Earnings Presentation
Q4FY20

Grasim
Industries
Limited

Greater Purpose
Greater Future
Grasim Industries Limited | Earnings Presentation Q4 FY20

In Viscose Staple Fibre

@ Presence In India in Viscose, Modal and 3rd generation viscose
*Global leadership in Caustic soda and Chlorine derivatives namely Stable Bleaching Powder and Aluminum Chloride and India leadership in Epoxy Resins, Chloro Paraffin wax, PolyAluminium Chloride and Phosphoric Acid

Top 5
Private Diversified NBFC

Top 5
Asset Management Companies

#1
In Viscose Staple Fibre

INR 38,758 Crore
(USD 5.13 Billion)

#1
In Chlor - Alkali

INR 11,067 Crore
(USD 1.46 Billion)

Market Cap
(May 31, 2020):

Market Cap
(May 31, 2020):

57.28%

54.24%

INR 1.13 Lakh Crore
(USD 14.9 Billion)

Cement Producer in India

Global Producer (Ex-China)

Top 5
Private Diversified NBFC

Top 5
Asset Management Companies

#1
Cement Producer in India

#3
Global Producer (Ex-China)
<table>
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COVID RESPONSE
COVID-19 IMPACT

- Operations at all our plants except Fertiliser plant were temporarily suspended on imposition of lockdown.
- Fertiliser plant continued operations at full capacity, not impacted by lockdown.
- Chemicals and VSF plants received permissions to re-start partial operations in April /May-2020.
- Adequate planning and measures implemented via Business Continuity Plan (BCP) to ensure smooth resumption of business operations.

Employee Safety being of prime importance, increased safety protocol across our plants and initiated Work from Home since mid-March; No reported COVID case.

To maintain healthy liquidity, adequate funds were raised at very competitive cost.

The capacity expansion plans have been put on hold. We are closely monitoring the emerging demand scenario due to lock down situation.

Initial disruptions in supply chain has eased; maintained inventory to restart and scale up.

The operational and financial performance of the company will be significantly impacted during the Q1FY21 on account of lockdown led demand slowdown.

COVID-19 response: 1 Million+ beneficiaries of the company’s CSR initiatives.
Our COVID-19 response: Beyond business

Healthcare and Medical Support

**Aditya Birla Hospitals** at Nagda, Veraval, Jagdishpur, Kharach and Ganjam have built separate isolation wards. Conducted swab tests, benefitting 88,000 people

Part of Aditya Birla Group’s initiative in activating beds and other medical infrastructure in COVID focused medical facility such as **Seven Hills Hospital, Mumbai**, in partnership with BMC

**Provided masks and Personal Protective Equipment (PPE) kits:** Provided 2,00,000 masks and over 75,000 PPEs to Government approved healthcare agency, to be used by medical staff fighting this pandemic

**Distributed face masks** to 1,06,000 villagers near the Units

Other Activities

**Disinfection with Sodium Hypochlorite** in nearby villages/areas around plants

Conducted **COVID-19 Awareness Campaigns** to build awareness through the distribution of handbills and installing banners

Supporting the needy families and migrant labourers with daily essentials and food packets

Grasim pledged Rs. 25 Cr. to PM CARES Fund as contribution to fight COVID-19
FINANCIAL OVERVIEW
PERFORMANCE HIGHLIGHT: FY20

**Overall**

- Robust Consolidated Performance: Revenue of Rs. 77,625 Cr., record EBITDA of 13,846 Cr., and PAT of 4,425 Cr.

- Maintained strong leverage ratios with Net Cash Flow from Operations of Rs. 3,519 Cr. on standalone basis

- VSF business reported record production and sales volume of 567KT and 554KT

- Caustic Soda Production and Sales volume at nearly~1 million-ton mark

**Focus on VAP**

- Viscose: Achieved full capacity of Third generation 16 KTPA specialty fibre plant using in-house green technology at Kharach; well accepted by the market

- Chemicals: VAPs sales volume increased by 10% YoY led by increased sales of HSBP and Phosphoric Acid
### Performance Highlight: FY20

#### Cost Focus

- **Viscose:** Achieved reduction in Pulp, Caustic and Sulphur cost of ~Rs. 460 Cr.

- **Viscose:** Cost savings measure under Project Cascade ~Rs. 251 Cr.

- **Chemical:** Achieved reduction in the power and raw material cost of ~Rs. 100 Cr.

#### Sustainability

- **Grasim** released its maiden sustainability report, with ambitious targets to achieve global leadership in sustainability.

- **Viscose:** Successfully launched LIVA Eco with best-in-class sustainability credentials and unique end-to-end traceability at a premium pricing; well accepted by leading global brands.

- **Viscose:** Top ranking in Canopy type audit for sustainable forestry in 2019.

- **Chemicals:** SRS plant commissioned, help in reduction of barium carbonate in brine system and sludge.

