



Performance Review
Quarter 3 : 2012-13

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.

Contents

- **Highlights**
- **Business Review**
- **Financial Performance**
- **Capex Plan**
- **Summary**

Highlights – Quarter 3

Operational

- The businesses remained affected by present global and domestic market condition
- In VSF :
 - Global textile trends affected VSF business
 - PBIDT declined due to lower realisation in line with global trends
 - JVs performance impacted due to substantial fall in pulp realisations
 - Initial losses at Terrace Bay during stabilisation period, also created pressure on Business
- In Cement :
 - Demand in the industry remained subdued during the quarter, arising out of present slowdown
 - Volumes were flat on YoY basis and prices remained under pressure
 - Profitability, however, records marginal improvement helped by lower energy cost

Strategic

- Expansion projects in Cement and VSF are generally on track
 - To generate volumes from Q1 in next fiscal

Business Review

- VSF
- Chemical
- Cement Subsidiary

Viscose Staple Fibre : Highlights

Quarter 2 2012-13		Quarter 3		% Change (YoY)
		2012-13	2011-12	
352,225	Capacity - Annual (MT)	352,225	333,975	5
88,056	Capacity - Quarter (MT)	88,056	83,494	5
79,798	Production (MT)	88,297	84,233	5
85,312	Sales Volumes (MT)	78,579	78,216	1
1,164	Net Revenue (₹ Cr.)	1,030	1,084	(5)

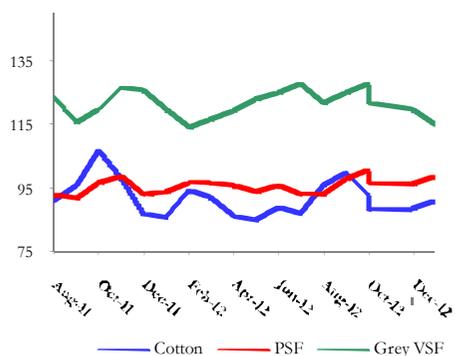
Global Industry Scenario

- Market conditions for the textile industry continue to be challenging, compounded by
 - Surplus VSF capacity in China
 - Depressed cotton prices due to large inventory
- Global prices are hovering around their bottom

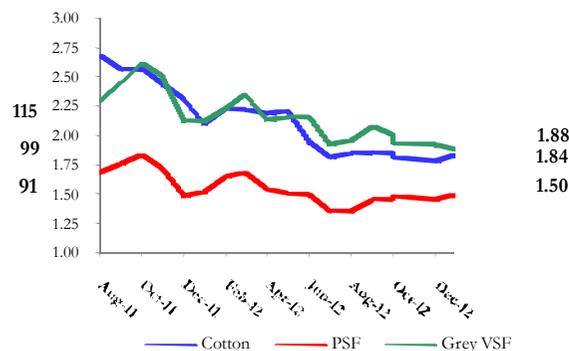
Business performance

- Production increase by 5% on YoY basis
 - Commissioning of Harihar Phase I in Sep' 12
- Sales volumes were maintained for the quarter
 - Up by 14% for nine months
- Weak rupee has reduced impact of sharp decline in global prices

₹/Kg. Domestic Fibre Prices



\$/Kg. International Fibre Prices



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

Quarter 2 2012-13		Quarter 3		% Change (YoY)
		2012-13	2011-12	
Standalone Business:				
251	PBIDT (₹ Cr.)	188	278	(32)
21.6%	PBIDT Margin (%)	18.1%	25.3%	--
222	PBIT (₹ Cr.)	158	251	(37)
28.2%	ROA _v CE % *	17.7%	46.6%	--

Joint Venture – Grasim's Share (₹ Cr.):

244	Net Revenue	350	211	--
403	Net Revenue (Recasted) #	303	351	(14)
18	PBIDT	(33)	25	--
63	PBIDT (Recasted) #	(8)	38	

Consolidated Business (Pulp and Fibre):

263	PBIDT (₹ Cr.)	162	306	
316	PBIDT (₹ Cr.) (Recasted) #	187	319	(41)

* Capital Employed incl. CWIP

- Softening of Pulp prices neutralised by rupee depreciation
- Higher caustic prices affected the variable cost
 - Chemical business, however, gained from increase in caustic prices
- Decline in realisation and higher variable cost affected PBIDT
 - Despite gain on account of improved efficiency

