.6% in Q4 FY13-14 [Growth Rate FY12-13 : 4.5%, FY13-14 : 4.7%]
- VSF and pulp industry continue to face challenging environment
  - Global VSF prices stable at Q1 levels, declined by 10% on YoY basis
  - Cotton prices declined sharply due to high inventory and changes in Chinese cotton policy
- Continuous revival in Cement demand
  - Grew 8% in Q2 [ 7.1% in Q1] helped by increased rural housing demand, lower base and delay in monsoons [FY12-13 : 5.6%, FY13-14 : 0.6%]
- Softening of energy prices in global markets augur well for the Cement sector

## Operating Performance : Investment for Growth Yielding Results

- Supported by new facility at Vilayat, VSF Business volumes grew by 8% on YoY basis
  - However, lower realisation and increase in input cost impacted margins
  - Improved profitability on QoQ basis led by higher volumes and reduction in pulp cost
- Cement Business reported higher profitability on 10% volume growth over previous year

# Highlights – Quarter 2

## Strategic Action / Projects :

- VSF Greenfield project at Vilayat
  - Commissioned 2 lines (77K TPA) in July' 14
  - Trial run started for the remaining two lines of speciality fibre (43K TPA)
- Cement capacity raised to 63.2 Mn. TPA
  - Commissioning of 1.4 Mn. Ton grinding capacity at Malkhed, Karnataka
  - Commissioned 25 MW TPP at Tadipatri, Andhra Pradesh, taking captive power capacity at 733 MW
  - Successfully migrated to “UltraTech” Brand for the acquired Gujarat Plants
- First full quarter performance of acquired Gujarat units (in June 2014) also contributed to growth

## Business Review

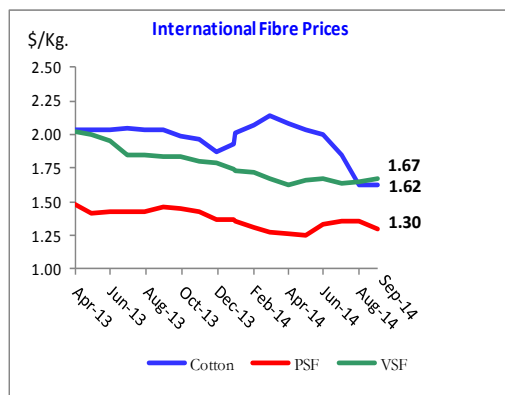
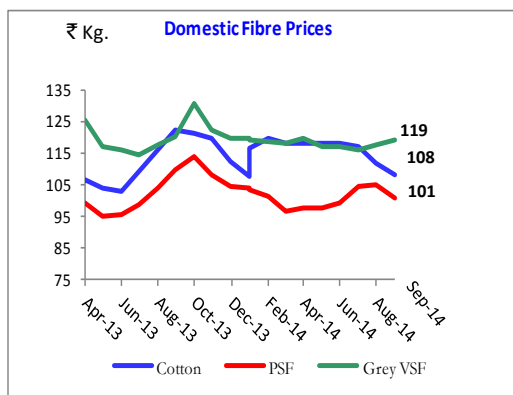
- VSF
- Chemical
- Cement Subsidiary

# Viscose Staple Fibre : Highlights

Quarter 1 2014-15		Quarter 2		% Change (YoY)
		2014-15	2013-14	
377,775	Capacity - Annual (MT)	<b>454,425</b>	377,775	20
94,444	Capacity - Quarter (MT)	<b>107,220*</b>	94,444	14
89,827	Production (MT)	<b>100,950</b>	91,995	10
86,389	Sales Volumes (MT)	<b>100,927<sup>§</sup></b>	93,025	8
1,094	Net Revenue (₹ Cr.)	<b>1,271</b>	1,211	5

\* Operational capacity during the quarter

§ Excluding sales of 4,151 Tons at Vilayat during trial run



## Global Industry Scenario

- Overcapacity continues to affect business environment
- Sharp fall in cotton prices due to record inventory and cotton policy changes in China
  - International VSF prices which were lower than cotton in last few quarters are now at par
    - Global VSF prices used to command premium over cotton till FY 12-13

## Business performance

- Additional volume from Vilayat plant help production and sales volume grew by 10% and 8% respectively
  - With commissioning of 2 lines at Vilayat, capacity increased by 20%
  - Remaining 2 lines are undergoing trial production
- Average realisation were lower due to decline in international prices, impact partially offset by higher share of value added products

# Viscose Staple Fibre : Highlights

Quarter 1 2014-15	Quarter 2		% Change (YoY)
	2014-15	2013-14	
<b>Standalone Business:</b>			
81 PBIDT (₹ Cr.)	<b>151</b>	240	(37)
7.3% PBIDT Margin (%)	<b>11.8%</b>	19.6%	
54 PBIT (₹ Cr.)	<b>113</b>	203	(44)
6.8% ROAVCE % (Excl. CWIP)	<b>12.5%</b>	29.8%	

## Pulp & Fibre Joint Ventures – Grasim's Share (₹ Cr.):

549 Revenue	<b>561</b>	517	9
(17) Operational PBIDT	<b>24</b>	25	--
(11) Domsjo MTM gain / (loss)	<b>(23)</b>	14	--
(28) PBIDT	<b>1</b>	39	-

## Consolidated Business (Pulp and Fibre):

66 PBIDT (₹ Cr.)	<b>153</b>	269	(43)
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- Despite higher volume, financial performance impacted on YoY basis
  - Lower realisation
  - Higher input prices (mainly sulphur and coal)
  - Higher overheads with commissioning of Vilayat
- PBIDT was up by 86% sequentially, led by higher volumes and lower pulp prices
- Pulp JVs
  - DG pulp plants achieved improved operating performance
  - Financial performance impacted by reduction in pulp price, the benefit of which was reflected in standalone operations
  - Favorable exchange rate partially offset the impact of reduction in prices
  - In Domsjo, forex rate fluctuations impacted profitability (borrowings kept unhedged due to long term natural hedge)
    - Against MTM gain in corresponding quarter, provided for MTM loss in current quarter



# Viscose Staple Fibre : Outlook

- Vilayat to drive volumes gradually with higher share of premium specialty fibre
- The present pressure on realisation expected to continue in near term
  - Sharply declining cotton and polyester prices is a major challenge, may impact the VSF growth rate of double digit recorded in recent years
- Amongst difficult conditions, new capacity additions has slowed down, which should gradually improve industry utilisation
- Concerted market and product development activities leading to market expansion in domestic segment
  - Co branding with leading apparel retail chains
  - Focus on improving quality and increase in share of specialty products

# Chemical : Highlights

Quarter 1 2014-15		Quarter 2		% Change (YoY)
		2014-15	2013-14	
452,500	Capacity - Annual (MT)	<b>452,500</b>	440,500	3
113,125	Capacity - Quarter (MT)	<b>113,125</b>	83,500*	35
100,163	Production (MT)	<b>101,639</b>	79,957	27
96,093	Sales Volumes (MT)	<b>100,052</b>	78,356	28
413	Net Revenue (₹ Cr.)	<b>416</b>	254	64
91	PBIDT (₹ Cr.)	<b>79</b>	62	28
27%	PBIDT Margin (%) <sup>§</sup>	<b>23.2%</b>	24.3%	
67	PBIT (₹ Cr.)	<b>55</b>	47	16
14.6%	ROAvCE % (Excl. CWIP)	<b>12.2%</b>	19.5%	

\* Operational capacity during the quarter  
<sup>§</sup> Excluding Epoxy unit for better comparison

## Industry Scenario

- Caustic soda prices declined due to imports
  - Resulting into fall in ECU realisation on QoQ basis

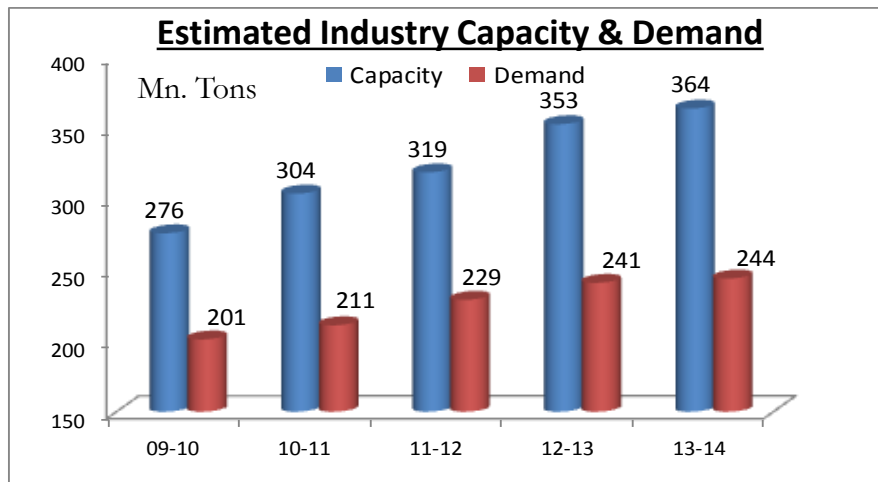
## Business Performance

- Caustic Soda Production and sales volume up by 27% and 28% respectively
  - Vilayat facility being operated at 76% capacity utilisation
- Epoxy plant utilisation increased to 50% (Q1 : 36%)
- PBIDT up by 28% supported by higher volumes, though margins declined due to higher power cost

