



August 3, 2013

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The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400 051
Fax: 022-26598237/8238

Dear Sir,

Sub: Presentation on Unaudited Q1FY14 Results of Grasim

This is further to our letter and email of date.

We are attaching herewith a copy of Presentation on the Unaudited Q1FY14 Results of Grasim, which will be presented to our investors and also posted on our website.

Thanking you,

Yours faithfully,

Ashok Malu
Company Secretary

encl: as above



Performance Review Quarter 1 : 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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- **Summary**

Highlights – Quarter 1

- Indian Economy continue to remain sluggish in line with global business environment
 - Declining trend in GDP growth
 - FY13 – Q1: 5.5%, Q2 : 5.3%, Q3 : 4.7%, Q4: 4.8%
 - IIP numbers growth on YoY basis at 1.9% in April' 13 and negative 1.6% in May '13
- VSF :
 - Challenging business environment coupled with overcapacity in China
 - Creating pressure on realisation affecting operating profit
- Cement :
 - Slowdown in construction activity leading to lower demand
 - Volumes remained flat
 - Low realisation affected PBIDT on YoY basis despite lower energy cost
- Projects commissioned recently
 - Harihar VSF Brownfield Expansion 2nd phase : 18K TPA
 - Harihar Captive Power Plant : 20 MW
 - Vilayat Chemical Plant : 182K TPA
 - Clinkerisation Plant at Malkhed : 3.30 Mn. TPA



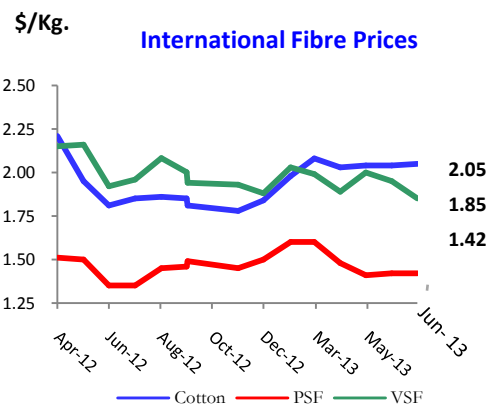
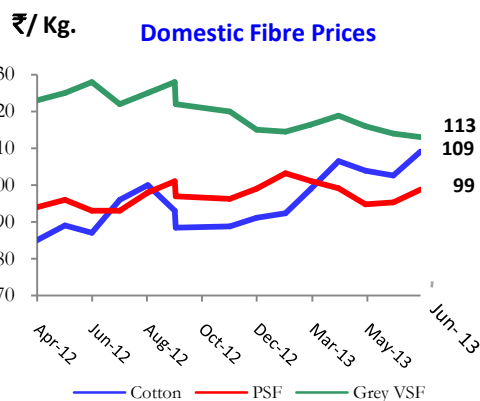
Business Review

- VSF
- Chemical
- Cement Subsidiary

Viscose Staple Fibre : Highlights

Quarter 4 2012-13		Quarter 1		% Change (YoY)
		2013-14	2012-13	
352,225	Capacity - Annual (MT)	377,775	333,975	13
88,050	Capacity - Quarter (MT)	92,185*	83,490	10
85,992	Production (MT)	87,692	83,404	5
95,161	Sales Volumes (MT)	77,518	77,013	1
1,216	Net Revenue (₹ Cr.)	980	1,062	(8)

* Operational capacity during the quarter



Global Industry Scenario

- Demand supply imbalance in China and high cotton inventory continued to impact VSF realisation with sharp decline in May'13

➤ Stabilisation in last one month

Business performance

- Production up by 5% on YoY basis with commissioning of Harihar expansion
 - Kharach unit operated at lower capacity for 45 days as Govt. canal supplying water was under repair
 - Nagda (new reservoir) and Harihar (better planning) ensured no production loss
- Realisation remained under pressure in line with global trend
 - Rupee depreciation arrested decline to 9% against 14% reduction in China

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

Quarter 4 2012-13		Quarter 1		% Change (YoY)
		2013-14	2012-13	
Standalone Business:				
216	PBIDT (₹ Cr.)	187	276	(32)
17.7%	PBIDT Margin (%)	18.8%	25.7%	--
180	PBIT (₹ Cr.)	151	250	(40)
18.4%	ROAvCE % (Incl. CWIP)	14.3%	36.1%	--
31.7%	ROAvCE % (Excl. CWIP)	24.0%	53.5%	--

Joint Ventures – Grasim's Share (₹ Cr.):				
361	Revenue - Old JVs #	355	328	8
103	- AV Terrace Bay	124	--	--
464		479	328	--
5	PBIDT - Old JVs #	(10)	(10)	--
(23)	- AV Terrace Bay	(13)	--	--
(18)		(23)	(10)	

Consolidated Business (Pulp and Fibre):				
204	PBIDT (₹ Cr.)	162	272	(40)
228	PBIDT (₹ Cr.) (Comparable) #	175	271	(35)