Joint Ventures

- Operations started at Terrace Bay and are stabilising
 - Though losses are expected initially, cost to come down with investment in mill upgradation as planned
- Pulp JVs performance impacted
 - Lower realisation and volumes
 - Planned annual shutdown impacted operations at Domsjo
 - Capacity ramp up is still under stabilisation at Domsjo

Results of Domsjo consolidated as JV w.e.f. 1st Oct'12 against 'Associate' hitherto. Corresponding numbers have been recasted for comparison purpose

In recasted numbers, PBIDT of Terrace Bay ₹(25) Cr. has been excluded

Viscose Staple Fibre : Outlook

- Industry to remain under pressure in the near term given the prevailing slowdown in global economy including textiles
 - Surplus capacity in China to exert pressure on volumes and prices
 - Profitability will also be influenced by competing fibre dynamics
- However, in general VSF demand will grow faster
 - Preference for comfort fabric leading to increase in demand for high quality cellulosic fibre
 - Cotton production may not keep pace with demand with increasing use of land for competing crops
- Major revamp of Nagda plant to be undertaken in phases (over next 3 years)
- Water shortage issue in Nagda resolved with construction of reservoir
 - However, abnormally low rain in Karnataka likely to impact VSF / pulp production at Harihar for non availability of water
- Ongoing Capacity Expansions at Harihar and Vilayat progressing well
 - Additional capacity (including specialty fibre from Vilayat) to increase volumes on completion in Q1 FY 2013-14
- Terrace Bay to start yielding results from next financial year with focus on stabilizing operations and optimizing cost
- In Turkey, necessary land has been tied up
 - Environmental clearance expected shortly

Chemical : Highlights

Quarter 2 2012-13		Quarter 3		% Change (YoY)
		2012-13	2011-12	
258,000	Capacity - Annual (MT)	258,000	258,000	--
64,500	Capacity - Quarter (MT)	64,500	64,500	--
63,627	Production (MT)	69,210	68,741	1
65,500	Sales Volumes (MT)	68,115	71,232	(4)
225	Net Revenue (₹ Cr.)	236	210	12
67	PBIDT (₹ Cr.)	61	47	28
29.6%	PBIDT Margin (%)	25.7%	22.5%	-
59	PBIT (₹ Cr.)	52	38	37
23.4%	ROAvCE % *	17.3%	26.8%	-

* Capital Employed incl. CWIP

Industry Scenario

- Caustic prices remained firm, pushing ECU realisation
 - As industry utilisation impacted due to low chlorine off take

Business Performance

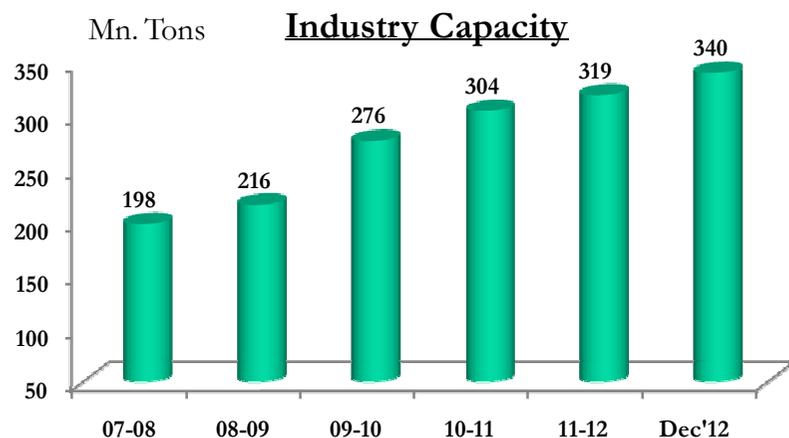
- Sales volume declined marginally
 - Inventory liquidation in Q3 last year
- ECU realisation up by 13% YoY led by higher caustic prices
- PBIDT at ₹ 61 Crore up by 28%
- Caustic expansion (182K TPA) at Vilayat nearing completion
 - Volumes to increase from Q1 in next fiscal
 - Epoxy plant (51,500 TPA) progressing well