# Cement : Highlights

Quarter 1 2014-15		Quarter 2		% Change (YoY)
		2014-15	2013-14	
<b>Grey Cement (Mn. MT)</b>				
49.70	Clinker capacity - Annual	<b>49.70</b>	45.10	10
61.75	Cement Capacity – Annual	<b>61.75</b>	53.90	15
15.44	Cement Capacity - Qtr.	<b>15.44</b>	13.48	15
12.04	Production	<b>10.91</b>	9.71	12
	Sales Volume			
12.17	- Cement \$	<b>10.92</b>	9.88	10
0.25	- Clinker	<b>0.25</b>	0.15	
<b>White Cement &amp; Putty (LMT)</b>				
2.57	Sales Volumes \$	<b>3.02</b>	2.74	10

\$ includes captive consumption (RMC and Value added products)



## Industry Scenario

- Continuous revival seen in demand
  - Expected growth for the quarter 8%, (Q1 - 7.1%)
    - Linked to increased rural housing demand, delayed Monsoon and effect of low Base
  - Industry utilisation improved from 65% to 67% YoY
- Total cement capacity increased from 364 Mn. Ton in March'14 to 371 Mn. Ton

## Business Performance

- Capacity grew by 7.8 Mn. TPA YoY
  - 3 Mn. from expansion of existing units
  - 4.8 Mn. from Gujarat units acquisition
- Capacity utilisation of Indian operations at 73% \*
- Cement sales volume improved by 10% YoY
  - Acquired units contributed 5% in growth
- White Cement and Putty continue to show growth

\* Excluding acquired plant

Quarter 1 2014-15		Quarter 2		% Change (YoY)
		2014-15	2013-14	
6,032	Net Revenue (₹ Cr.)	<b>5,772</b>	4,871	<b>18</b>
1,296	PBIDT (₹ Cr.)	<b>987</b>	773	<b>28</b>
20.7%	PBIDT Margin (%)	<b>17.0%</b>	15.7%	
1,014	PBIT (₹ Cr.)	<b>668</b>	494	<b>35</b>
14.8%	ROAvCE (%) (Excl. CWIP)	<b>9.2%</b>	8.5%	

- Strong growth in Revenue, up 18%
  - Supported by 10% growth in Cement volumes
- Variable Cost increased by 4% over last year
  - Increase in petcoke and indigenous coal prices
  - Higher input material prices and royalty on limestone
- Logistic cost also increased due to rise in diesel prices
- Cement Prices witnessed improved trend due to cost-push and better demand
- PBIDT increased by 28%
- Acquired Gujarat Units reported positive PBIDT
  - As envisaged, resulted in additional depreciation and interest cost which strained profitability
  - Utilisation is being gradually ramped up to ensure profitability at net level

# Cement : Outlook

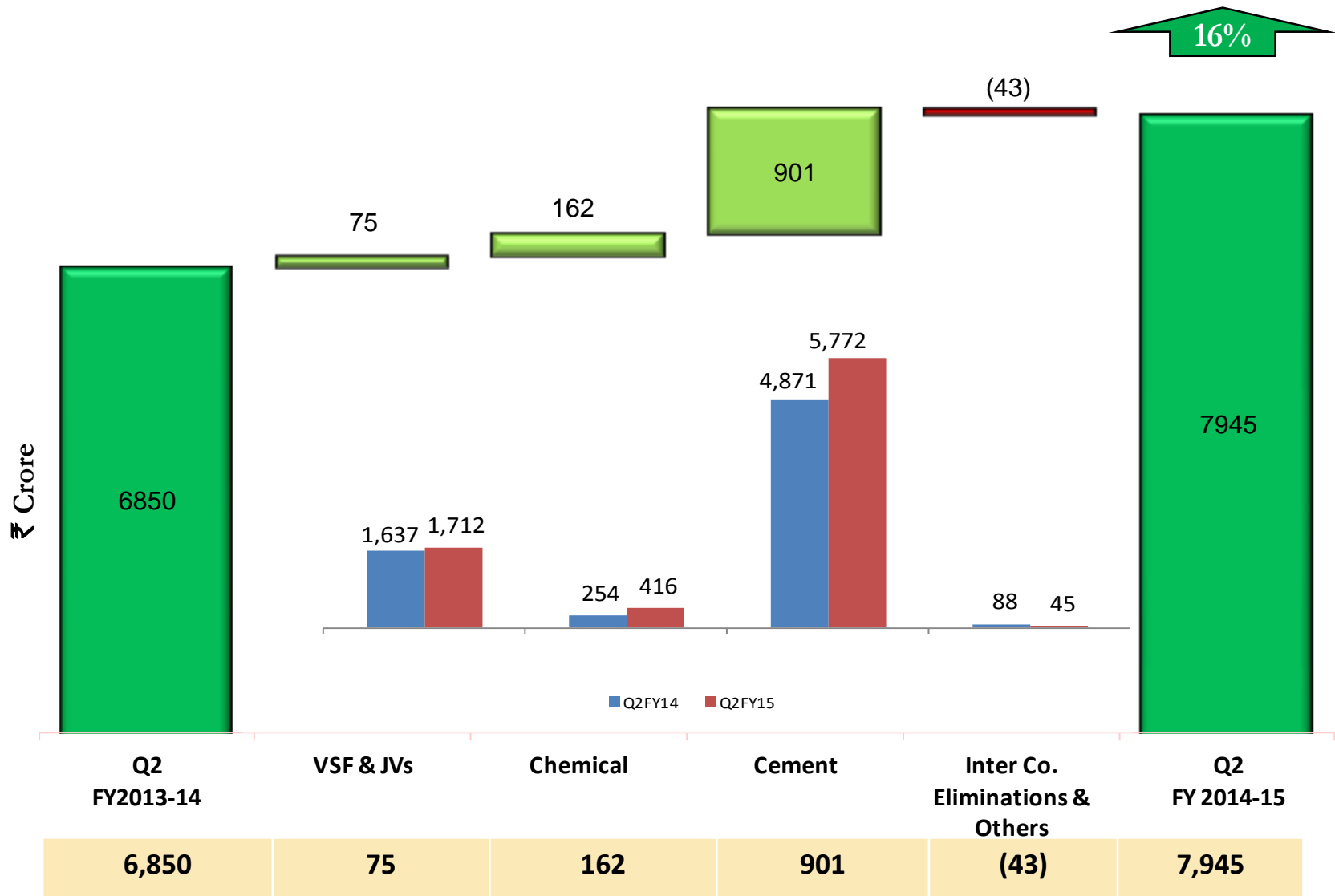
- Renewed focus on infrastructure by new Government to accelerate demand growth
  - Cement demand likely to grow ~ 8% in FY15, the growth should accelerate from next year
- Present overcapacity and resultant pressure on margins is expected to narrow down in next 2-3 years
  - Current slowdown in capacity additions expected to continue due to indirect entry barriers
- Softening of energy prices in global markets augur well for the Cement sector
- UltraTech's total capacity to reach 70 Mn. TPA on completion of existing growth plans

(Mn. Ton)

	India	Overseas	Total
<b>Present Capacity</b>	60.2	3.0	63.2
<b><u>Projects under Implementation:</u></b>			
• Balance Grinding units of 3.1 Mn. TPA to support Clinker capacity already commissioned at Raipur	3.1		3.1
• Bahrain Grinding unit		0.6	0.6
• Brown field expansion at Shambhupura (Rajasthan), with Greenfield GU	2.9		2.9
	6.0	0.6	6.6
<b>Total</b>	<b>66.2</b>	<b>3.6</b>	<b>69.8</b>