● Cost of production maintained

- Decline in caustic and sulphur prices offset by increase in domestic coal and other chemicals prices
- Decline in realisation leads to lower PBIDT

Joint Ventures

● Pulp JVs

- DG pulp sales volume improved by 12%
- Realisation improved on QoQ basis
- AV Terrace Bay in the stabilisation phase
 - ⇒ Lower loss compared to quarter 4

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 will be governed by
 - Competing fibre particularly cotton
 - Recovery of global economy particularly China and US
- Additional capacity from Vilayat to increase volumes in 2nd half of current financial year
 - Vilayat expected to be commissioned in Q3 in phased manner
 - Present market conditions will require balancing between volumes and prices for expanded capacity
 - Concerted market development activities are on

Chemical : Highlights

Quarter 4 2012-13		Quarter 1		% Change (YoY)
		2013-14	2012-13	
258,000	Capacity - Annual (MT)	440,500	258,000	71
64,500	Capacity - Quarter (MT)	71,750*	64,500	11
68,189	Production (MT)	71,035	69,166	3
66,357	Sales Volumes (MT)	72,028	69,466	4
229	Net Revenue (₹ Cr.)	224	239	(6)
51	PBIDT (₹ Cr.)	50	66	(24)
22.2%	PBIDT Margin (%)	22.4%	27.6%	--
42	PBIT (₹ Cr.)	39	57	(33)
12.2%	ROAvCE % (Incl. CWIP)	10.2%	29.8%	--
34.7%	ROAvCE % (Excl. CWIP)	22.3%	53.4%	--

Industry Scenario

- ECU realisation declined from the high levels seen during FY13

Business Performance

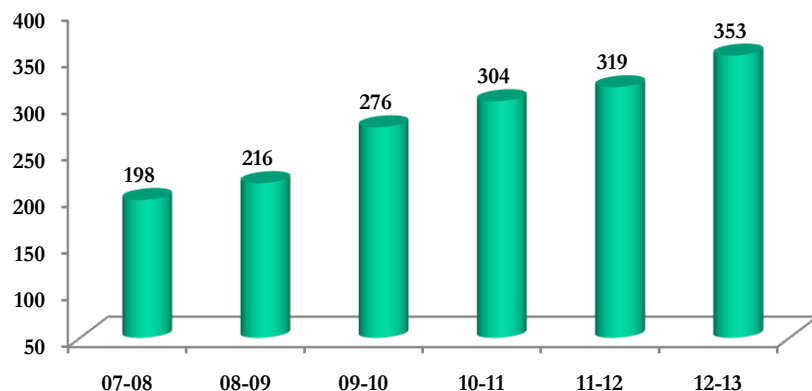
- Production and Sales volume improved with commissioning of Vilayat Plant
 - Full benefit shall accrue after commissioning of VSF
- PBIDT at ₹ 50 Crore down by 24%
 - Lower realisation
 - Under stabilisation operations at Vilayat also affected the profitability
- Volumes to improve with rampup of production at Vilayat in gradual manner
- Epoxy project (51,500 TPA) progressing well, expected to be commissioned in Quarter 3

Cement : Highlights

Quarter 4 2012-13		Quarter 1		% Change (YoY)
		2013-14	2012-13	
Grey Cement (Mn. MT)				
41.80	Clinker capacity - Annual	41.80	38.50	9
53.90	Cement Capacity - Annual	53.90	51.75	4
13.48	Cement Capacity - Qtr.	13.48	12.94	4
11.79	Production	10.67	10.76	(1)
	Sales Volume			
11.76	- Cement \$	10.79	10.83	--
0.29	- Clinker	0.09	0.19	(53)
White Cement (LMT)				
1.57	Production	1.39	1.33	4%
1.56	Sales Volumes \$\$	1.41	1.33	6%

Mn. Tons

Industry Capacity



Industry Scenario

- Demand remained subdued during the quarter with industry growth estimated at ~4%
 - Slow growth in Infrastructure and Real estate sector
 - Slowdown in capex cycle
 - Drought in Maharashtra and early onset of Monsoon
- Sector capacity utilisation at ~71% compared to 74% last year

Business Performance

- Sales volume remained flat on YoY basis on account of subdued demand
 - Capacity utilisation higher than industry at 79%
- White Cement sales volume up by 6%
 - Putty volume up by 18% including Katni

\$ Includes captive consumption for RMC

\$\$ Includes captive consumption for value added products



Cement : Financials

Quarter 4 2012-13		Quarter 1		% Change (YoY)
		2013-14	2012-13	
5,819	Net Revenue (₹ Cr.)	5,294	5,362	(1)
1,451	PBIDT (₹ Cr.)	1,268	1,390	(9)
24.5%	PBIDT Margin (%)	23.3%	25.6%	-
1,186	PBIT (₹ Cr.)	995	1,143	(13)
18.2%	ROAvCE (%) (Incl. CWIP)	14.8%	19.7%	-
21.3%	ROAvCE (%) (Excl. CWIP)	17.8%	23.4%	-