- **Chemicals:** ZLD plants at Ganjam and Rehla commissioned.

- **Chemicals:** Higher percentage of Renewable energy in power mix.
## FINANCIAL OVERVIEW: FY20

### Consolidated

#### Revenue (Rs. Cr.)
- FY18: 55,894
- FY19: 77,200
- FY20: 77,625

#### EBITDA (Rs. Cr.)
- FY18: 10,883 (19% EBITDA Margin)
- FY19: 13,404 (17% EBITDA Margin)
- FY20: 13,846 (18% EBITDA Margin)

#### PAT (Rs. Cr.)
- FY18: 2,679
- FY19: 1,693
- FY20: 4,425

### Standalone

#### Revenue (Rs. Cr.)
- FY18: 15,786
- FY19: 20,550
- FY20: 18,609

#### EBITDA (Rs. Cr.)
- FY18: 3,542 (22% EBITDA Margin)
- FY19: 4,639 (22% EBITDA Margin)
- FY20: 2,836 (15% EBITDA Margin)

#### PAT (Rs. Cr.)
- FY18: 1,769
- FY19: 515
- FY20: 1,270

**Note:** EBITDA Margin is calculated as **EBITDA including Other Income / Total Income (Revenue + Other Income)**.
STANDALONE FINANCIAL OVERVIEW: FY20 (BREAKDOWN BY BUSINESS)

Revenue:
- Viscose: 14%
- Chemical: 36%
- Fertiliser: 10%
- Others & Elimination: 30%
- Total: Rs. 18,609 Cr.

EBITDA:
- Viscose: 14%
- Chemical: 36%
- Fertiliser: 7%
- Others & Elimination: 10%
- Total: Rs. 2,836 Cr.

EBIT:
- Viscose: 14%
- Chemical: 37%
- Fertiliser: 7%
- Others & Elimination: 10%
- Total: Rs. 1,989 Cr.

ROA\(v\)CE (Excl. CWIP):
- Viscose: 14%
- Chemical: 17%

Grasim Industries Limited | Earnings Presentation Q4 FY20
FINANCIAL OVERVIEW: QUARTERLY

### Consolidated

#### Revenue (Rs. Cr.)
- Q4FY19: 22,431
- Q3FY20: 19,205
- Q4FY20: 19,902

#### EBITDA (Rs. Cr.)
- Q4FY19: 3,999  (18%)
- Q3FY20: 2,968  (15%)
- Q4FY20: 3,243  (16%)

#### PAT (Rs. Cr.)
- Q4FY19: 1,144
- Q3FY20: 680
- Q4FY20: 1,506

### Standalone

#### Revenue (Rs. Cr.)
- Q4FY19: 5,352
- Q3FY20: 4,499
- Q4FY20: 4,312

#### EBITDA (Rs. Cr.)
- Q4FY19: 1,000  (18%)
- Q3FY20: 495  (11%)
- Q4FY20: 467  (11%)

#### PAT (Rs. Cr.)
- Q4FY19: 451
- Q3FY20: 185
- Q4FY20: 357

*EBITDA Margin (EBITDA including Other Income / Total Income (Revenue + Other Income))*
**Strong Balance Sheet**

**FY20: Strong standalone Net Cash Flow from Operations of Rs. 3,519 Cr.**

### Standalone (Rs. Cr.)
- **Net Debt / EBITDA**: 1.05x
- **Net Debt**: 2,093 Cr.
- **Liquid investments**: 2,975 Cr.
- **Net Debt / EBITDA**: 2,653#

### Consolidated (Rs. Cr.)
- **Net Debt / EBITDA**: 1.49x
- **Net Debt**: 8,149 Cr.
- **Liquid investments**: 28,831 Cr.
- **Net Debt / EBITDA**: 20,682 Cr.

### Financial Overview

- **Debt / Equity Ratio (Borrowings / Net worth)**: 0.13x
- **Interest Coverage Ratio ((EBITDA - Current Tax) / Interest)**: 8.6x

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*Includes Rs. 322 Cr. of Interest free Govt. backed Loan against outstanding Fertiliser subsidy

# Adjusted for Rs. 322 Cr. Interest free Govt. backed loan
BUSINESS PERFORMANCE
**FINANCIAL PERFORMANCE - VISCOSE**

### Revenue* (Rs. Cr.)
- Q4FY19: 2,625
- Q3FY20: 2,194
- Q4FY20: 2,102

### EBITDA* (Rs. Cr.)
- Q4FY19: 413
- Q3FY20: 256
- Q4FY20: 261

**EBITDA Margin** *(EBITDA including Other Income / Total Income (Revenue + Other Income))*

- Q4FY19: 16%
- Q3FY20: 12%
- Q4FY20: 12%

- **Sequential improvement in EBITDA driven by lower input costs and maintained the VAP mix**
- **Average consumption pulp rate for Q4FY20 contracted to Rs. 53,782/ton against Rs.60,524/ton in the previous quarter**
- **The March 2020 performance was impacted due to the nation-wide COVID-19 lockdown, impacting the demand**
- **VFY profitability impacted by lower sales volume (15% down QoQ) due to slowdown in automobile market in Europe and overall domestic market due to COVID-19 shutdown**