Cement : Highlights

Quarter 2 2012-13		Quarter 3		% Change (YoY)
		2012-13	2011-12	
<u>Grey Cement (Mn. MT)</u>				
51.75	Capacity – Annual	51.75	51.75	--
12.95	Capacity – Qtr.	12.95	12.95	--
9.65	Production	10.39	10.44	--
Sales Volumes				
9.74	- Cement \$	10.41	10.43	--
0.15	- Clinker	0.25	0.38	(34)
<u>White Cement</u>				
1.25	Production (Lac MT)	1.57	1.51	4
1.31	Sales Volumes \$\$	1.46	1.46	--

\$ Includes captive consumption for RMC

\$\$ Includes captive consumption for value added products



Industry Scenario

- Subdued demand growth
 - Slowdown in investment cycle
 - Supply constraints for sand and aggregates affecting construction activity
- Sector Capacity at 340 Mn. TPA
 - 21 Mn TPA capacity added in 9 months
- Prices declined during the quarter on low demand
 - However realisation were higher on YoY basis

Business Performance

- Production and Sales volumes were flat for the Grey Cement
 - Muted demand growth
- Production of White Cement was marginally up
- Putty sales volumes up by 16%

Cement : Financials

Quarter 2 2012-13		Quarter 3		% Change (YoY)
		2012-13	2011-12	
4,972	Net Revenue (₹ Cr.)	5,164	4,800	8
1,113	PBIDT (₹ Cr.)	1,189	1,125	6
22.2%	PBIDT Margin (%)	22.6%	22.8%	-
860	PBIT (₹ Cr.)	931	884	5
14.7%	ROAvCE (%) *	14.9%	16.4%	-

- Net Revenue up by 8% supported by 7% increase in realisation on YoY basis
- Variable cost remained flat YoY
 - Raw material cost up by 14% due to substantial increase in input prices and transportation cost
 - Energy cost down by 5%
 - Imported coal price declined by 24% negated partially by rupee depreciation
 - Higher use of petcoke
 - Higher logistic cost due to increase in railway freight in Mar'12 and diesel price hike in Sep'12
- Star Cement reports improved performance
- PBIDT up by 6% after providing for higher fixed cost
 - Overseas JVs performed better
 - PBIDT in previous year was higher due to subsidy of ₹67 Crore for earlier year