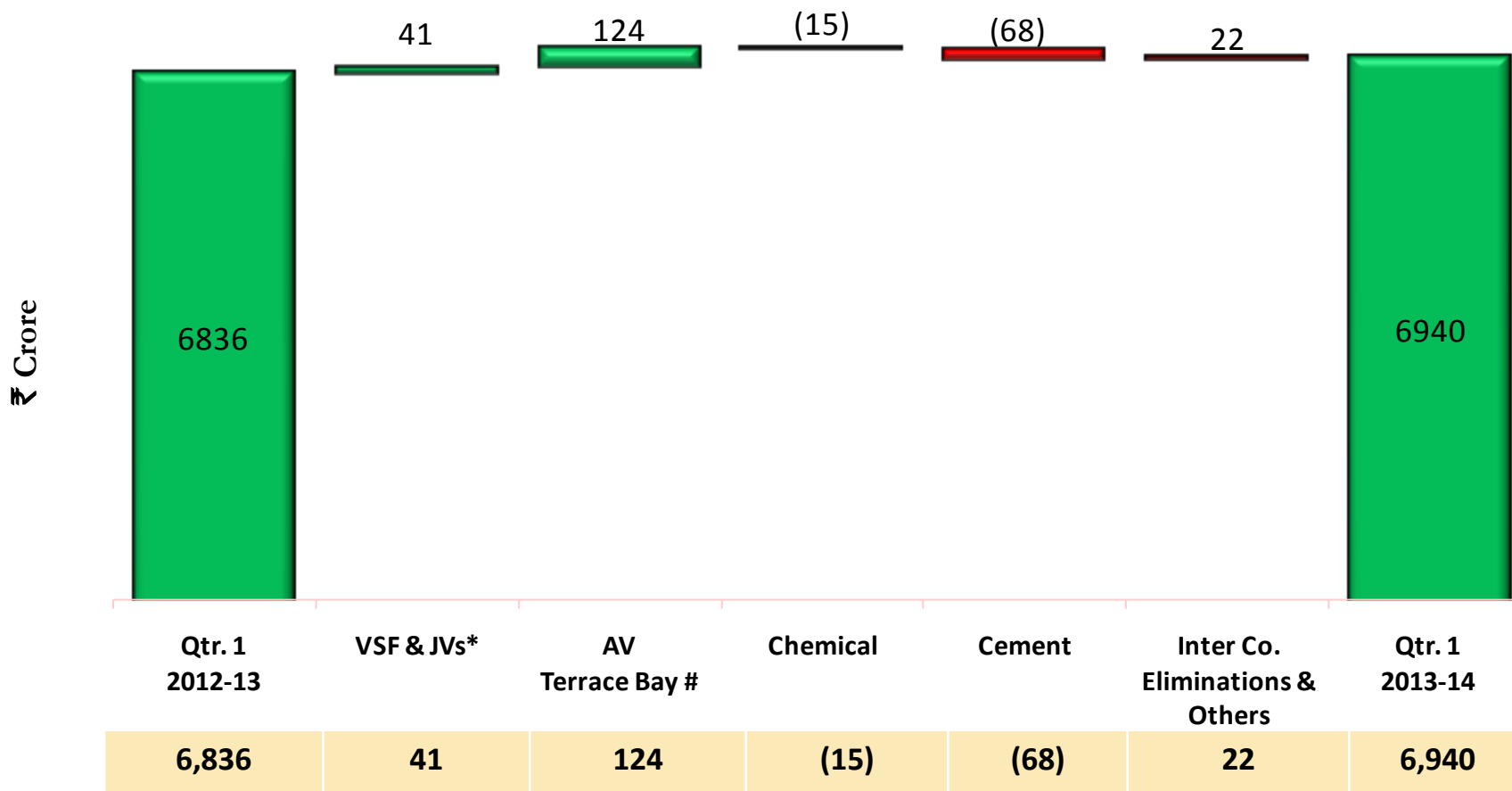
- Prices softened in Apr-May'13; though recovered in Jun'13
 - Overall prices declined on YoY basis except in East India
 - Net Revenue declined by 1%
- Variable cost down by 3% YoY
 - Energy cost lower by 10%
 - Imported coal price declined by 15% , offset partially by rupee depreciation
 - Increased pet coke consumption
 - Raw material cost up by 6% due to impact of increase in diesel prices on inward freight and limestone
- PBIDT down by 9%

Cement : Outlook

- Demand growth in FY14 likely to be 6% linked with expected GDP growth rate at 5%-5.5%
 - 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 60 Mn. Tons by FY16
 - Industry likely to operate below 80% utilisation till FY16 leading to range bound margins
- Ongoing expansion projects progressing well
 - Clinkerisation plant at Malkhed commissioned in July 2013
 - Volumes to increase in phased manner including from Rawan clinker plant commissioned in Q4 FY12-13
 - Cement Grinding capacity will be operational in phases in line with clinker production
 - Work on Aditya Cement brown field expansion has started