*Including VFY*
### VISCOSE INDUSTRY

#### Global Prices Trend ($/Kg)

![Graph showing global prices trend for Grey VSF, PSF, and Cotton.](image)

**Source:** CCF and other industry sources

#### Price Movement

<table>
<thead>
<tr>
<th>Product</th>
<th>YoY (%)</th>
<th>QoQ (%)</th>
<th>March Exit Price (Δ over Q4FY20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grey VSF</td>
<td>-28%</td>
<td>-7%</td>
<td>1.19 $/Kg (-1%)</td>
</tr>
<tr>
<td>Cotton</td>
<td>-11%</td>
<td>-1%</td>
<td>1.49 $/Kg (9%)</td>
</tr>
<tr>
<td>PSF</td>
<td>-23%</td>
<td>-1%</td>
<td>0.79 $/Kg (9%)</td>
</tr>
</tbody>
</table>

#### Pulp Price ($/ton)

![Graph showing pulp price trend from April 15 to February 20.](image)
**VISCOSE – KEY OPERATIONAL METRICS**

**VSF Sales (KT)**
- Q4FY19: 139
- Q3FY20: 138
- Q4FY20: 136

**Sales Volume Mix**
- **Export Sales**: 14%
- **Grey VSF**: 76%
- **Domestic Sales**: 86%
- **VAP**: 24%

- Share of VAP sales in total sales increased to 24% (Up 2% YoY)
- The price premium of VAP over the grey significantly increased during the quarter
- VSF sales for Q4FY20 were lower by 22KT* on account of COVID-19 nationwide lockdown

* Based on internal estimates
**FINANCIAL PERFORMANCE - CHEMICALS**

**Revenue (Rs. Cr.)**

- Q4FY19: 1,688
- Q3FY20: 1,362
- Q4FY20: 1,290

**EBITDA (Rs. Cr.)**

- Q4FY19: 434
- Q3FY20: 185
- Q4FY20: 104

**EBITDA Margin (EBITDA including Other Income / Total Income (Revenue + Other Income))**

- Q4FY19: 26%
- Q3FY20: 14%
- Q4FY20: 8%

*EBITDA impacted by one-time cost of Rs.23 Cr. in Q4FY20*

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- **Lower sales volume due to lockdown and lower ECU realization impacted the EBITDA**

- **Business focused on cost optimization, improving the power mix by increasing its share of renewable energy from 3% in FY20 to 7% by FY21/FY22**

- **Epoxy business EBITDA improved YoY on the back of lower input prices**
CHLOR ALKALI INDUSTRY

Caustic Realisation

Grasim – ECU (Rs./ ton)

Lower demand from user industry, rise in the imports, weak global prices and ramping up of new domestic capacities of ~620KT resulted in weaker realization in India in Q4FY20.

The Chlorine realisations were negative in Q4FY20 because of excess supply.

Demand for Chlorine value added products improved with increased usage in Health and Hygiene products post COVID 19.
**Caustic Soda Sales (KT)\(^*\)**

- Q4FY19: 261 KT
- Q3FY20: 261 KT
- Q4FY20: 252 KT

**Chlorine & HCl Consumption in VAP (ton)**

- Q4FY19: 68,216 ton
- Q3FY20: 73,416 ton
- Q4FY20: 72,248 ton

- **Caustic Soda sales for Q4FY20 were lower by 27KT\(^*\) on account of COVID-19 nationwide lockdown.**
- **Chlorine consumption in VAPs improved to 31% in Q4FY20 from 28% in Q4FY19.**
- **Sales volume growth of 10% YoY for chlorine VAPs achieved, driven by demand from health and sanitation products.**

\(^*\) Based on internal estimates
**FINANCIAL PERFORMANCE - FERTILISER**

**Revenue (Rs. Cr.)**
- Q4FY19: 679
- Q3FY20: 638
- Q4FY20: 623

**EBITDA (Rs. Cr.)**
- Q4FY19: 52
- Q3FY20: 30
- Q4FY20: 68

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- **Industry Urea sales for FY20 was higher by 6% YoY to 31.72 MTPA**
- **In FY20, higher sales of PURAK led to an improvement in Fertiliser EBITDA. PURAK contributed 28% of the Fertiliser EBITDA.**
- **Urea production and sales were lower in Q4FY20 to 270KT and 256KT on account of 9 days of maintenance shutdown**
- **Increase in EBITDA was on account of notification of retrospective fixed cost reimbursement which included Rs. 23 Cr. for Q4FY20**
FINANCIAL PERFORMANCE – OTHER BUSINESSES

**Textile**

Revenue (Rs. Cr.)