* Capital Employed incl. CWIP

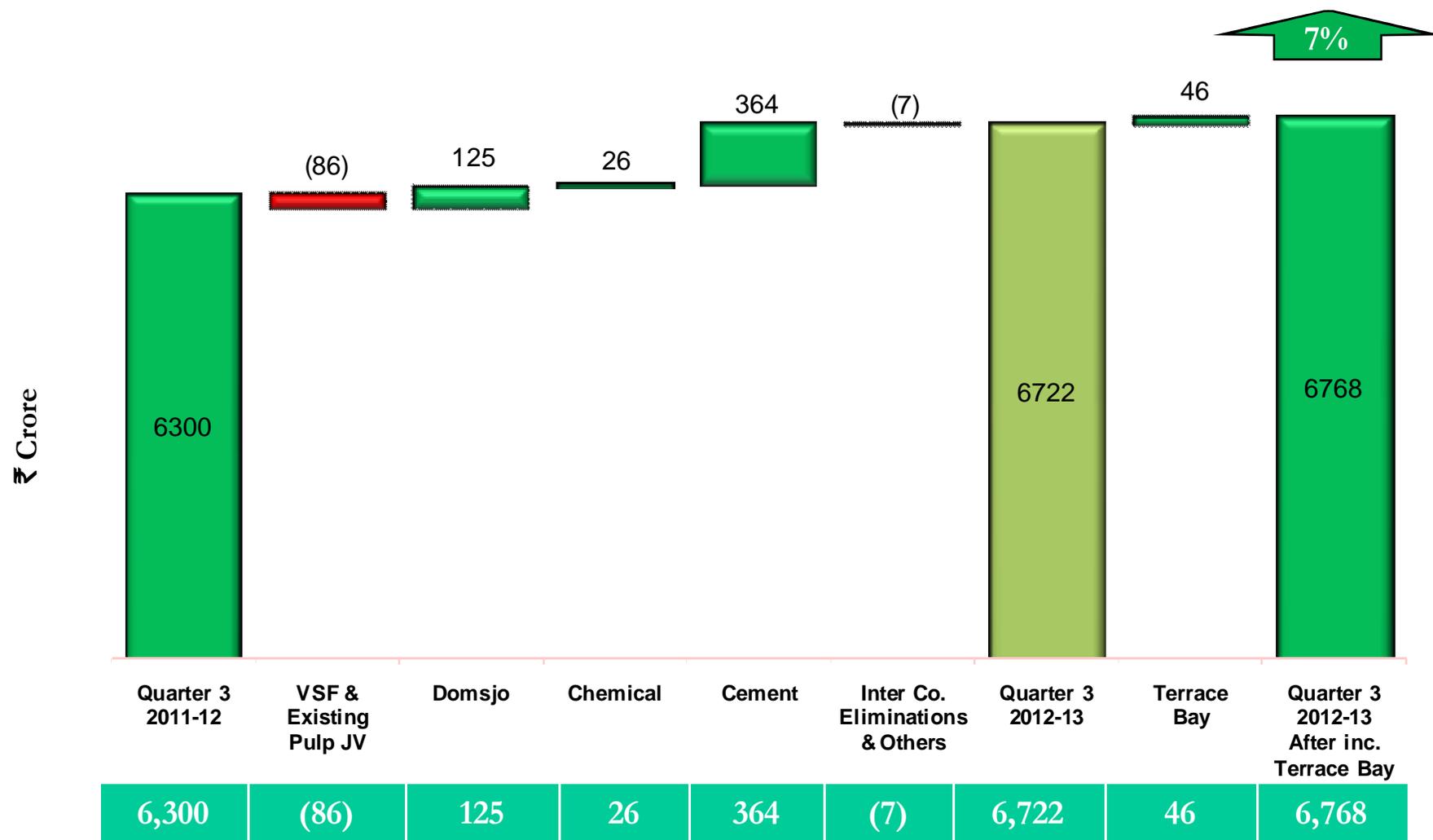
Cement : Outlook

- Demand growth linked to GDP growth ; implementation of reforms
 - Likely growth of > 8% in the long term
- Surplus supply scenario likely to continue over the next 3 years
 - Capacity addition pace to slowdown (Likely capacity addition of 49 Mn. Tons by FY16)
 - Industry capacity utilisation to improve to ~ 80% gradually, with seasonal variation
 - Margins accordingly expected to remain range bound
- Cost likely to governed by general inflation; energy prices
- 9.2 Mn. Ton Brownfield expansion progressing as per schedule
 - Clinker capacity expected to be completed by Q1 2013-14
 - ⇒ Volumes to increase in phased manner from next quarter
 - Plans for further growth under consideration