Financial Performance

Consolidated Revenue



* Includes revenue of Domsjo (₹ 128 cr) consolidated as JV as against 'Associate' earlier

Acquired in July' 12

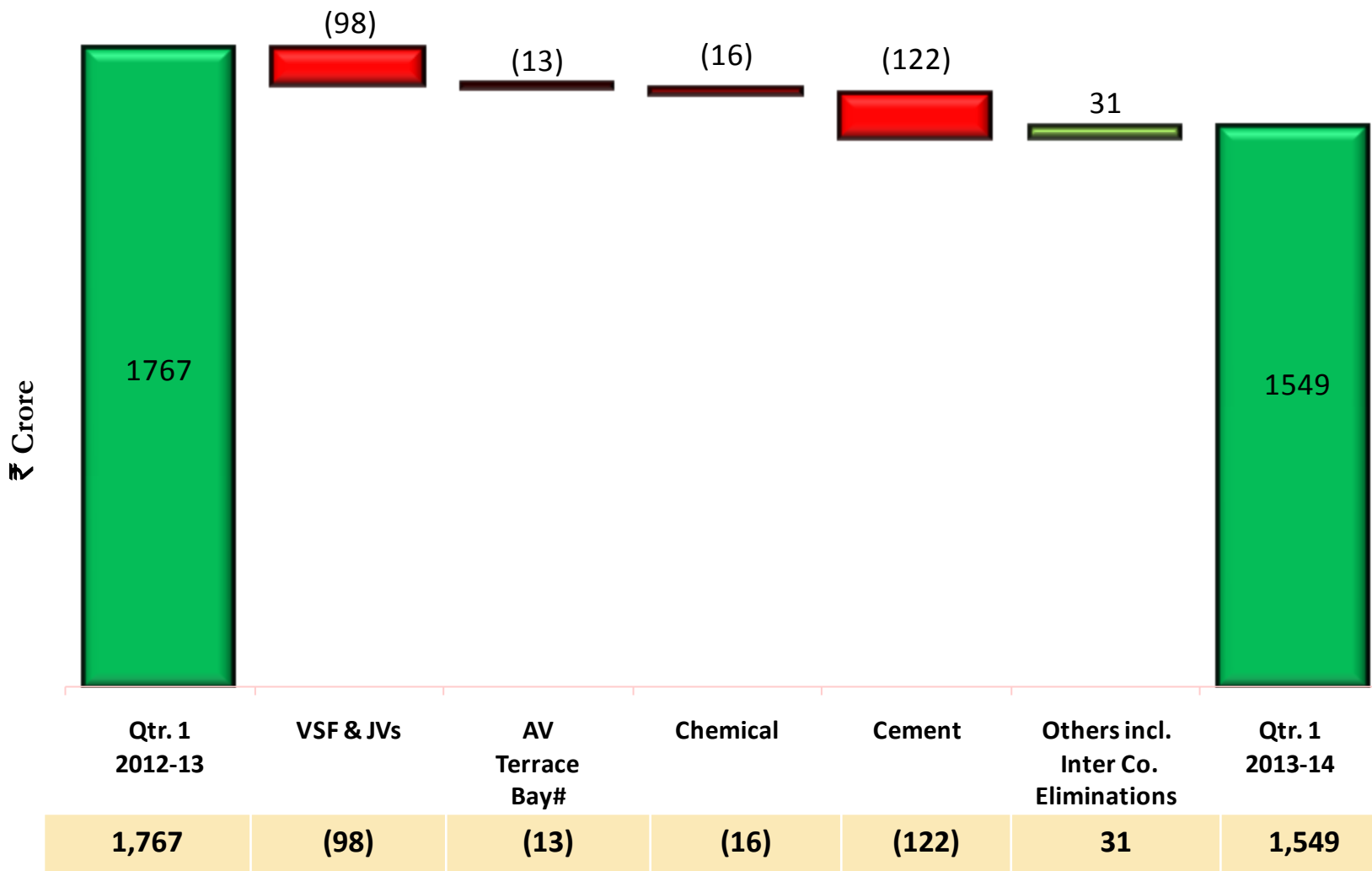
Financial Performance – Consolidated

(₹ Crore)

	Quarter 1		Change	Quarter 4
	2013-14	2012-13	YoY	2012-13
Revenue	6,940	6,836	2	7,672
Operating Costs	5,625	5,204	8	6,094
PBIDT	1,549	1,767	(12)	1,786
Interest	95	74	28	81
Depreciation	344	298	15	329
PBT	1,110	1,396	(20)	1,376
Exceptional item*	-	-		204
PBT including exceptional item	1,110	1,396	(20)	1,581
Tax Expenses	259	386	(33)	470
Minority Share	267	301		307
PAT (Incl. share in Associates)	610	718	(15)	818
PAT (Excluding exceptional Item)	610	718	(15)	613
EPS (₹)	66.4	78.2	(15)	89.0