- Q4FY19: 475
- Q3FY20: 401
- Q4FY20: 344

EBITDA (Rs. Cr.)

- Q4FY19: 52
- Q3FY20: (2)
- Q4FY20: (1)

**Insulators**

Revenue (Rs. Cr.)

- Q4FY19: 124
- Q3FY20: 90
- Q4FY20: 109

EBITDA (Rs. Cr.)

- Q4FY19: 10
- Q3FY20: 3
- Q4FY20: 3
Reported highest ever consolidated EBITDA of Rs. 9,931 Cr. up 27% YoY and EBITDA/PMT of Rs. 1,236* (India Business) for FY20

Century cement and Nathdwara plant reported improvement in realization, operational parameters and EBITDA/ton

Operating Costs (Q4FY20) declined YoY basis - Logistics down 3% and Energy down 13%

Consolidated Net Debt reduced YoY by Rs. 5,251 Cr. to Rs. 16,860 Cr. in Q4 FY20, Indian operations Net Debt/EBITDA at 1.55x (Mar’20)

*Excluding impact of Lease Accounting Standard and before provision for disputed liabilities offered under SabkaVishwas Scheme
Revenue and net profit after minority interest for FY20 are Rs. 16,792 Cr. and Rs. 920 Cr. respectively.

NBFC and HFC continue to have diversified portfolios with a focus on growing select segments, strong focus on quality of book with reduced ticket sizes across the board.

In Life Insurance business, total gross premium was up 7% to Rs. 8,010 Cr. and renewal premium was up 21% to Rs. 4,353 Cr., 13th month persistency at 83% in FY20.

In the Health Insurance business, gross written premium increased to Rs.872 Cr. (FY20), up 76% YoY with retail mix at 72% vs 65% in previous year.

*Includes NBFC and Housing Finance
## FINANCIAL PERFORMANCE – OTHER SUBSIDIARIES

### Aditya Birla Renewables (Solar Power)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY20</th>
<th>Rs. Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>117</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Capital Employed (Incl. CWIP)</td>
<td>1,412</td>
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</table>

### Parameters

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Mar’20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative installed capacity (MW)</td>
<td>320</td>
</tr>
<tr>
<td>No. of Projects</td>
<td>20</td>
</tr>
<tr>
<td>Capacity with Group Companies (MW)</td>
<td>118</td>
</tr>
<tr>
<td>No. of Projects with Group Companies</td>
<td>12</td>
</tr>
</tbody>
</table>

Revenue and EBITDA affected due to lower demand from the overseas market

### Grasim Premium Fabrics Private Limited

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY20</th>
<th>Rs. Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>165</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Capital Employed (Incl. CWIP)</td>
<td>173</td>
<td></td>
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</table>
**FINANCIAL PERFORMANCE – PULP JV’s**

### Revenue (Rs. Cr.)
- **FY19:** 5,382
- **FY20:** 4,711

### EBITDA (Rs. Cr.)
- **FY19:** 569
- **FY20:** 171

### Production Volume (Tons)
- **FY19:** 789,527
- **FY20:** 803,687

### Sales Volume (Tons)
- **FY19:** 800,916
- **FY20:** 796,446

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*Note: The above data represents the financial performance of all Pulp JVs on a total basis. The share in the PAT of these JVs (proportionate to its holding) is consolidated in the consolidated financials of Grasim.*

Grasim Industries Limited | Earnings Presentation Q4 FY20
## INCOME STATEMENT – CONSOLIDATED

<table>
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<th>Particulars (Rs. Cr.)</th>
<th>Quarterly</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4FY20</td>
<td>Q4FY19 FY20 FY19</td>
</tr>
<tr>
<td>Revenue from Operations</td>
<td>19,902</td>
<td>22,431 77,625 77,200</td>
</tr>
<tr>
<td>Other Income</td>
<td>273</td>
<td>184 967 828</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,243</td>
<td>3,999 13,846 13,404</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>16%</td>
<td>18% 18% 17%</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>591</td>
<td>570 2,338 2,010</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,037</td>
<td>953 4,041 3,571</td>
</tr>
<tr>
<td>Share in Profit of JVs and Associates</td>
<td>27</td>
<td>192 562 29</td>
</tr>
<tr>
<td>PBT</td>
<td>1,642</td>
<td>2,669 8,029 7,852</td>
</tr>
<tr>
<td>Tax Expense @</td>
<td>(1,928)</td>
<td>837 26 2,693</td>
</tr>
<tr>
<td>Exceptional Items (Net of Tax) *</td>
<td>1,265</td>
<td>268 1,325 2,414</td>
</tr>
<tr>
<td>PAT attributable to Minority Shareholders</td>
<td>799</td>
<td>439 2,252 1,052</td>
</tr>
<tr>
<td>PAT from Discontinued Operations</td>
<td>-</td>
<td>20 - -</td>
</tr>
<tr>
<td>PAT (After Exceptional Items)</td>
<td>1,506</td>
<td>1,144 4,425 1,693</td>
</tr>
<tr>
<td>PAT (before exceptional items, non-controlling interest &amp; one time deferred tax benefit) * @</td>
<td>1,251</td>
<td>1,832 5,315 5,159</td>
</tr>
</tbody>
</table>