Our Focus - Quality, Volume and Cost Leadership

Financial Performance

Consolidated Revenue



Financial Performance – Consolidated

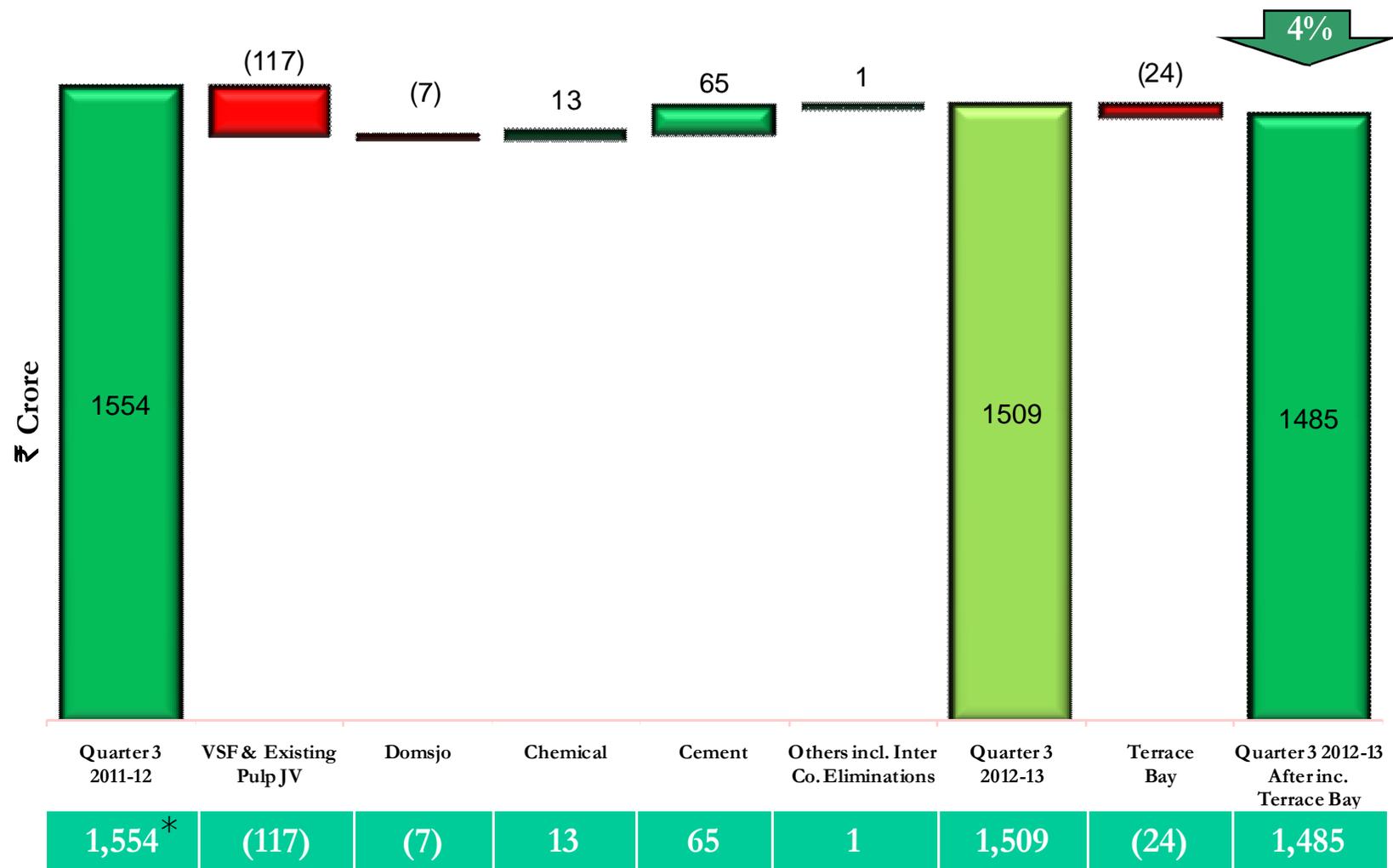
₹ Crore

Nine Months			% Change YoY (on Recasted)		Quarter 3			% Change YoY (on Recasted)	Quarter 2 2012-13
2012-13	2011-12				2012-13	2011-12			
	Reported	Recasted			Reported	Recasted			
20,203	17,962	17,962	↑ 12	Revenue	6,768	6,300	6,300	↑ 7	6,604
15,859	13,969	13,969	↑ 14	Operating Costs	5,461	4,951	4,951	↑ 10	5,199
4,757	4,437	4,346	↑ 9	PBIDT	1,485	1,554	1,488		1,505
243	234	234	↑ 4	Interest	82	50	70	↑ 18	87
923	854	854	↑ 8	Depreciation	319	289	289	↑ 11	307
3,591	3,350	3,258	↑ 10	PBT	1,083	1,215	1,129	↓ (4)	1,112
997	940	911	↑ 10	Total Tax Expenses	303	330	302		309
767	600	575		Minority Share	244	235	212		222
1,887	1,839	1,801	↑ 5	PAT (Incl. share in Associates)	549	669	634	↓ (13)	620
(33)				Initial losses at AV Terrace Bay	(25)				(8)
1,920		1,801	↑ 7	Comparable PAT	574		634	↓ (9)	628
205.5	200.3	196.4	↑ 5	Reported EPS (₹)	59.8	72.9	69.1	↓ (13)	67.5

For Comparable PAT,

- Corresponding Quarter / 9 Months results have been recasted, excluding interest subsidy received by UltraTech pertaining to earlier period, and
- Proportionate share in loss of AV Terrace Bay, for the current quarter has been excluded

Consolidated PBIDT



* Includes interest subsidy of ₹ 67 Crore pertaining to earlier years. Excluding the same, PBIDT for quarter 3, 2011-12 would be ₹1,488 Crore

Net Profit

₹ Crore

Nine Months						Quarter 3				
2012-13		2011-12		% Change		2012-13		2011-12		% Change
Total Co.	Grasim's share	Total Co.	Grasim's share			Total Co.	Grasim's share	Total Co.	Grasim's share	
	854		933		Standalone PAT		198		274	
1,925	1,161	1,532	924	26	UltraTech Cement	608	367	598	361	2
5	5	5	5		Grasim Bhiwani Textiles	2	2	1	1	
(122)	(46)	69	46		Pulp and Fibre JVs/Associate	(109)	(40)	39	19	
703	36	484	25		Idea Cellular	229	12	201	10	
	(123)		(93)		Inter Company Eliminations / Others		10		5	
	1,033		907	14	Grasim's Share in Subsidiaries / JVs		351		395	(11)
	1,887		1,839	3	Grasim Consolidated PAT		549		669	(18)