# Financial Performance

# Consolidated Revenue



# Financial Performance – Consolidated

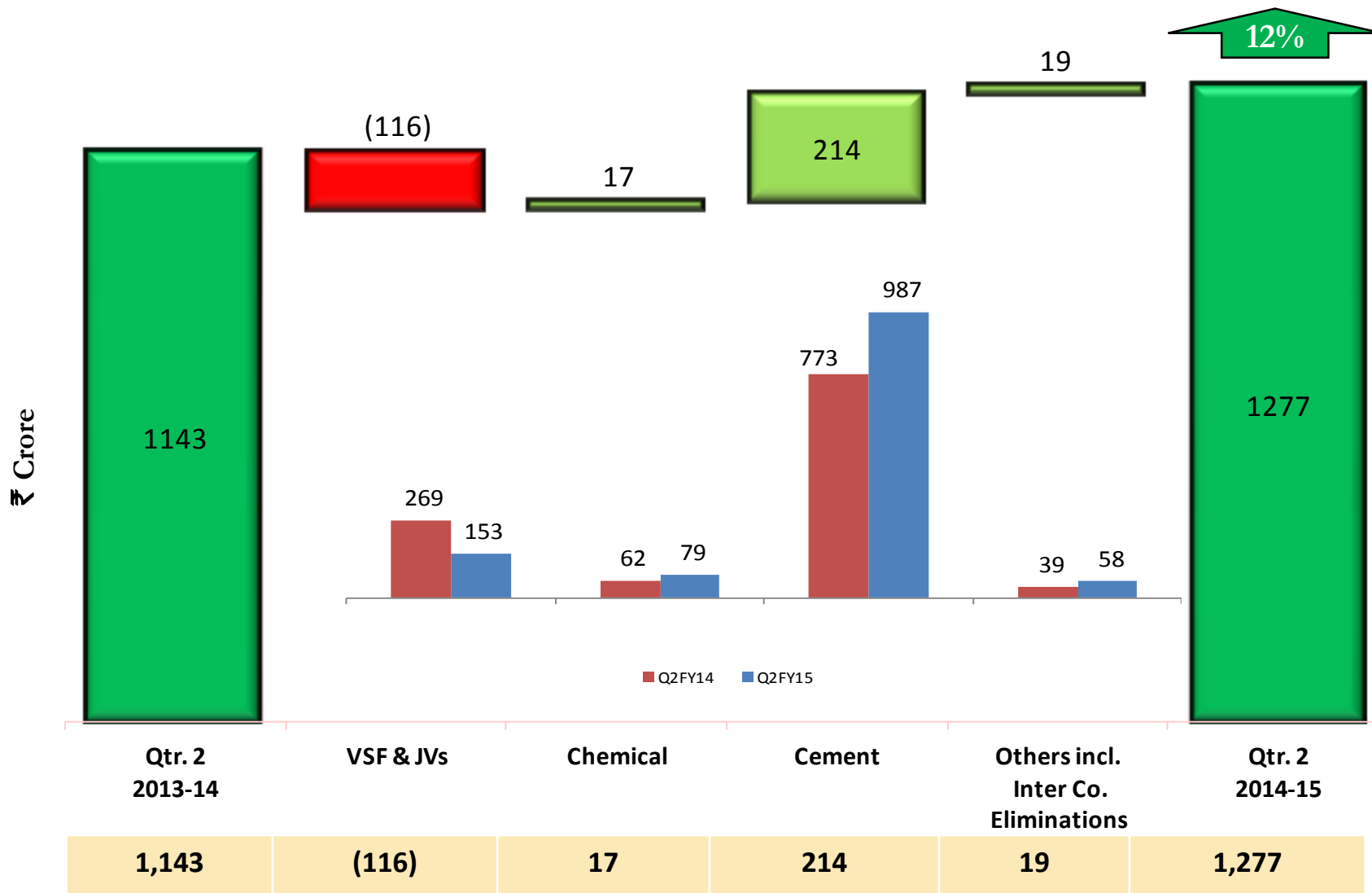
(₹ Crore)

Half Year		% Change		Quarter 2		% Change	Quarter 1
2014-15	2013-14	YoY		2014-15	2013-14	YoY	2014-15
<b>15,990</b>	13,788	<b>16</b>	Revenue	<b>7,945</b>	6,850	<b>16</b>	8,044
<b>13,597</b>	11,438	<b>19</b>	Operating Costs	<b>6,770</b>	5,816	<b>16</b>	6,826
<b>2,765</b>	2,693	<b>3</b>	PBIDT	<b>1,277</b>	1,143	<b>12</b>	1,488
<b>299</b>	214	<b>40</b>	Finance cost	<b>173</b>	119	<b>45</b>	126
<b>763</b>	702	<b>9</b>	Depreciation	<b>405</b>	358	<b>13</b>	358
<b>1,704</b>	1,777	<b>(4)</b>	PBT	<b>700</b>	666	<b>5</b>	1,004
<b>457</b>	383	<b>19</b>	Tax Expenses	<b>153</b>	124	<b>24</b>	304
<b>417</b>	381		Minority Share	<b>166</b>	114		250
<b>904</b>	1,060	<b>(15)</b>	PAT	<b>416</b>	450	<b>(8)</b>	487
<b>98.3</b>	115.4	<b>(15)</b>	EPS (₹)	<b>45.3</b>	49.0	<b>(8)</b>	53.0

- Increase in Finance Cost and Depreciation due to commissioning of capacities and leveraged acquisition of Gujarat cement units
- Tax expenses in Q2 last year were lower
  - Benefits of commissioning of power plant in last year
  - Provision related to earlier years written back
- Reported number includes results of acquired Gujarat Units



# Consolidated PBIDT





# Net Profit

(₹ Crore)

Half Year					% Change	Quarter 1 2014-15 Grasim's share		Quarter 2				
2014-15		2013-14		2014-15				2013-14		% Change		
Total Co.	Grasim's share	Total Co.	Grasim's share	Total Co.				Grasim's share	Total Co.		Grasim's share	
	<b>405</b>		640	<b>(37)</b>	106	Standalone PAT		<b>299</b>		414	<b>(28)</b>	
1,041	<b>627</b>	946	570	<b>10</b>	378	UltraTech Cement	414	<b>250</b>	280	169	<b>48</b>	
7	<b>7</b>	7	7		3	Grasim Bhiwani Textiles	4	<b>4</b>	5	5		
(209)	<b>(78)</b>	(101)	(41)		(54)	Fibre and Pulp JVs	(69)	<b>(24)</b>	16	3		
1,484	<b>73</b>	910	47	<b>55</b>	37	Idea Cellular	756	<b>36</b>	448	23	<b>56</b>	
	<b>(132)</b>		(134)		17	Inter Company Eliminations / Others		<b>(149)</b>		(163)		
	<b>498</b>		421	<b>18</b>	381	Grasim's Share in Subsidiaries / JVs		<b>117</b>		37	<b>218</b>	
	<b>904</b>		1,060	<b>(15)</b>	487	Grasim Consolidated PAT		<b>416</b>		450	<b>(8)</b>	

# Balance Sheet : Grasim

Standalone			Consolidated		(₹ Crore)
As on 30 <sup>th</sup> Sep'14	As on 31 <sup>st</sup> Mar'14	EQUITY & LIABILITIES	As on 30 <sup>th</sup> Sep'14	As on 31 <sup>st</sup> Mar'14	
		<b>Shareholders' Funds</b>			
<b>11,231</b>	10,828	Net Worth	<b>22,634</b>	21,614	
-	-	Minority Interest	<b>7,275</b>	6,936	
		<b>Non Current Liabilities</b>			
<b>967</b>	1,004	Long Term Borrowings	<b>7,165</b>	7,612	
<b>544</b>	462	Deferred Tax Liability (Net)	<b>2,874</b>	2,803	
<b>59</b>	57	Long Term Liabilities & Provisions	<b>261</b>	211	
		<b>Current Liabilities</b>			
<b>189</b>	298	ST Borrowings/Current Maturities of LT	<b>5,251</b>	2,069	
<b>1,197</b>	1,229	Current Liabilities & Provisions	<b>7,228</b>	6,489	
<b>14,187</b>	13,878	<b>SOURCES OF FUNDS</b>	<b>52,689</b>	47,735	
		<b>ASSETS</b>			
		<b>Non-Current Assets</b>			
<b>4,327</b>	3,548	Net Fixed Assets	<b>26,202</b>	21,935	
<b>1,281</b>	1,947	Capital WIP & Advances	<b>5,005</b>	5,008	
-	-	Goodwill on Consolidation	<b>3,332</b>	3,277	
		<b>Non- Current Investments</b>			
<b>2,636</b>	2,636	Cement Subsidiary	-	-	
<b>1,802</b>	1,784	Other Investments	<b>1,988</b>	2,673	
<b>407</b>	339	Long Term Loans and Advances	<b>1,243</b>	868	
		<b>Current Assets</b>			
<b>911</b>	1,184	Current Investments (MF/Bonds)	<b>5,057</b>	4,938	
<b>2,823</b>	2,440	Other Current Assets	<b>9,861</b>	9,036	
<b>14,187</b>	13,878	<b>APPLICATION OF FUNDS</b>	<b>52,689</b>	47,735	
<b>1,156</b>	1,302	Total Borrowings	<b>12,416</b>	9,681	
<b>1,133</b>	1,359	Total Liquid Funds	<b>5,564</b>	6,239	
<b>(23)</b>	56	Liquid Funds (Net of Debt)	<b>(6,852)</b>	(3,442)	