* Profit on sale of ACB/TCB shares

Consolidated PBIDT



Acquired in July' 12

Net Profit

(₹ Crore)

	Quarter 1				
	2013-14		2012-13		% Change
	Total Co.	Grasim's share	Total Co.	Grasim's share	
Standalone PAT		226		273	(17)
UltraTech Cement	666	402	764	461	(13)
Grasim Bhiwani Textiles	2	2	-	-	
Fibre and DG Pulp JVs	(78)	(29)	(67)	(27)	
AV Terrace Bay	(39)	(15)	-	-	
Idea Cellular	463	24	234	12	98
Inter Company Eliminations / Others		--		(1)	
Grasim's Share in Subsidiaries / JVs		383		445	(14)
Grasim Consolidated PAT		610		718	(15)
PAT excluding AV Terrace Bay losses		625		718	(13)

Balance Sheet : Grasim

(₹ Crore)

Standalone			Consolidated	
As on 30th Jun'13	As on 31st Mar'13	EQUITY & LIABILITIES	As on 30th Jun'13	As on 31st Mar'13
		Shareholders' Funds		
10,353	10,122	Net Worth	20,384	19,657
-	-	Minority Interest	6,467	6,221
		Non Current Liabilities		
1,101	981	Long Term Borrowings	6,934	6,653
361	344	Deferred Tax Liability (Net)	2,420	2,301
60	56	Long Term Liabilities & Provisions	215	205
		Current Liabilities		
210	314	ST Borrowings/Current Maturities of LT	2,379	2,908
1,296	1,234	Current Liabilities & Provisions	6,481	6,119
13,380	13,052	SOURCES OF FUNDS	45,281	44,064
		ASSETS		
		Non-Current Assets		
2,552	2,072	Net Fixed Assets	18,146	17,552
2,441	2,693	Capital WIP & Advances	7,341	7,219
-	-	Goodwill on Consolidation	3,178	3,010
		Non- Current Investments		
2,636	2,636	Cement Subsidiary	-	-
1,733	1,883	Other Investments	1,637	3,165
225	171	Long Term Loans and Advances	518	457
3,793	3,596	Current Assets	14,461	12,662
13,380	13,052	APPLICATION OF FUNDS	45,281	44,064
1,311	1,295	Total Borrowings	9,314	9,561
2,043	2,034	Total Liquid Funds	6,540	6,735
732	739	Liquid Funds (Net of Debt)	(2,774)	(2,826)

Strong Financials

(₹ Crore)	Standalone		Consolidated	
	Q1 FY 2013-14	Full Year 2012-13	Q1 FY 2013-14	Full Year 2012-13
Net Worth	10,353	10,122	20,384	19,657
Debt	1,311	1,295	9,314	9,561
Net Debt (Net of liquid funds)	(732)	(739)	2,774	2,826
Capital Employed	12,025	11,761	38,585	37,740
Debt:Equity (x)	0.13	0.13	0.35	0.37
Interest Cover	14.8	21.3	10.5	10.9
Book Value (₹)	1,128	1,103	2,220	2,141
ROAvCE (%) (Incl. CWIP)			12.6	15.3
ROAvCE (%) (Excluding CWIP)			15.6	17.5
RONW (%)			12.2	13.6

Strong Balance Sheet to support growth plans

Capex

Capex plan

(₹ Crore)

	Capex under Implementation \$	Work in Progress as on 01-04-13	Net Capex	Cash Outflow		Capex spent during Q1
				FY14	FY15 onward	
<u>Standalone</u>						
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	390					
: Chemical & Others	192					
Standalone Capex (A)	4,223*	2,688	1,535	1,306	229	280
<u>Cement Subsidiary</u>						
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	359					
Modernisation, Upgradation and others (Incl. Land)	4,685					
Cement Business Capex (B)	13,728	4,352	9,376	4,087	5,289	551
Capex (A + B)	17,951	7,040	10,911	5,393	5,518	831