@While the Company and its subsidiary UTCL are in process of evaluating the Income tax benefit provided vide Section 115BAB, other subsidiaries, JVs and Associates have availed the option to pay income tax at the lower rate. However, the Group has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period and accordingly reversed opening net deferred tax liability with a one-time corresponding credit of ₹ 2,334 Cr. and ₹ 354 Cr. under deferred tax and share in profit/(loss) of equity accounted investees to the P&L of current year respectively

*FY20 includes amount of Rs. 1,270 Cr. in respect of Aditya Birla Housing Finance Ltd and Aditya Birla Finance Ltd which has been provided as impairment loss

*FY19 includes share in Loss of erstwhile Idea Cellular Limited of Rs. 2003.35 Cr., which is not included in FY20 as Idea Cellular Limited ceased to be an Associate of the Company consequent to the merger of Vodafone and Idea (w.e.f 31st August 2018) forming Vodafone Idea Limited.
The Company has made an assessment of the impact under the section 115BAA of the Income Tax Act, 1961 and decided to continue with existing taxation structure. However, the Company has applied the lower income tax rates on the deferred tax liabilities to the extent these are expected to be realized or settled in the future period when the Company may be subjected to lower tax rate. Accordingly, Company has reversed net deferred tax liability of Rs. 241 Cr.

# Exceptional items comprise of the following:
- FY20 includes Impairment loss of investment in Aditya Birla Payments Bank Limited (Net of Tax) of Rs. 242 Cr.
- FY19 includes Loss of erstwhile Idea Cellular Limited of Rs. 2003 Cr., which is not included in FY20 as Idea Cellular Limited ceased to be an Associate of the Company consequent to the merger of Vodafone and Idea (w.e.f 31st August 2018) forming Vodafone Idea Limited.
SUSTAINABILITY
GREATER PURPOSE - GREATER FUTURE

Sustainability is no longer just an environmental obligation for corporations. Today, it is a business imperative and needs to be hard-wired into corporate strategy. Profitability intertwined with sustainability, in the long run, positively benefits the people and the planet by enhancing livelihood opportunities to the communities as well as by safeguarding the environment.

Kumar Mangalam Birla

Greater Purpose
Greater Future

Grasim outperformed the Dow Jones Sustainability Index (DJSI) global industry average score

The four pillars of our sustainability framework provide a broad outline of our contributions towards a sustainable future

<table>
<thead>
<tr>
<th>Professional Excellence</th>
<th>Empowering People</th>
<th>Supporting Environment</th>
<th>Enhancing Community Well Being</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair business practices</td>
<td>Learning and development</td>
<td>GHG emissions</td>
<td>Community engagement</td>
</tr>
<tr>
<td>Responsible sourcing and manufacturing</td>
<td>Employee health and safety</td>
<td>Energy efficiency of products and operations</td>
<td>Business ethics</td>
</tr>
<tr>
<td>Product quality, safety and zero harm</td>
<td>Diversity and inclusion</td>
<td>Circular economy</td>
<td></td>
</tr>
<tr>
<td>Packaging Green chemistry</td>
<td>Customer satisfaction</td>
<td>Water footprint</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wastewater disposal and management</td>
<td></td>
</tr>
</tbody>
</table>
**SUSTAINABILITY TARGETS**

### Viscose (VSF)
- **Safety**
  - Reduce LTIFR below 90% by FY2025 (over the baseline year of FY15)
- **Water**
  - Reduce water intensity by 50% in VSF manufacturing by FY25 (over the baseline year of FY15)
- **Emission**
  - Reduce sulphur release to air by 70% at all fibre sites by FY22
- **Supply Chain**
  - Assess and improve sustainable performance of key suppliers by FY25
- **Recycling**
  - Increase use of alternative feedstock such as pre- and post-consumer waste cellulose
- **Waste Management**
  - Develop alternative applications to reduce solid waste by 25% by FY30 over (over the baseline year of FY15)

### Chemicals, Fertiliser and Insulators
- **Safety**
  - Reduce LTIFR below 80% by 2025 (over the base year of FY17)
- **Water**
  - Reduce specific freshwater consumption of the main product by 30% by FY25 (over the base year of FY17); all units to be ZLD by FY25 and water positive by FY30
- **Emission**
  - Reduce GHG emission of the main product by 30% by 2030 (over the base year of FY17)
- **Diversity and Inclusion**
  - Increase woman employees in the management cadre by three times by FY25 (over the base year of FY19)
- **Employee**
  - Engagement 100% of employees to receive code of ethics training; minimum one training day per employee per year
- **Community**
  - Development 100% of our facilities to participate in community engagement
APPENDIX
## BALANCE SHEET