# Strong Financials

(₹ Crore)	Standalone		Consolidated	
	H1 2014-15	Full Year 2013-14	H1 2014-15	Full Year 2013-14
Net Worth	<b>11,231</b>	10,828	<b>22,634</b>	21,614
Debt	<b>1,156</b>	1,302	<b>12,416</b>	9,681
Net Debt (+) over liquid funds (-)	<b>23</b>	(56)	<b>6,852</b>	3,442
Capital Employed	<b>12,931</b>	12,592	<b>45,199</b>	41,035
Debt:Equity (x)	<b>0.10</b>	0.12	<b>0.42</b>	0.34
Net Debt: Equity (x)	-	-	<b>0.23</b>	0.12
Interest Cover	<b>17.0</b>	13.2	<b>7.0</b>	9.0
Book Value (₹)	<b>1,223</b>	1,179	<b>2,464</b>	2,353
ROAvCE (%) (Excluding CWIP)			<b>10.5</b>	12.1
RONW (%)			<b>8.2</b>	10.0

**Strong Balance Sheet to support growth plans**

# Capex

	Capex under Implemen-tation \$	Work in Progress as on 01-04-14	Net Capex	Cash Outflow		Capex spent during H1
				FY15	FY16 onward	
<b>Standalone</b>						
VSF Expansion : Vilayat (120K TPA)	2,132					
Chemical : Vilayat	100					
Nagda Revamp	272					
Normal Capex : VSF	365					
: Chemical & Others	230					
<b>Standalone Capex (A)</b>	<b>3,099</b>	<b>1,936</b>	<b>1,163</b>	<b>689</b>	<b>474</b>	<b>248</b>
<b>Cement Subsidiary</b>						
Capacity expansion : Raipur (4.8 Mn. TPA) (With GU and Bulk Terminal) : Malkhed (4.4 Mn. TPA) : Shambhupura (2.9 Mn. TPA)	4,362					
Material Evacuation, Logistic Infrastructure	760					
Thermal Power (25 MW) & Waste Heat Recovery	408					
RMC Business	242					
Modernisation, Upgradation and others (Incl. Land)	4,128					
<b>Cement Business Capex (B)</b>	<b>9,900</b>	<b>2,835</b>	<b>7,065</b>	<b>3,110</b>	<b>3,955</b>	<b>1,288</b>
<b>Capex (A + B)</b>	<b>12,999</b>	<b>4,771</b>	<b>8,228</b>	<b>3,799</b>	<b>4,429</b>	<b>1,536</b>

\$ Excludes capex already capitalised on commissioning till 31<sup>st</sup> March 2014

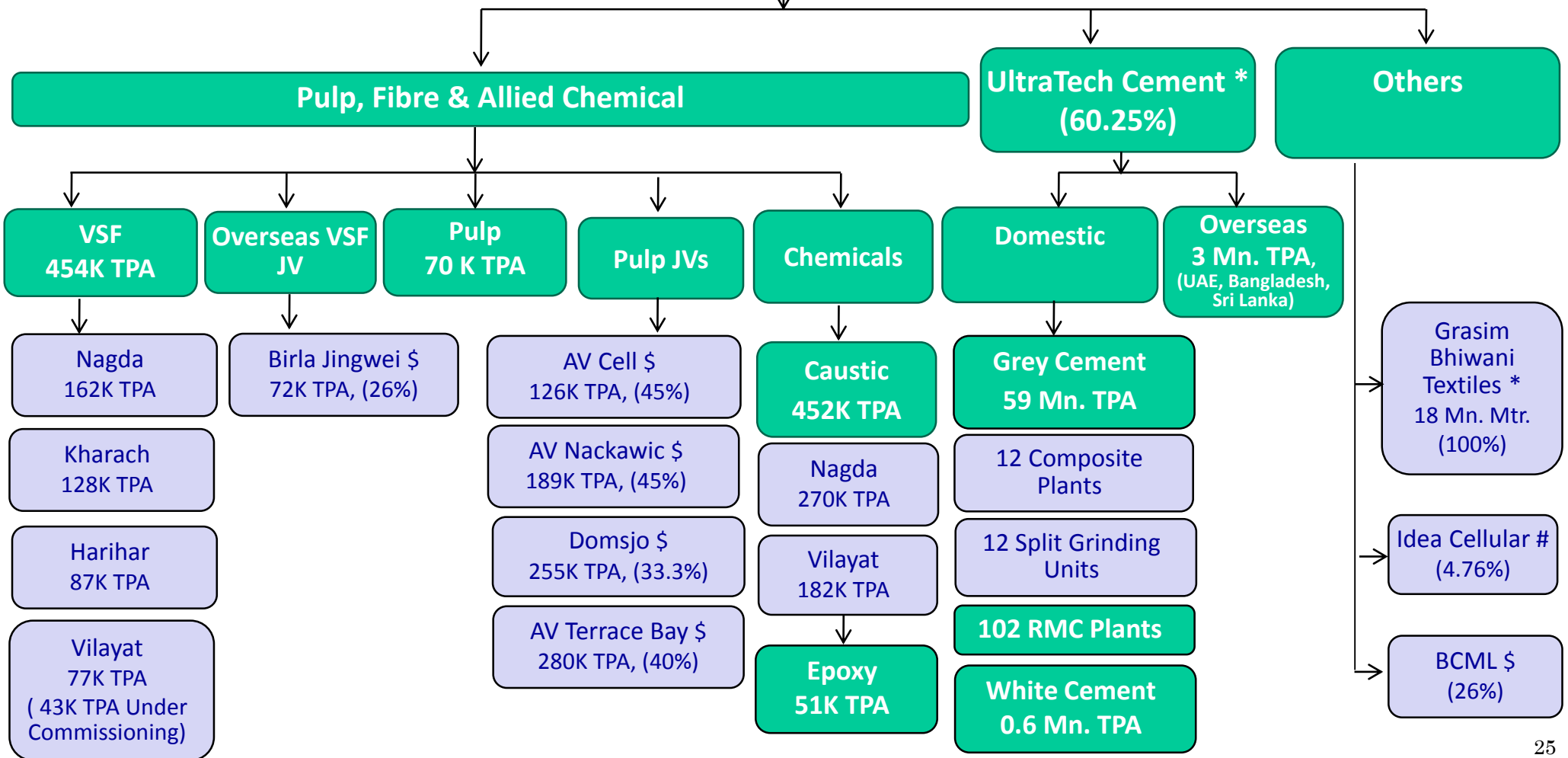
# Summary

# Summary

- VSF business performance remain impacted with market sentiments, though improved sequentially with higher volumes and lower cost
  - Ramping up of production at Vilayat to drive volumes, better product mix and profitability
- Cement business achieved improved performance
  - Ramping up of the existing units, recently acquired units in Gujarat & Brownfield expansion under implementation to drive growth
- Both business to consolidate leadership with commissioning of capacities
- Positive sentiments coupled with expected policy initiatives by Government should provide impetus