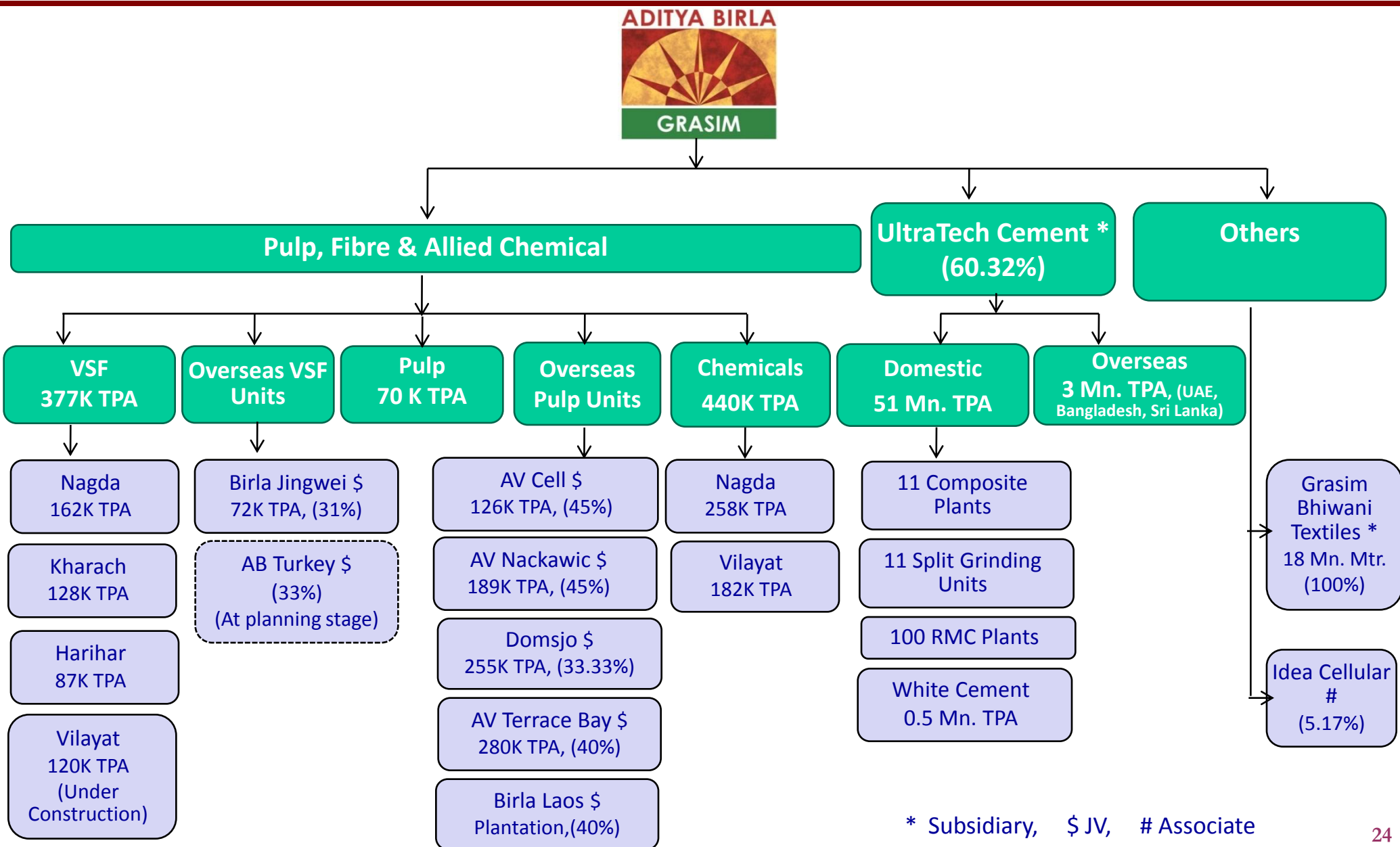
\$ Excludes capex already capitalised on commissioning till 31st March 2013