### EQUITY & LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>Standalone (Rs. Cr.)</th>
<th>Consolidated (Rs. Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31st Mar’20</td>
<td>31st Mar’19</td>
</tr>
<tr>
<td></td>
<td>31st Mar’20</td>
<td>31st Mar’19 (Restated)*</td>
</tr>
<tr>
<td>Net Worth</td>
<td>37,674</td>
<td>56,652</td>
</tr>
<tr>
<td></td>
<td>41,959</td>
<td>58,020</td>
</tr>
<tr>
<td>Non Controlling Interest</td>
<td>-</td>
<td>34,335</td>
</tr>
<tr>
<td>Borrowsings related to financial services</td>
<td>-</td>
<td>54,269</td>
</tr>
<tr>
<td>Other Borrowings †</td>
<td>5,068</td>
<td>28,831</td>
</tr>
<tr>
<td></td>
<td>3,311</td>
<td>29,178</td>
</tr>
<tr>
<td>Lease Liability</td>
<td>66</td>
<td>1,562</td>
</tr>
<tr>
<td></td>
<td>1,403</td>
<td>6,997</td>
</tr>
<tr>
<td>Deferred Tax Liability (Net)</td>
<td>-</td>
<td>8,843</td>
</tr>
<tr>
<td>Policy Holders Liabilities</td>
<td>-</td>
<td>41,265</td>
</tr>
<tr>
<td>Other Liabilities &amp; Provisions</td>
<td>5,284</td>
<td>20,504</td>
</tr>
<tr>
<td></td>
<td>4,645</td>
<td>19,172</td>
</tr>
<tr>
<td><strong>Total Equity &amp; Liabilities</strong></td>
<td><strong>49,495</strong></td>
<td><strong>244,416</strong></td>
</tr>
<tr>
<td></td>
<td>51,794</td>
<td>241,174</td>
</tr>
</tbody>
</table>

### SOURCES OF FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Standalone (Rs. Cr.)</th>
<th>Consolidated (Rs. Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31st Mar’20</td>
<td>31st Mar’19 (Restated)*</td>
</tr>
<tr>
<td>Net Fixed Assets</td>
<td>11,634</td>
<td>65,458</td>
</tr>
<tr>
<td>Capital WIP &amp; Advances</td>
<td>2,966</td>
<td>5,971</td>
</tr>
<tr>
<td>Right of Use - Lease (including Leasehold Land)</td>
<td>449</td>
<td>2,063</td>
</tr>
<tr>
<td>Goodwill on Consolidation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment in other equity accounted investees</td>
<td>747</td>
<td>1,240</td>
</tr>
<tr>
<td>Liquid Investments</td>
<td>2,093</td>
<td>8,149</td>
</tr>
<tr>
<td>Vodafone Idea</td>
<td>1,028</td>
<td>1,028</td>
</tr>
<tr>
<td>Other Investments(Hindalco, ABFRL, AB Capital surplus investments etc.)</td>
<td>3,324</td>
<td>7,538</td>
</tr>
<tr>
<td>Investment of Insurance Business</td>
<td>-</td>
<td>16,532</td>
</tr>
<tr>
<td>Assets held to cover linked liabilities</td>
<td>-</td>
<td>22,829</td>
</tr>
<tr>
<td>Loans and advances of financing activities</td>
<td>-</td>
<td>61,972</td>
</tr>
<tr>
<td>Other Assets, Loans &amp; Advances</td>
<td>6,770</td>
<td>26,060</td>
</tr>
<tr>
<td><strong>Total Sources of Funds</strong></td>
<td><strong>49,495</strong></td>
<td><strong>244,416</strong></td>
</tr>
</tbody>
</table>

### APPLICATION OF FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Standalone (Rs. Cr.)</th>
<th>Consolidated (Rs. Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31st Mar’20</td>
<td>31st Mar’19 (Restated)*</td>
</tr>
<tr>
<td>Net Debt / (Surplus)</td>
<td>2,975</td>
<td>20,682</td>
</tr>
<tr>
<td></td>
<td>(458)</td>
<td>22,171</td>
</tr>
</tbody>
</table>

---

*The Scheme of Demerger amongst Century Textiles and Industries Limited and UltraTech has been made effective from 1st October, 2019. The NCLT had earlier approved the Scheme by its Order dated 3rd July, 2019 and fixed 20th May, 2018 as the Appointed Date. Consequently, the Company has restated its financial statements with effect from 20th May, 2018, to include the financial information of the acquired Cement Business of Century.