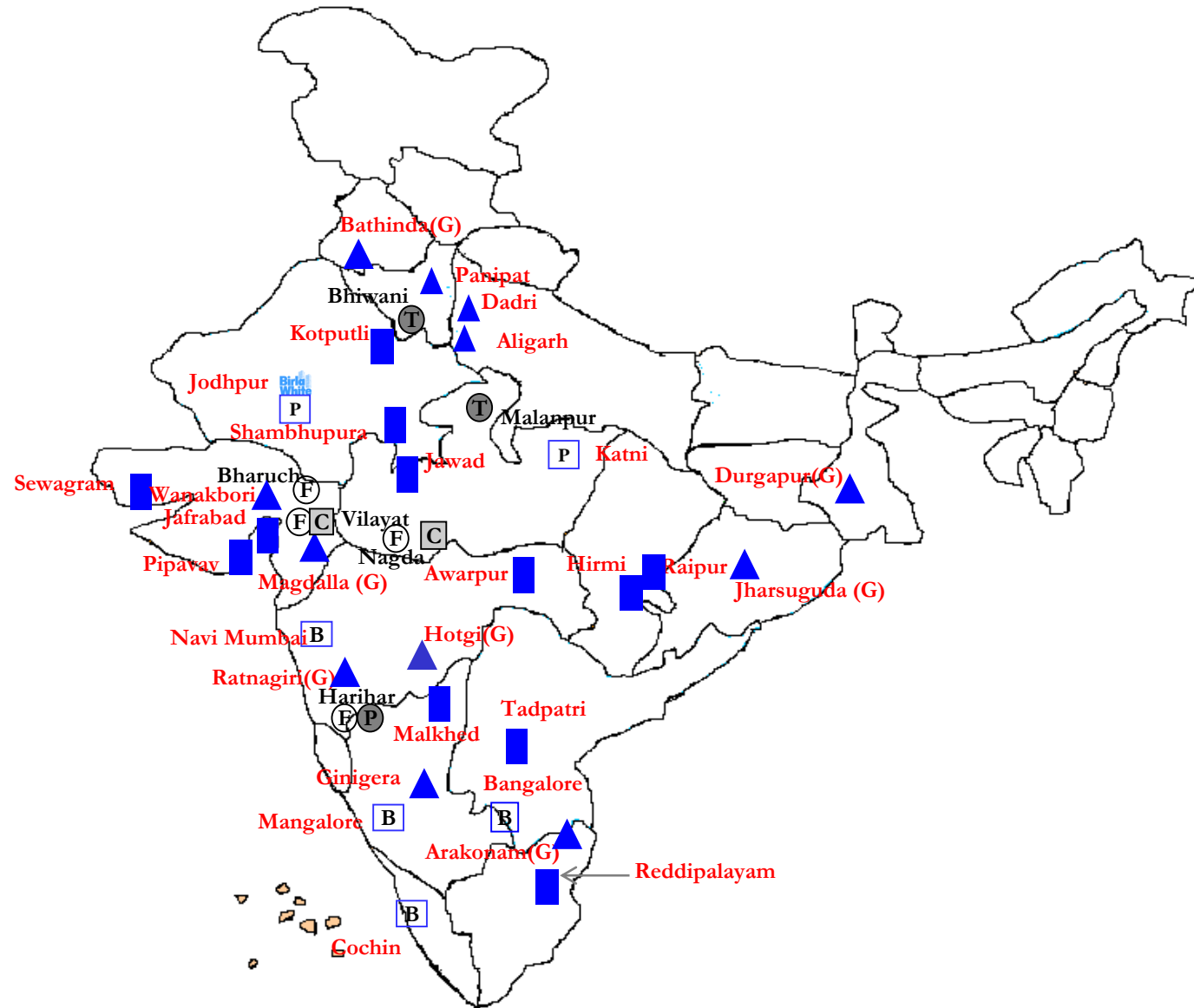
# Organizational Structure



\* 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

	Quarter - 2			(₹ Crore)			
	2014-15	2013-14	% Change	Half Year 2014-15	2013-14	% Change	Full Year 2013-14
Net Sales & Op. Income	<b>7,945.5</b>	6,850.0	16	<b>15,989.8</b>	13,788.0	16	29,324.0
Other Income	<b>102.4</b>	109.2	(6)	<b>372.2</b>	342.6	9	576.6
PBIDT	<b>1,277.5</b>	1,143.4	12	<b>2,765.3</b>	2,692.5	3	5,491.0
PBIDT Margin (%)	<b>15.9%</b>	16.4%		<b>16.9%</b>	19.1%		18.4%
Finance Cost	<b>172.6</b>	119.3	45	<b>299.0</b>	214.2	40	447.3
Depreciation	<b>404.8</b>	357.7	13	<b>762.5</b>	701.6	9	1,457.5
PBT	<b>700.2</b>	666.3	5	<b>1,703.7</b>	1,776.7	(4)	3,586.2
Total Tax	<b>153.4</b>	123.9	24	<b>457.5</b>	382.9	19	734.8
PAT (Before Minority Share)	<b>546.7</b>	542.4	1	<b>1,246.2</b>	1,393.8	(11)	2,851.4
Add: Share in Profit of Associates	<b>36.0</b>	22.5	60	<b>73.9</b>	47.9	54	102.9
Less: Minority Share	<b>166.4</b>	114.5		<b>416.7</b>	381.4		882.8
PAT (After Minority Share)	<b>416.4</b>	450.3	(8)	<b>903.5</b>	1,060.3	(15)	2,071.5
Cash Profit (Before Minority Share)	<b>1,140.7</b>	1,005.8	13	<b>2,529.2</b>	2,347.4	8	4,912.5

# Standalone Financial Performance

(₹ Crore)

	Quarter 2			Half Year			Full Year
	2014-15	2013-14	% Change	2014-15	2013-14	% Change	2013-14
Net Sales & Op. Income	<b>1,599.8</b>	1,421.4	13	<b>3,038.6</b>	2,584.5	18	5,603.5
Other Income	<b>211.4</b>	205.3	3	<b>266.6</b>	287.0	(7)	384.8
PBIDT	<b>425.4</b>	482.5	(12)	<b>621.3</b>	780.8	(20)	1,246.1
PBIDT Margin (%)	<b>23.5%</b>	29.7%		<b>18.8%</b>	27.2%		20.8%
Finance Cost	<b>9.0</b>	9.4	(5)	<b>14.6</b>	17.3	(15)	41.5
Depreciation	<b>62.4</b>	53.0	18	<b>115.4</b>	101.4	14	219.6
PBT	<b>353.9</b>	420.1	(16)	<b>491.3</b>	662.1	(26)	985.0
Tax Expense	<b>54.5</b>	6.6	-	<b>86.1</b>	22.5	-	89.0
PAT	<b>299.4</b>	413.5	(28)	<b>405.3</b>	639.6	(37)	896.0
EPS	<b>32.6</b>	45.0	(28)	<b>44.1</b>	69.6	(37)	97.5

# Profitability Snapshot

	Standalone				Consolidated				(₹ Crore)
	FY	FY	FY	H1	FY	FY	FY	H1	
	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15	
Net Turnover & Op. Income	4,974	5,255	5,604	<b>3,039</b>	25,244	13,788	29,324	<b>15,972</b>	
PBIDT	1,722	1,523	1,246	<b>621</b>	6,321	6,543	5,491	<b>2,765</b>	
PBIDT Margin (%)	31.7	26.8	20.8	<b>18.8</b>	24.3	22.9	18.4	<b>16.9</b>	
Finance Cost	36	39	42	<b>15</b>	314	324	447	<b>299</b>	
PBDT	1,686	1,484	1,205	<b>607</b>	6,007	6,219	5,044	<b>2,466</b>	
Tax Expenses	365	303	89	<b>86</b>	1,321	1,467	735	<b>457</b>	
<b>PAT # (After Minority Share)</b>	<b>1,177</b>	<b>1,022</b>	<b>896</b>	<b>405</b>	<b>2,647</b>	<b>2,500</b>	<b>2,072</b>	<b>904</b>	
EPS (₹) #	128.2	111.3	97.5	<b>44.1</b>	288.4	272.3	225.5	<b>45.3</b>	
DPS (₹)	22.5	22.5	21.0	--	--	--	--	--	
ROAvCE (PBIT Basis - Excl. CWIP)(%)					18.6	17.1	12.1	<b>10.5</b>	
RONW (%) #					16.7	13.6	10.0	<b>8.2</b>	
Interest Cover (x)	36.8	21.3	13.2	<b>17.0</b>	13.4	10.6	9.0	<b>7.0</b>	