Summary

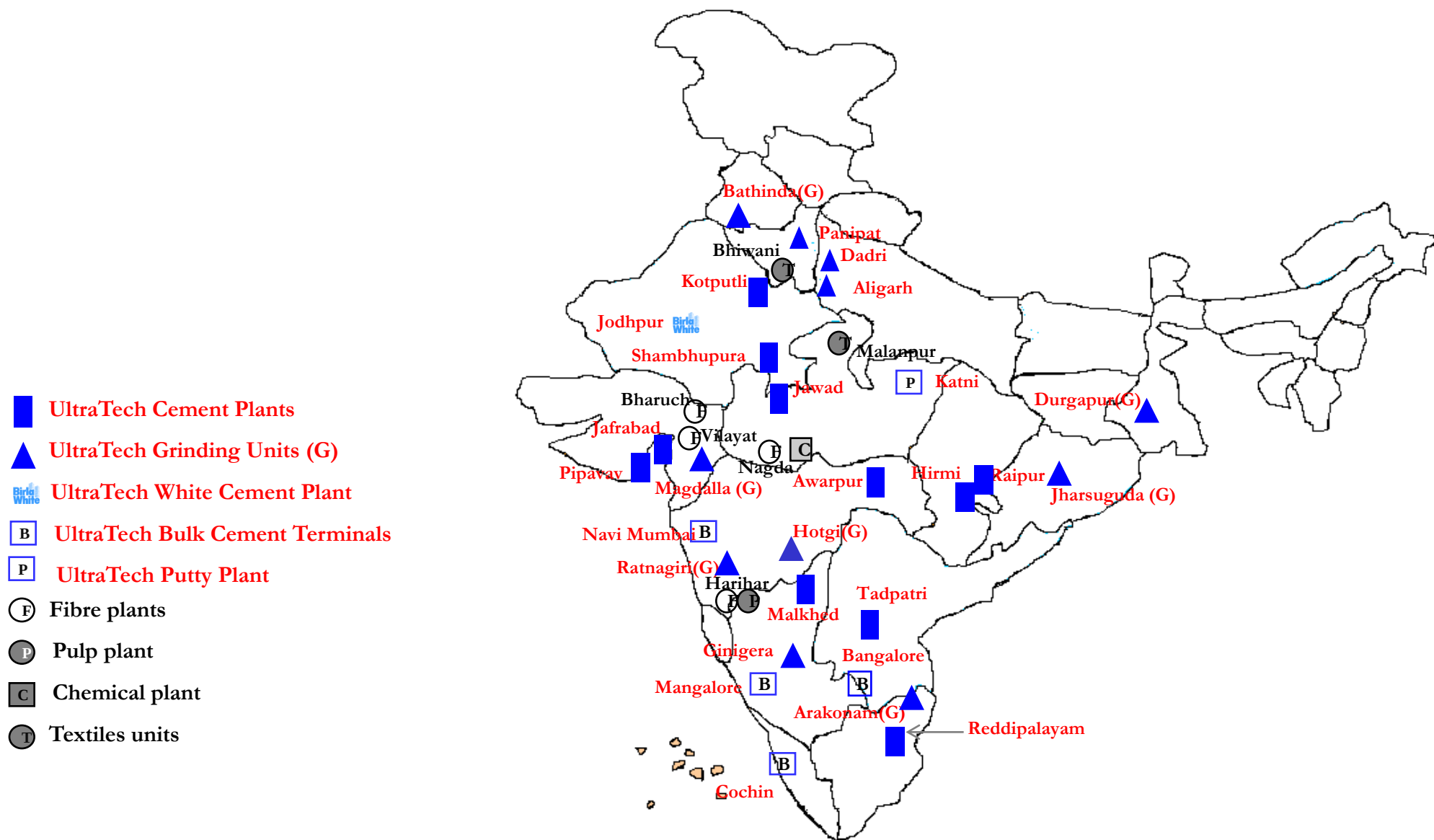
Summary

- 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 position
 - On-going Capacity Expansions nearing completion, to drive volumes and profitability
 - Will help to move forward rapidly with recovery in markets

Organizational Structure



Plant Locations– Grasim & its subsidiaries



Not to scale



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 - 1		%	Full Year
	2013-14	2012-13	Change	2012-13
Net Sales & Op. Income	6,940.4	6,836.1	2	27,904.3
Other Income	233.5	135.7	72	619.5
PBIDT	1,549.3	1,767.4	(12)	6,543.1
PBIDT Margin (%)	21.6%	25.4%		22.9%
Finance Cost	95.0	74.0	28	324.1
Depreciation	343.9	297.9	15	1,252.1
PBT	1,110.4	1,395.5	(20)	4,966.9
Exceptional Item	-	-		204.4
PBT (After exceptional item)	1,110.4	1,395.5	(20)	5,171.4
Total Tax	258.9	385.5	(33)	1,467.2
Share in Profit of Associates	25.4	8.6	194	73.7
PAT (Before Minority Share)	876.9	1,018.6	(14)	3,777.8
Minority Share	266.9	300.6		1,073.4
PAT (After Minority Share)	610.0	718.0	(15)	2,704.4
Cash Profit (Before Minority Share)	1,341.3	1,412.9	(5)	5,076.7

Standalone Financial Performance

	Quarter 1			(₹ Crore)
	2013-14	2012-13	% Change	Full Year 2012-13
Net Sales & Op. Income	1,163.1	1,263.2	(8)	5,255.0
Other Income	81.7	65.1	25	434.6
PBIDT	298.3	379.7	(21)	1,522.7
PBIDT Margin (%)	24.0%	28.6%		26.8%
Finance Cost	7.8	6.1	28	39.1
Depreciation	48.4	36.0	35	159.2
PBT	242.0	337.6	(28)	1,324.4
Exceptional Item	-	-	-	204.4
PBT (After Exceptional Item)	242.0	337.6	(28)	1,528.9
Tax Expense	15.9	64.7	(75)	302.9
PAT	226.1	272.9	(17)	1,226.0
EPS	24.6	29.7	(17)	133.5

Profitability Snapshot

(₹ Crore)	Standalone				Consolidated			
	FY 2010-11	FY 2011-12	FY 2012-13	Q1 FY 2013-14	FY 2010-11	FY 2011-12	FY 2012-13	Q1 FY 2013-14
Net Turnover & Op. Income	4,640	4,974	5,255	1,163	21,550	25,244	27,904	6,940
PBIDT	1,817	1,722	1,523	298	5,395	6,321	6,543	1,549
PBIDT Margin (%)	36.8	31.7	26.8	24.0	24.6	24.3	22.9	21.6
Finance Cost	46	36	39	8	407	314	324	95
PBDT	1,771	1,686	1,484	290	4,988	6,007	6,219	1,454
Tax Expenses	413	365	303	16	954	1,321	1,467	259
PAT [#] (After Minority Share)	1,182	1,177	1,022	226	2,279	2,648	2,500	610
EPS (₹) #	128.8	128.2	111.3	24.6	248.4	288.4	272.3	66.4
DPS (₹)	20.0	22.5	22.5	-	--	--	--	--
ROAvCE (PBIT Basis)(%)					16.5	17.5	15.3	12.6
RONW (%) [#]					16.8	16.7	13.6	12.2
Interest Cover (x)	30.3	36.8	21.3	14.8	10.6	13.4	10.9	10.5

before exceptional / extraordinary gain

Revenue Chart

(₹ Crore)