†Other borrowings as on 31st March 2020 include Rs. 322 Cr. of Interest free Govt. backed Loan against outstanding Fertiliser subsidy [Rs. 346 Cr. in FY19]
### Viscose Business Summary

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter 4</th>
<th>% Change</th>
<th>Annual</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019-20</td>
<td>2018-19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VSF KTPA</td>
<td>566</td>
<td>566</td>
<td>566</td>
<td>566</td>
</tr>
<tr>
<td>VFY KTPA</td>
<td>47</td>
<td>47</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VSF KT</td>
<td>131</td>
<td>130</td>
<td>1</td>
<td>567</td>
</tr>
<tr>
<td>VFY KT</td>
<td>10</td>
<td>11</td>
<td>(14)</td>
<td>42</td>
</tr>
<tr>
<td>Sales Volume</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VSF KT</td>
<td>136</td>
<td>139</td>
<td>(2)</td>
<td>554</td>
</tr>
<tr>
<td>VFY KT</td>
<td>10</td>
<td>11</td>
<td>(15)</td>
<td>41</td>
</tr>
<tr>
<td>Revenue Rs. Cr.</td>
<td>2,102</td>
<td>2,625</td>
<td>(20)</td>
<td>9,237</td>
</tr>
<tr>
<td>EBITDA Rs. Cr.</td>
<td>261</td>
<td>413</td>
<td>(37)</td>
<td>1,339</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>%</td>
<td>12.3%</td>
<td>15.7%</td>
<td>14.4%</td>
</tr>
<tr>
<td>EBIT Rs. Cr.</td>
<td>149</td>
<td>312</td>
<td>(52)</td>
<td>906</td>
</tr>
<tr>
<td>Capital Employed (Incl. CWIP)</td>
<td>Rs. Cr.</td>
<td>8,489</td>
<td>7,504</td>
<td>8,489</td>
</tr>
<tr>
<td>ROA vCE (Excl. CWIP)</td>
<td>%</td>
<td>9.1%</td>
<td>19.5%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

**Percentage Change:**
- VSF: 0%
- VFY: 0%
- Production VSF: 1%
- Production VFY: (14)
- Revenue: (20)
- EBITDA: (37)
- EBIT: (52)
- Capital Employed: 13%
- ROA vCE: 9.1%
## CHEMICAL BUSINESS SUMMARY

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter 4</th>
<th>% Change</th>
<th>Annual</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity* KTPA</td>
<td>1,147</td>
<td>1,147</td>
<td>1,147</td>
<td>1,147</td>
</tr>
<tr>
<td>Production* KT</td>
<td>250</td>
<td>254</td>
<td>998</td>
<td>995</td>
</tr>
<tr>
<td>Sales Volume* KT</td>
<td>252</td>
<td>261</td>
<td>991</td>
<td>1,003</td>
</tr>
<tr>
<td>Revenue Rs. Cr.</td>
<td>1,290</td>
<td>1,688</td>
<td>5,504</td>
<td>6,436</td>
</tr>
<tr>
<td>EBITDA Rs. Cr.</td>
<td>104</td>
<td>434</td>
<td>1,008</td>
<td>1,827</td>
</tr>
<tr>
<td>EBITDA Margin %</td>
<td>8.0%</td>
<td>25.6%</td>
<td>18.3%</td>
<td>28.3%</td>
</tr>
<tr>
<td>EBIT Rs. Cr.</td>
<td>34</td>
<td>372</td>
<td>742</td>
<td>1,588</td>
</tr>
<tr>
<td>Capital Employed (Incl. CWIP) Rs. Cr.</td>
<td>5,206</td>
<td>4,977</td>
<td>5</td>
<td>5,206</td>
</tr>
<tr>
<td>ROAvCE (Excl. CWIP) %</td>
<td>3.1%</td>
<td>34.0%</td>
<td>16.7%</td>
<td>38.6%</td>
</tr>
</tbody>
</table>

* Volume data is for Caustic Soda only. Revenue and EBITDA are for all products in the chemical segment.
The capacity expansion plans have been put on hold. We are closely monitoring the emerging demand scenario due to lock down situation.

### CAPEX PLAN

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Capex (Net of CWIP as on 1/4/2019)</th>
<th>Capex spent FY20</th>
<th>Balance Capex to be spent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital expenditure for Capacity Expansion</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Viscose Staple Fibre (from 566 KTPA to 788 KTPA)</td>
<td>3,279</td>
<td>1,496</td>
<td>1,783</td>
</tr>
<tr>
<td>Viscose Filament Yarn</td>
<td>182</td>
<td>82</td>
<td>100</td>
</tr>
<tr>
<td>Chemical (from 1,147 KTPA to 1,457 KTPA)</td>
<td>1,562</td>
<td>415</td>
<td>1,147</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,023</td>
<td>1,993</td>
<td>3,030</td>
</tr>
<tr>
<td><strong>Normal Modernisation and Maintenance Capex</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Viscose Staple Fibre</td>
<td>1,108</td>
<td>358</td>
<td>750</td>
</tr>
<tr>
<td>Viscose Filament Yarn</td>
<td>252</td>
<td>83</td>
<td>169</td>
</tr>
<tr>
<td>Chemical</td>
<td>1,018</td>
<td>291</td>
<td>727</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,378</td>
<td>732</td>
<td>1,646</td>
</tr>
<tr>
<td><strong>Capex related to other businesses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Epoxy, Textiles, Fertiliser and Insulator</td>
<td>374</td>
<td>103</td>
<td>271</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,775</td>
<td>2,828</td>
<td>4,947</td>
</tr>
</tbody>
</table>
GRASIM GROUP STRUCTURE