# before exceptional / extraordinary gain



# Revenue Chart

Half Year				Quarter 2			(₹ Crore)
2014-15	2013-14	% Change		2014-15	2013-14	% Change	Quarter 1 2014-15
<b>2,365</b>	2,191	<b>8</b>	Viscose Staple Fibre	<b>1,271</b>	1,211	<b>5</b>	1,094
<b>829</b>	478	<b>74</b>	Chemical	<b>416</b>	254	<b>64</b>	413
<b>48</b>	49		Others	<b>22</b>	26		26
<b>(204)</b>	(133)		Eliminations (Inter Segment)	<b>(109)</b>	(69)		(95)
<b>3,039</b>	2,585	<b>18</b>	Standalone Net Revenue	<b>1,600</b>	1,421	<b>13</b>	1,439
			<u>Subsidiaries</u>				
<b>11,804</b>	10,167	<b>16</b>	Cement	<b>5,772</b>	4,871	<b>18</b>	6,032
<b>228</b>	229		Textiles	<b>124</b>	131	<b>(5)</b>	104
<b>1,110</b>	991	<b>12</b>	Pulp JVs and Fibre JV (Pro Rata)	<b>561</b>	517	<b>9</b>	549
<b>(208)</b>	(184)		Eliminations (Inter Company)/Others	<b>(128)</b>	(90)		(80)
<b>12,934</b>	11,203	<b>15</b>	Total for Subsidiaries & JVs	<b>6,328</b>	5,429	<b>17</b>	6,605
<b>15,972</b>	13,788	<b>16</b>	Consolidated Net Revenue	<b>7,928</b>	6,850	<b>16</b>	8,044

# PBIDT – Chart

Half Year			PBIDT	Quarter 2			Quarter 1 2013-14
2014-15	2013-14	% Change		2014-15	2013-14	% Change	
<b>232</b>	427	(46)	Viscose Staple Fibre	<b>151</b>	240	(37)	81
<b>170</b>	112	51	Chemical	<b>79</b>	62	28	91
<b>220</b>	242	(9)	Others	<b>195</b>	180	8	24
<b>621</b>	781	(20)	Standalone PBIDT	<b>425</b>	483	(12)	196
			<u>Subsidiaries</u>				
<b>2,283</b>	2,041	12	Cement	<b>987</b>	773	28	1,296
<b>17</b>	16	6	Textiles	<b>10</b>	10		8
<b>(28)</b>	16		Pulp JVs and Fibre JVs (Pro Rata)	<b>1</b>	39		(29)
<b>(129)</b>	(161)		Eliminations (Inter Company )/Others	<b>(147)</b>	(161)		18
<b>2,144</b>	1,912	12	Total for Subsidiaries & JVs	<b>852</b>	661	29	1,292
<b>2,765</b>	2,693	3	Consolidated PBIDT	<b>1,277</b>	1,143	12	1,488

(₹ Crore)

# Viscose Staple Fibre : Summary

		Quarter 2			Half Year			Full Year
		2014-15	2013-14	% Change	2014-15	2013-14	% Change	2013-14
Capacity*	TPA	<b>1,07,220</b>	94,444	14	<b>2,01,664</b>	1,86,629	8	3,57,517
Production	MT	<b>1,00,950</b>	91,955	10	<b>1,90,777</b>	1,79,687	6	3,61,012
Sales Volumes	MT	<b>1,00,927</b>	93,025	8	<b>1,87,316</b>	1,70,544	10	3,66,978
Net Revenue	₹ Cr.	<b>1,271</b>	1,211	5	<b>2,365</b>	2,191	8	4,714
PBIDT	₹ Cr.	<b>151</b>	240	(37)	<b>232</b>	427	(46)	724
PBIDT Margin	%	<b>11.8%</b>	19.6%	--	<b>9.7%</b>	19.3%	--	15.2%
PBIT	₹ Cr.	<b>113</b>	203	(44)	<b>168</b>	354	(53)	574
Capital Employed (Incl. CWIP)	₹ Cr.	<b>5,227</b>	4,688	11	<b>5,227</b>	4,688	11	5,043
ROAvCE (Excl. CWIP)	%	<b>12.5%</b>	29.8%	--	<b>9.1%</b>	27.1%	--	20.0%

\* Operational capacity during the period

# Chemical : Summary

		Quarter 2			Half Year			Full Year 2013-14
		2014-15	2013-14	% Change	2014-15	2013-14	% Change	
Capacity*	TPA	<b>1,13,125</b>	83,500	<b>35</b>	<b>2,26,250</b>	1,55,250	<b>46</b>	3,51,790
Production	MT	<b>1,01,639</b>	79,957	<b>27</b>	<b>2,01,802</b>	1,50,992	<b>34</b>	3,13,479
Sales Volumes	MT	<b>1,00,052</b>	78,356	<b>28</b>	<b>1,96,145</b>	1,50,384	<b>30</b>	3,14,488
Net Revenue	₹ Cr.	<b>416</b>	254	<b>64</b>	<b>829</b>	478	<b>74</b>	1,075
PBIDT	₹ Cr.	<b>79</b>	62	<b>28</b>	<b>170</b>	112	<b>51</b>	225
PBIDT Margin	%	<b>18.9%</b>	24.3%	<b>--</b>	<b>20.4%</b>	23.4%	<b>--</b>	20.9%
PBIT	₹ Cr.	<b>55</b>	47	<b>16</b>	<b>122</b>	86	<b>41</b>	161
Capital Employed (Incl. CWIP)	₹ Cr.	<b>1,946</b>	1,679	<b>16</b>	<b>1,946</b>	1,679	<b>16</b>	1,888
ROAvCE (Excl. CWIP)	%	<b>12.2%</b>	19.5%	<b>--</b>	<b>13.4%</b>	22.4%	<b>--</b>	14.0%

\* Operational capacity during the period

# Cement : Summary

		Quarter 2		% Change	Half Year		% Change	Full Year 2013-14
		2014-15	2013-14		2014-15	2013-14		
<u>Grey Cement</u>								
Capacity	Mn. TPA	<b>15.44</b>	13.48	<b>15</b>	<b>30.88</b>	26.96	<b>15</b>	54.76
Production	Mn. MT	<b>10.91</b>	9.71	<b>12</b>	<b>22.95</b>	20.38	<b>13</b>	43.60
Cement Sales Volumes <sup>\$</sup>	Mn. MT	<b>10.92</b>	9.88	<b>10</b>	<b>23.09</b>	20.67	<b>12</b>	44.06
Clinker Sales Volumes	Mn. MT	<b>0.25</b>	0.15	<b>67</b>	<b>0.51</b>	0.24	<b>113</b>	0.60
<u>White Cement &amp; Putty</u>								
Sales Volumes <sup>\$\$</sup>	Lac MT	<b>3.02</b>	2.74	<b>10</b>	<b>5.59</b>	5.25	<b>6</b>	11.41
Net Revenue	₹ Cr.	<b>5,772</b>	4,871	<b>18</b>	<b>11,804</b>	10,167	<b>16</b>	21,652
PBIDT	₹ Cr.	<b>987</b>	773	<b>28</b>	<b>2,283</b>	2,041	<b>12</b>	4,358
PBIDT Margin	%	<b>17.0%</b>	15.7%	--	<b>18.9%</b>	19.7%	--	19.8%
PBIT	₹ Cr.	<b>668</b>	494	<b>35</b>	<b>1,682</b>	1,489	<b>13</b>	3,219
Capital Employed (Incl. CWIP)	₹ Cr.	<b>32,735</b>	27,863	<b>17</b>	<b>32,735</b>	27,863	<b>17</b>	28,977
ROAvCE (Excl. CWIP)	%	<b>9.2%</b>	8.5%	--	<b>12.2%</b>	13.8%	--	14.3%