Balance Sheet : Grasim

₹ Crore

<u>Standalone</u>			<u>Consolidated</u>	
As on Dec'12	As on Mar'12		As on Dec'12	As on Mar'12
EQUITY & LIABILITIES				
SHAREHOLDERS' FUNDS				
9,964	9,099	Net Worth	19,136	17,069
-	-	Minority Interest	5,930	5,233
NON CURRENT LIABILITIES				
924	567	Long Term Borrowings	6,665	5,701
354	239	Deferred Tax Liability (Net)	2,187	1,979
51	51	Long Term Liabilities & Provisions	195	190
CURRENT LIABILITIES				
232	152	ST Borrowings/Current Maturities of LT Borrowings	2,319	1,335
1,024	927	Current Liabilities & Provisions	5,931	5,028
12,549	11,036	SOURCES OF FUNDS	42,364	36,534
ASSETS				
NON-CURRENT ASSETS				
1,791	1,549	Net Fixed Assets	15,971	15,053
2,464	965	Capital WIP & Advances	7,656	4,259
-	-	Goodwill on Consolidation	3,023	2,496
<u>Non- Current Investments</u>				
2,636	2,636	Cement Subsidiary	-	-
1,713	1,838	Other Investments	1,820	2,854
196	126	Long Term Loans and Advances	441	269
3,749	3,922	CURRENT ASSETS	13,452	11,604
12,549	11,036	APPLICATION OF FUNDS	42,364	36,534
1,156	720	Total Borrowings	8,984	7,036
2,162	2,809	Total Liquid Funds	6,228	6,362
1,006	2,089	Liquid Funds (Net of Debt)	(2,757)	(674)

Strong Financials

(₹ Crore)	<u>Standalone</u>		<u>Consolidated</u>	
	9M 2012-13	Full Year 2011-12	9M 2012-13	Full Year 2011-12
Net Worth	9,964	9,099	19,136	17,069
Debt	1,156	720	8,984	7,036
Net Debt (Net of liquidity)	(1,006)	(2,089)	2,757	674
Capital Employed	11,473	10,058	36,237	31,317
Debt:Equity (x)	0.12	0.08	0.36	0.32
Interest Cover	29.6	36.8	11.2	13.4
Book Value (₹)	1,086	992	2,085	1,861
ROAvCE (%) (PBIT basis)			15.1	17.5
RONW (%)			13.9	16.7