Net Revenue	Quarter 1		% Change YoY	Quarter 4 2012-13
	2013-14	2012-13		
Viscose Staple Fibre	980	1,062	(8)	1,216
Chemical	224	239	(6)	229
Others	23	25		18
Eliminations (Inter Segment)	(64)	(63)		(67)
Standalone Net Revenue	1,163	1,263	(8)	1,396
<u>Subsidiaries</u>				
Cement	5,294	5,362	(1)	5,819
Textiles	98	78	25	103
Pulp JVs and Fibre JV (Pro Rata)	479	204	135	464
Eliminations (Inter Company)/Others	(94)	(71)		(110)
Total for Subsidiaries & JVs	5,777	5,573	4	6,276
Consolidated Net Revenue	6,940	6,836	2	7,672

PBIDT – Chart

(₹ Crore)

PBIDT	Quarter 1		% Change	Quarter 4
	2013-14	2012-13	YoY	2012-13
Viscose Staple Fibre	187	276	(32)	216
Chemical	50	66	(24)	51
Others	61	37	65	65
Standalone PBIDT	298	380	(21)	332
<u>Subsidiaries</u>				
Cement	1,268	1,390	(9)	1,451
Textiles	6	3		10
Pulp JVs and Fibre JVs (Pro Rata)	(23)	(9)		(18)
Eliminations (Inter Company)/Others	-	3		11
Total for Subsidiaries & JVs	1,251	1,387	(10)	1,454
Consolidated PBIDT	1,549	1,767	(12)	1,786

Viscose Staple Fibre : Summary

		Quarter 1			Full Year 2012-13
		2013-14	2012-13	% Change	
Capacity (Quarter/Annual)	TPA	91,700	83,490	10	3,52,225
Production	MT	87,692	83,404	5	3,37,492
Sales Volumes	MT	77,518	77,013	1	3,36,065
Net Revenue	₹ Cr.	980	1,062	(8)	4,472
PBIDT	₹ Cr.	187	276	(32)	931
PBIDT Margin	%	18.8%	25.7%		20.7%
PBIT	₹ Cr.	151	250	(40)	810
Capital Employed (Incl. CWIP)	₹ Cr.	4,330	2,944	47	4,088
ROAvCE (Incl. CWIP)	%	14.3%	36.1%		24.2%
ROAvCE (Excl. CWIP)	%	24.0%	53.5%		31.1%

Chemical : Summary

		Quarter 1			Full Year 2012-13
		2013-14	2012-13	% Change	
Capacity (Quarter/Annual)	TPA	71,750	64,500	11	2,58,000
Production	MT	71,035	69,166	3	2,70,191
Sales Volumes	MT	72,028	69,466	4	2,69,438
Net Revenue	₹ Cr.	224	239	(6)	951.2
PBIDT	₹ Cr.	50	66	(24)	244.7
PBIDT Margin	%	22.4%	27.6%		25.7%
PBIT	₹ Cr.	39	57	(32)	211
Capital Employed (Incl. CWIP)	₹ Cr.	1,579	876	80	1,468
ROAvCE (Incl. CWIP)	%	10.2%	29.8%		19.7%
ROAvCE (Excl. CWIP)	%	22.3%	53.4%		46.0%

Cement : Summary

		Quarter 1			Full Year
		2013-14	2012-13	% Change	
<u>Grey Cement</u>					
Capacity (Quarter/Annual)	Mn. TPA	13.48	12.94	4	53.90
Production	Mn. MT	10.67	10.76	(1)	42.59
Cement Sales Volumes ^{\$}	Mn. MT	10.79	10.83	--	42.75
Clinker Sales Volumes	Mn. MT	0.09	0.19	(53)	0.89
<u>White Cement</u>					
	₹ Cr.				
Production	Lac MT	1.39	1.33	4	5.73
Sales Volumes ^{\$\$}	Lac MT	1.41	1.33	6	5.66
Net Revenue	₹ Cr.	5,294	5,362	(1)	21,319
PBIDT	₹ Cr.	1,268	1,390	(9)	5,143
PBIDT Margin	%	23.3%	25.6%		23.8%
PBIT	₹ Cr.	995	1,143	(13)	4,120
Capital Employed (Incl. CWIP)	₹ Cr.	27,144	23,697	15	26,707
ROAvCE (Incl. CWIP)	%	14.8%	19.7%		16.7%
ROAvCE (Excl. CWIP)	%	17.8%	23.4%		19.8%

\$ Includes captive consumption for RMC

\$\$ Includes captive consumption for value added products