\$ Includes captive consumption for RMC

\$\$ Includes captive consumption for value added products



**UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2014**

PART I: STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2014							₹ Crore
Particulars	Three Months Ended			Six Months Ended		Year Ended	
	30-09-2014	30-06-2014	30-09-2013	30-09-2014	30-09-2013	31-03-2014	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
<b>1</b>	<b>Income from Operations</b>						
	Net Sales / Income from Operations (Net of Excise Duty)	7,866.44	7,974.72	6,802.10	15,841.16	13,694.86	29,004.19
	Other Operating Income	79.03	69.56	47.90	148.59	93.18	319.85
	<b>Total Income from Operations (Net)</b>	<b>7,945.47</b>	<b>8,044.28</b>	<b>6,850.00</b>	<b>15,989.75</b>	<b>13,788.04</b>	<b>29,324.04</b>
<b>2</b>	<b>Expenses</b>						
	Cost of Materials Consumed	1,955.01	1,950.63	1,721.26	3,905.64	3,316.55	7,041.53
	Purchases of Stock-in-Trade	134.19	136.84	103.57	271.03	198.59	421.63
	Changes [Decrease / (Increase)] in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(59.22)	(0.14)	(32.72)	(59.36)	(81.05)	45.35
	Employee Benefits Expense	538.23	498.21	503.25	1,036.44	956.59	1,847.09
	Power and Fuel Cost	1,588.07	1,608.53	1,327.66	3,196.60	2,658.64	5,672.54
	Freight and Handling Expenses	1,383.97	1,416.61	1,080.18	2,800.58	2,253.27	4,909.58
	Depreciation and Amortisation Expense	404.76	357.76	357.74	762.52	701.63	1,457.48
	Other Expenses	1,230.18	1,215.56	1,112.62	2,445.74	2,135.51	4,471.89
	<b>Total Expenses</b>	<b>7,175.19</b>	<b>7,184.00</b>	<b>6,173.56</b>	<b>14,359.19</b>	<b>12,139.73</b>	<b>25,867.09</b>
<b>3</b>	<b>Profit from Operations before Other Income and Finance Costs (1 - 2)</b>	<b>770.28</b>	<b>860.28</b>	<b>676.44</b>	<b>1,630.56</b>	<b>1,648.31</b>	<b>3,456.95</b>
<b>4</b>	Other Income	102.44	269.79	109.18	372.23	342.59	576.59
<b>5</b>	<b>Profit from Ordinary Activities before Finance Costs (3 + 4)</b>	<b>872.72</b>	<b>1,130.07</b>	<b>785.62</b>	<b>2,002.79</b>	<b>1,990.90</b>	<b>4,033.54</b>
<b>6</b>	Finance Costs	172.57	126.49	119.31	299.06	214.22	447.32
<b>7</b>	<b>Profit from Ordinary Activities before Tax (5 - 6)</b>	<b>700.15</b>	<b>1,003.58</b>	<b>666.31</b>	<b>1,703.73</b>	<b>1,776.68</b>	<b>3,586.22</b>
<b>8</b>	Tax Expense (Refer Note 6)	153.43	304.05	123.96	457.48	382.86	734.79
<b>9</b>	<b>Net Profit after Tax before profit of Associates and adjustment for Minority Interest (7 - 8)</b>	<b>546.72</b>	<b>699.53</b>	<b>542.35</b>	<b>1,246.25</b>	<b>1,393.82</b>	<b>2,851.43</b>
<b>10</b>	Add : Share in Profit of Associates	36.01	37.90	22.48	73.91	47.89	102.87
<b>11</b>	Less : Minority Interest	166.35	250.30	114.50	416.65	381.37	882.76
<b>12</b>	<b>Net Profit for the Period (9 +10 - 11)</b>	<b>416.38</b>	<b>487.13</b>	<b>450.33</b>	<b>903.51</b>	<b>1,060.34</b>	<b>2,071.54</b>
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	91.86	91.85	91.82	91.86	91.82	91.84
	Reserve excluding Revaluation Reserves						21,478.01
<b>13</b>	<b>Earnings per Share (of ₹ 10/- each) (Not Annualised):</b>						
	(a) Basic (₹)	45.33	53.04	49.05	98.37	115.50	225.61
	(b) Diluted (₹)	45.29	53.01	49.02	98.28	115.43	225.50
<b>PART II : SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2014</b>							
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
	<b>Public Shareholding *</b>						
	Number of Shares (000's)	55,381	55,106	55,289	55,381	55,289	55,138
	Percentage of Shareholding	60.30%	60.01%	60.22%	60.30%	60.22%	60.05%
	<b>Promoter and 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)	25.51%	25.51%	25.52%	25.51%	25.52%	25.51%
	* 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	5					
	Disposed of during the Quarter	5					
	Remaining unresolved at the end of the Quarter	-					

**UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED  
FOR THE QUARTER AND SIX MONTHS ENDED 30-09-2014**

₹ Crore

Particulars	Three Months Ended			Six Months Ended		Year Ended
	30-09-2014	30-06-2014	30-09-2013	30-09-2014	30-09-2013	31-03-2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. SEGMENT REVENUE</b>						
Viscose Staple Fibre and Wood Pulp	1,711.72	1,558.58	1,637.39	3,270.30	3,000.79	6,331.41
Cement - Grey, White and Allied Products	5,772.02	6,032.30	4,871.18	11,804.32	10,167.05	21,652.20
Chemicals - Caustic Soda and Allied Chemicals	415.99	413.50	253.82	829.49	478.09	1,074.50
Others #	168.53	148.57	172.05	317.10	307.90	615.17
<b>TOTAL</b>	<b>8,068.26</b>	<b>8,152.95</b>	<b>6,934.44</b>	<b>16,221.21</b>	<b>13,953.83</b>	<b>29,673.28</b>
(Less) : Inter Segment Revenue	(122.79)	(108.67)	(84.44)	(231.46)	(165.79)	(349.24)
<b>Total Operating Income</b>	<b>7,945.47</b>	<b>8,044.28</b>	<b>6,850.00</b>	<b>15,989.75</b>	<b>13,788.04</b>	<b>29,324.04</b>
<b>2. SEGMENT RESULTS</b>						
Viscose Staple Fibre and Wood Pulp	96.97	19.81	210.11	116.78	315.39	481.33
Cement - Grey, White and Allied Products	635.53	809.38	472.81	1,444.91	1,333.02	2,946.87
Chemicals - Caustic Soda and Allied Chemicals	54.96	66.83	47.47	121.79	86.25	160.57
Others #	16.72	10.70	10.16	27.42	16.23	36.84
<b>TOTAL</b>	<b>804.18</b>	<b>906.72</b>	<b>740.55</b>	<b>1,710.90</b>	<b>1,750.89</b>	<b>3,625.61</b>
Add / (Less) :						
Finance Costs	(172.57)	(126.49)	(119.31)	(299.06)	(214.22)	(447.32)
Net Unallocable Income / (Expenditure)	68.54	223.35	45.07	291.89	240.01	407.93
<b>Profit from Ordinary Activities before Tax</b>	<b>700.15</b>	<b>1,003.58</b>	<b>666.31</b>	<b>1,703.73</b>	<b>1,776.68</b>	<b>3,586.22</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>30-09-2014</b>	<b>30-06-2014</b>	<b>30-09-2013</b>	<b>30-09-2014</b>	<b>30-09-2013</b>	<b>31-03-2014</b>
<b>3. CAPITAL EMPLOYED</b>						
(Segment Assets - Segment Liabilities)						
Viscose Staple Fibre and Wood Pulp	7,293.39	7,167.01	6,996.26	7,293.39	6,996.26	7,193.20
Cement - Grey, White and Allied Products	29,026.82	28,197.99	23,817.40	29,026.82	23,817.40	24,450.15
Chemicals - Caustic Soda and Allied Chemicals	1,946.07	1,869.58	1,679.44	1,946.07	1,679.44	1,888.25
Others #	306.46	287.57	286.05	306.46	286.05	274.85
<b>TOTAL</b>	<b>38,572.74</b>	<b>37,522.15</b>	<b>32,779.15</b>	<b>38,572.74</b>	<b>32,779.15</b>	<b>33,806.45</b>
Add: Unallocated Corporate Capital Employed	6,626.06	6,684.11	7,293.64	6,626.06	7,293.64	7,228.22
<b>TOTAL CAPITAL EMPLOYED</b>	<b>45,198.80</b>	<b>44,206.26</b>	<b>40,072.79</b>	<b>45,198.80</b>	<b>40,072.79</b>	<b>41,034.67</b>

# Others mainly represents Textiles

**NOTES:**

1. a. The Company has opted to publish Consolidated Financial Results which are reviewed by the Audit Committee and approved by the Board of Directors today.
- b. Key numbers of Standalone Financial Results of the Company are as under:

	₹ Crore					
	Three Months Ended			Six Months Ended		Year Ended
	30-09-2014 (Unaudited)	30-06-2014 (Unaudited)	30-09-2013 (Unaudited)	30-09-2014 (Unaudited)	30-09-2013 (Unaudited)	31-03-2014 (Audited)
Total Operating Income	1,599.79	1,438.80	1,421.44	3,038.59	2,584.51	5,603.50
Profit before Tax	353.92	137.42	420.11	491.34	662.14	984.99
Net Profit after Tax	299.41	105.84	413.51	405.25	639.64	895.99

The Standalone Financial Results are available at the Company's and Stock Exchanges' websites.

2. New capacities commissioned:
  - a. In Viscose Staple Fibre business, two lines with an aggregate capacity of 77,000 MT per annum at Vilayat, Gujarat.
  - b. In Cement business, Cement grinding capacity of 1.40 Mn. TPA at Malkhed, Karnataka and a 25 MW Thermal Power Plant at Tadipatri, Andhra Pradesh.
3. The merger of Gujarat Cement Units of Jaypee Cement Corporation Limited (JCCL) with UltraTech Cement Limited (UltraTech), a subsidiary of the Company, has become effective from 12th June, 2014 and accordingly the financial results of the acquired units have been included with the UltraTech's financial results with effect from 12th June, 2014. As a result, figures for the quarter and six months ended 30th September, 2014 are strictly not comparable with previous periods.
4. During the current period, depreciation has been provided on fixed assets as per the useful life specified in the Companies Act, 2013 or as re-assessed by the Company. Based on the current estimates, carrying value of the assets whose useful life is already exhausted as on 1st April, 2014, amounting to ₹ 130.84 Crore and deferred tax credit of ₹ 43.15 Crore thereon has been recognised in the opening balance of Retained Earnings.