Strong Funding Capabilities to support growth plans

Capex

Capex plan

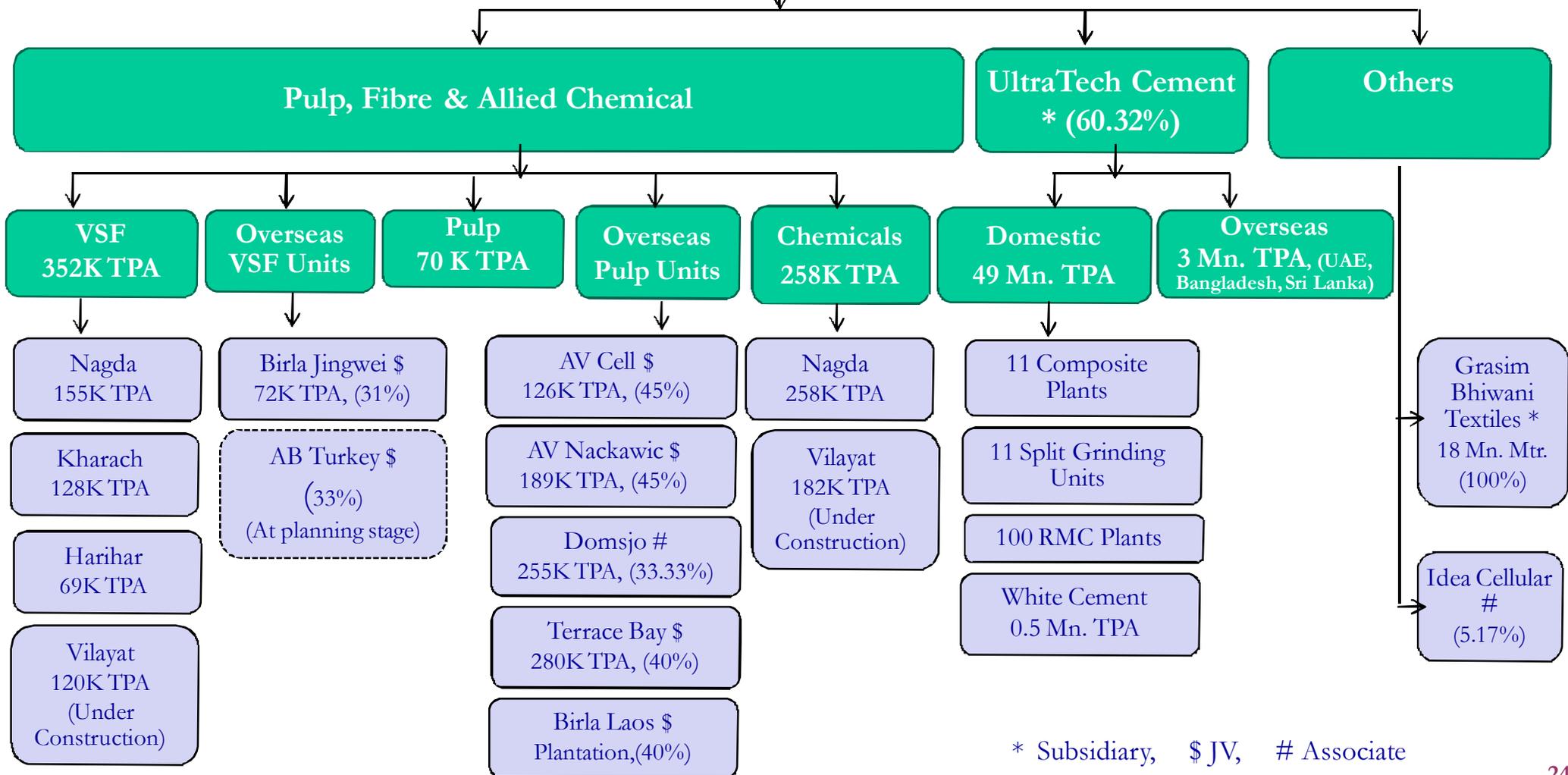
₹ Crore

	Capex under Implementation	Work in Progress as on 01-04-12	Cash Outflow		Capex spent during 9M 2012-13
			FY13	FY14 onwards	
<u>Standalone</u>					
VSF Expansion : Vilayat (120K TPA), Harihar (36K TPA)	2,257				
Chemical Expansion : Vilayat (182K TPA)	807				
Epoxy Project : Vilayat (51,500 TPA)	223				
Normal Capex : VSF (Incl. Nagda Plant Revamp)	786				
: Chemical & Others	194				
Standalone Capex (A)	4,267	961	2,577	729	1,855
<u>Cement Subsidiaries</u>					
- Capacity expansion : Raipur (4.8 Mn TPA) : Malkhed (4.4 Mn. TPA)	5,886				
- Material Evacuation, Logistic Infrastructure (Incl. Pipavav Grinding expansion 1 Mn. TPA)	917				
- Thermal Power (50 MW) & Waste Heat Recovery (45 MW)	657				
- RMC Business	429				
- Modernisation, Upgradation and others (Incl. Land)	4,048				
Cement Business Capex (B)	11,937	3,221	3963	4,753	2,650
Capex (A + B)	16,204	4,182	6,540	5,482	4,505

