

ADITYA BIRLA



August 2, 2014

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Department of Corporate Services
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Fort, Mumbai - 400 001
Fax: 022-22723121/ 3719/ 2037/ 2039/
2041/ 2061

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

Dear Sir,

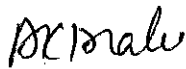
Sub: Press Release for the Quarter ended 30th June, 2014

We refer our letter of date informing you that the Board of Directors of the Company, at its meeting held today, has approved the Unaudited Financial Results of Grasim Industries Limited for the Quarter ended 30th June, 2014.

We are now pleased to enclose herewith copy of the Press Release being issued in the above connection.

Thanking you,

Yours faithfully,


Ashok Malu
Company Secretary

Encl. : as above

**Grasim Reports Financial Results for Quarter 1 FY 2014-15****Consolidated Net Revenue: ₹ 8,044 Cr., PAT: ₹ 487 Cr.****Volume Growth in all the Businesses, supported by Capacity Creation****Consolidated Financial Performance :**

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

All the businesses of the Company have recorded healthy volume growth leading to 16% increase in Revenue from ₹ 6,938 crore in the corresponding quarter of the last year to ₹ 8,044 crore. Margins were, however, under pressure due to the pricing environment in both VSF and Cement businesses, given the present over capacity in these sectors. The PBIDT stood at ₹ 1,488 crore (₹ 1,549 crore).

The interest and depreciation has gone up with the commissioning of the various projects, the full benefits of which will be available in gradual manner. The tax charge was also higher due to lower exempt income and recent changes in tax laws. Last year, the Company had benefit of commissioning of the power projects.

As a result, Net profit was ₹ 487 crore (₹ 610 crore).

Viscose Staple Fibre (VSF)

VSF volume at 86,389 ton was up by 11%. Globally, the realisations remained subdued owing to overcapacity in China. Realisations for the Company could be maintained, consequent to the depreciation of the rupee. Higher input cost impaired the margins in the business.

VSF Business capex

At the Greenfield VSF project at Vilayat, Line 1 & 2 entailing a total capacity 77K TPA have been commissioned. Work on the remaining two lines (44K TPA) to manufacture Specialty fiber is in full swing. The trial run for the 3rd line is expected to commence during this month and for the 4th line within 2 months thereafter. Post this expansion, the total VSF capacity of Grasim will be 498K TPA.

Chemical Business

The Chemical business volume grew by 33%, led by the ramp up of production capacity at the Vilayat plant. PBIDT rose by 81% on the strength of volume growth and rise in ECU realisation. The Epoxy plant, commissioned last year achieved break even during this quarter. It will be fully ramped up in the next two quarters.

Cement Subsidiary (UltraTech Cement)

Cement and clinker sales are up by 14%, outperforming the sector even as prices remained under pressure. The variable cost increased by 3% mainly on account of the rise in the price of Petcoke and input material. The Net Revenue attained was ₹ 6,032 crore as compared to ₹ 5,296 crore in the corresponding quarter of the previous year. PBIDT was up by 2% at ₹ 1,296 crore, and PAT ₹ 627 crore (₹ 666 crore).

Cement Capex

The merger of the Gujarat Units (Capacity 4.8 mtpa) of Jaypee Cement Corporation Limited was completed during the quarter. Post this acquisition, the consolidated cement capacity of the Company is 61.8 mtpa.

During the quarter, the Company commissioned a 25 MW thermal power plant at Malkhed, Karnataka and a 6.5 MW Waste Heat Recovery system (WHRS) at Awarpur, Maharashtra. With this the total power capacity of UltraTech (including WHRS) stands at 709 MW.

Outlook

In the VSF sector, margins are likely to remain under pressure in the near term due to the overcapacity in China. Going forward, the slowdown of 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 unrelentingly.

In Cement, with the new government in place, the infrastructure sector has got a renewed focus as announced in the recent budget. The industry demand is slated to grow at 7-8%, with the expected double digit growth in the second half of the current year.

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 business environment turning positive, particularly for the construction industry.

GRASIM INDUSTRIES LIMITED

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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.