Had there been no change as stated above, depreciation would have been higher by ₹ 64.98 Crore and ₹ 111.70 Crore for the quarter and six months ended 30th September, 2014 respectively.

5. Based on the legal advise, UltraTech has challenged the order dated 20th June, 2012 of Competition Commission of India (CCI) imposing a penalty of ₹ 1,175.49 Crore for alleged cartelisation with certain other companies.

Based on legal opinion, UltraTech continues to believe that it has a good case and therefore no provision has been made against the CCI Order.



## Grasim Industries Limited

6. Tax expenses for the quarter and six months ended 30th September, 2013 are net of provisions written back pertaining to earlier years' amounting to ₹ 18.38 Crore and ₹ 19.27 Crore respectively. For the year ended 31st March, 2014 write back was ₹ 124.74 Crore.
7. During the quarter, the Company has allotted 11,467 fully paid up equity shares of ₹ 10 each upon exercise of employee stock options.
8. Previous periods' figures have been regrouped/rearranged wherever necessary to conform to the current periods' classification.

# Grasim Industries Limited

## 9. Consolidated Statement of Assets and Liabilities as at 30th September, 2014:

₹ Crore

Particulars		AS AT	
		30-09-2014	31-03-2014
		(Unaudited)	(Audited)
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	91.86	91.84	
(b) Share Capital (Other than Equity)	45.33	44.55	
(c) Reserves and Surplus	22,496.69	21,478.01	
<b>Sub-total - Shareholders' Funds</b>	<b>22,633.88</b>	<b>21,614.40</b>	
<b>2. Minority Interest</b>	<b>7,275.31</b>	<b>6,935.84</b>	
<b>3. Non-Current Liabilities</b>			
(a) Long-Term Borrowings	7,165.10	7,611.99	
(b) Deferred Tax Liabilities (Net)	2,890.80	2,814.94	
(c) Other Long-Term Liabilities	52.29	17.81	
(d) Long-Term Provisions	209.15	193.52	
<b>Sub-total - Non-Current Liabilities</b>	<b>10,317.34</b>	<b>10,638.26</b>	
<b>4. Current Liabilities</b>			
(a) Short-Term Borrowings	3,573.40	1,530.02	
(b) Trade Payables	3,583.36	3,245.88	
(c) Other Current Liabilities #	4,120.71	2,702.01	
(d) Short-Term Provisions	1,201.67	1,080.19	
<b>Sub-total - Current Liabilities</b>	<b>12,479.14</b>	<b>8,558.10</b>	
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>52,705.67</b>	<b>47,746.60</b>	
<b>B. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed Assets (Includes Capital work-in-Progress)	30,152.31	25,968.63	
(b) Goodwill on Consolidation	3,331.52	3,276.82	
(c) Deferred Tax Assets (Net)	16.98	11.67	
(d) Non-Current Investments	1,988.25	2,673.28	
(e) Long-Term Loans and Advances (Includes Capital Advances)	2,297.72	1,842.45	
<b>Sub-total - Non-Current Assets</b>	<b>37,786.78</b>	<b>33,772.85</b>	
<b>2. Current Assets</b>			
(a) Current Investments	5,057.36	4,937.53	
(b) Inventories	4,958.32	4,256.50	
(c) Trade Receivables	2,658.07	2,509.15	
(d) Cash and Cash Equivalents*	353.55	396.69	
(e) Short-Term Loans and Advances	1,836.88	1,810.16	
(f) Other Current Assets	54.71	63.72	
<b>Sub-total - Current Assets</b>	<b>14,918.89</b>	<b>13,973.75</b>	
<b>TOTAL -ASSETS</b>	<b>52,705.67</b>	<b>47,746.60</b>	

# Includes current maturities of long-term debts ₹ 1677.29 Crore (Previous Year ₹ 539.15 Crore)

\* Cash & Cash Equivalents represents Cash & Bank Balances

For and on behalf of Board of Directors

Place : Mumbai  
Date : 29th October, 2014

**K.K.Maheshwari**  
Managing Director

### Grasim Industries Limited

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## **Grasim Reports Financial Results for Quarter 2 FY 2014-15**

### **Investment for Growth Yielding Results - Robust Volume Growth across Businesses**

**Consolidated Net Revenue: ₹ 7,945 Cr., up16% ; PBIDT: ₹ 1,277 Cr., up 12%**

Grasim Industries Limited, an Aditya Birla Group Company today announced its results for the second quarter of FY2014-15.

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

PBIDT for the quarter increased by 12% to ₹ 1,277 crore (₹ 1,143 crore) as Revenue grew by 16% to ₹ 7,945 crore (₹ 6,850 crore) driven by robust volume growth in all the businesses supported by new / acquired capacities.

Interest and depreciation were higher, on account of the commissioning of projects in its Cement and VSF businesses alongwith the acquisition of 4.8 Mn. TPA cement capacity in Gujarat in quarter 1. Consequently, PBT was up by 5% at ₹ 700 crore (₹ 666 crore).

Tax expenses were higher for the current quarter compared to the corresponding quarter in last year during which period there was a write back of tax provision and commissioning of power plant leading to lower tax liability. As a result, Net profit was ₹ 416 crore (₹ 450 crore).

#### **Viscose Staple Fibre (VSF)**

VSF business achieved record sales volume of 100,927 tons, up by 8%, supported by the commissioning of two lines at Vilayat, Gujarat plant. Concerted market development activities have led to market expansion in the domestic segment. Net revenue for the quarter increased by 5% to ₹ 1,271 crore. PBIDT at ₹ 151 crore was lower by 37% on YoY basis as realisations were impacted by weak global prices due to overcapacity in China. Higher share of value added products partially offset the impact of decline in prices. Higher volume and full benefit of lower pulp prices have helped in improving profitability sequentially.

#### **VSF Business capex**

At the Greenfield VSF project at Vilayat, Line 1 & 2 entailing a total capacity 77K TPA have been commissioned in July 2014. The trial run has started for the remaining two lines (43K TPA) to manufacture Specialty fiber. Post this expansion, the total VSF capacity will rise to 498K TPA.

#### **Chemical Business**

The Chemical business volume grew by 28%, with the ramping up of Vilayat Plant. Operating margins declined as a result of the increase in power costs. PBIDT at ₹ 79 crore rose by 28% on the strength of volume growth.

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

Cement sales at 10.92 Mn. tons are up by 10% led by higher demand and additional volume from the Gujarat Cement Units acquired from Jaypee Cement in Quarter 1. Costs were impacted on account of increase in prices of petcoke and input material coupled with higher freight and royalty on limestone. Net revenue increased to ₹ 5,772 crore as compared to ₹ 4,871 crore in the corresponding quarter of the previous year led by volume growth. PBIDT was ₹ 987 crore against ₹ 773 crore in corresponding quarter and PAT increased to ₹ 414 crore (₹ 280 crore).

## **Cement Capex**

The Company's Cement capacity increased to 63.2 Mn. TPA with the commissioning of the 1.4 Mn. TPA grinding capacity at Malkhed, Karnataka. The other Brownfield expansions under implementation are progressing well. Upon completion, this will take the total capacity to 70 Mn. TPA. A 25 MW thermal power plant was commissioned at Tadipatri, Andhra Pradesh, taking total captive power capacity to 733 MW.

## **Outlook**

In the VSF sector, margins are likely to remain under pressure in the near term due to the overcapacity in China. Sharply declining cotton and polyester prices is a major challenge and may impact the growth of VSF consumption. The slowdown in new capacity additions in China should lead to an improvement in industry utilization which augurs well for the Company. The focus on cost optimisation will continue relentlessly.

In Cement, demand is likely to grow by ~ 8% in the current fiscal and should accelerate going forward. The key drivers will be renewed government focus on housing and infrastructure spending.

With additional capacity coming on stream in both the businesses, the Company will further consolidate its leadership position and is well-poised to benefit from the expected upturn in the economy.

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## **GRASIM INDUSTRIES LIMITED**

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twitter: [www.twitter.com/adityabirlagr](https://www.twitter.com/adityabirlagr) 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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