Grasim Industries Limited

VSF - 566K TPA
VFY - 47K TPA
Pulp - 74K TPA

Caustic Soda -
~1147K TPA
Epoxy – 123K TPA

Others

Overseas
Pulp & VSF JVs

UTCL (57.28%)*
Subsidiary

ABCL (54.24%)*
Subsidiary

VSF - 566K TPA
VFY - 47K TPA
Pulp - 74K TPA

Nagda
155K TPA

Kharach
159K TPA

Harihar
88K TPA

Vilayat
164K TPA

Veraval (VFY)
21K TPA

Century (VFY)
26K TPA

Harihar (Pulp)
74.4K TPA

Nagda
270K TPA

Vilayat
365K TPA

Renukoot
129K TPA

Rehla
110K TPA

Ganjam
91K TPA

Karwar
91K TPA

Veraval
91K TPA

Epoxy
123K TPA

Balabhadh-
rampuram#

Fertilisers

Insulators

Textiles

Solar
(100%)*

Aditya Birla
Renewables
Ltd.
(100%)*

Grasim
Premium Fabric^ (100%)*

AV Group NB Inc.
320K TPA
(45.0%)*

Domsjo
255K TPA
(33.3%)*

AV Terrace
Bay (40.0%)*

VSF JV
Birla Jingwei
88K TPA
(26.6%)*

Grey Cement
India Operations
111.4 Mn. TPA

Overseas
3.4 Mn. TPA
(UAE, Bahrain,
Sri Lanka)

23 Integrated
plants &
1 clinkerisation
unit

26 Split Grinding
Units

>100 RMC Plants

White Cement &
Putty
1.5 Mn. TPA

UTCL (57.28%)*
Subsidiary

NBFC
(100%)*

Housing Finance
(100%)*

Insurance
Advisory
(50.01%)*

Private Equity
(100%)*

Broking
(75%)*

Wellness
(51%)*

Grasim Industries Limited | Earnings Presentation Q4 FY20

# Under construction Chlor-Alkali plant with capacity of 146 KTPA

^ Soktas India has been renamed to Grasim Premium Fabric Private Limited post acquisition

* Subsidiary companies - Equity ownership
FORWARD LOOKING AND CAUTIONARY STATEMENT

Certain statements in this report 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, feed stock 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 assume no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

Country and Year of Incorporation: **India, 1947**

Listing: **India (BSE/NSE) , GDR (Luxembourg)**

Bloomberg Ticker: **GRASIM IB EQUITY , GRASIM IS EQUITY, GRAS LX (GDR)**

Business Description: **Viscose, Chemicals, Cement and Financial Services**

Market Cap (31st May 2020) : **Rs. 38,758 Crore.**
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Particulars</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAUM</td>
<td>Average Asset Under Management</td>
</tr>
<tr>
<td>ECU</td>
<td>Electro Chemical Unit</td>
</tr>
<tr>
<td>Epoxy</td>
<td>Name of Chemical</td>
</tr>
<tr>
<td>FY</td>
<td>Financial Year</td>
</tr>
<tr>
<td>HSBP</td>
<td>High Strength Bleaching Powder</td>
</tr>
<tr>
<td>KTPA</td>
<td>Thousand Ton per annum</td>
</tr>
<tr>
<td>MTPA</td>
<td>Million Ton per annum</td>
</tr>
<tr>
<td>NBFC</td>
<td>Non Banking Financial Company</td>
</tr>
<tr>
<td>PMT</td>
<td>Per Metric Ton</td>
</tr>
<tr>
<td>ROA vCE</td>
<td>Return on Average Capital Employed</td>
</tr>
<tr>
<td>SRS</td>
<td>Sulphate Recovery System</td>
</tr>
<tr>
<td>TPD</td>
<td>Ton per day</td>
</tr>
<tr>
<td>VAP</td>
<td>Value Added Product</td>
</tr>
<tr>
<td>VFY</td>
<td>Viscose Filament Yarn</td>
</tr>
<tr>
<td>VSF</td>
<td>Viscose Staple Fibre</td>
</tr>
<tr>
<td>ZLD</td>
<td>Zero Liquid Discharge</td>
</tr>
</tbody>
</table>
Thank you