Summary

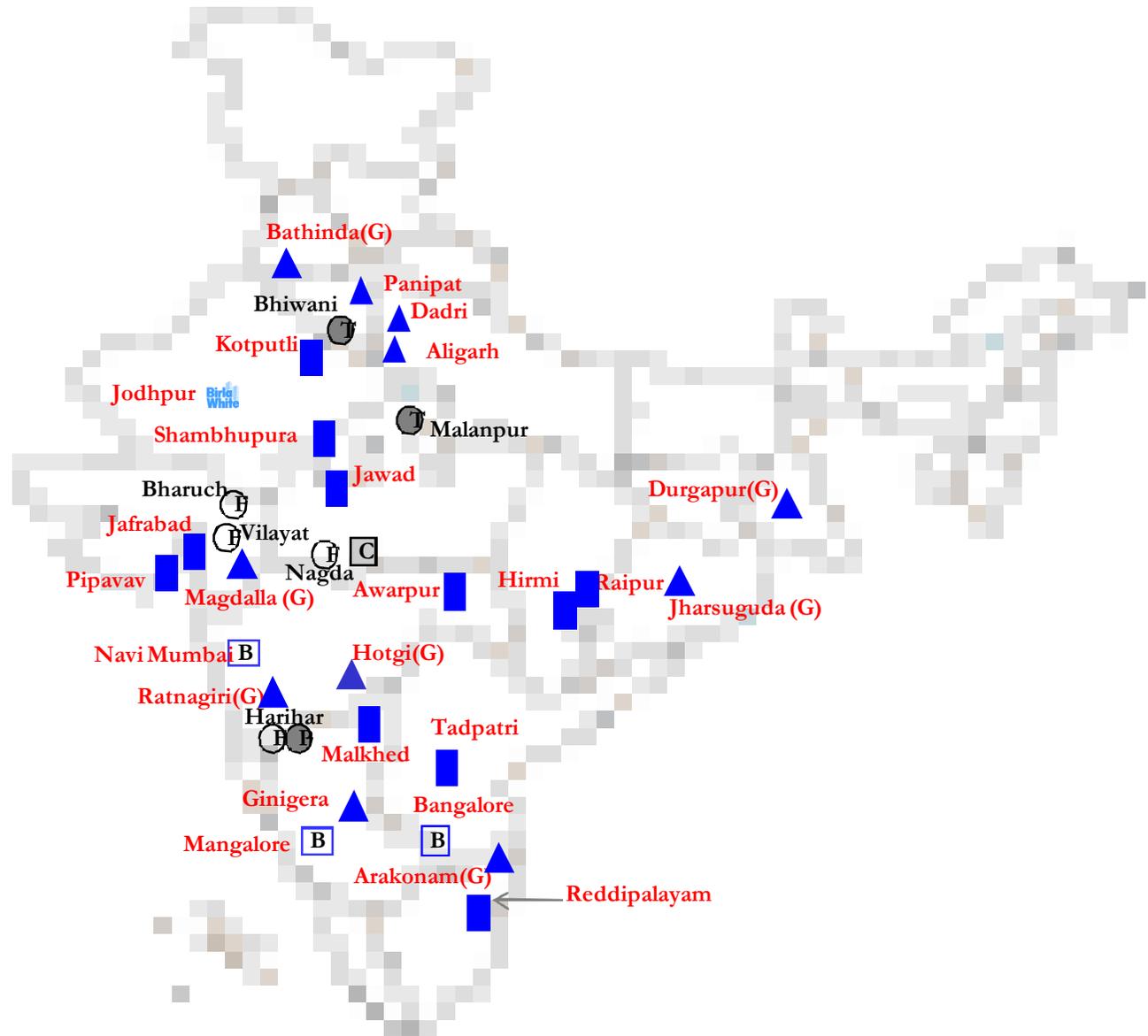
Summary

- Cement business reported satisfactory performance
- VSF business records satisfactory performance, given textile value chain under pressure
- Leadership position and cost competitiveness in both the businesses will be further strengthened on ongoing basis
- Both businesses to consolidate leadership
 - On going Capacity Expansion to be operative by Q1 2013-14, to drive volumes and profitability from FY 2013-14
 - Examining further growth opportunity in both Businesses



Plant Locations– Grasim & its subsidiaries

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



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 - 3		% Change	Nine Months		% Change	Full Year 2011-12
	2012-13	2011-12		2012-13	2011-12		
Net Sales & Op. Income	6,767.8	6,300.4	7	20,203.2	17,961.6	12	25,241.0
Other Income	177.9	204.8	(13)	413.4	444.8	(7)	745.4
PBIDT	1,484.6	1,554.2	(4)	4,757.3	4,437.3	7	6,320.1
PBIDT Margin (%)	21.4%	23.9%		23.1%	24.1%		24.3%
Finance Cost	82.3	50.1	64	243.1	233.7	4	313.5
Depreciation	319.1	288.7	11	923.5	853.9	8	1,154.4
PBT	1,083.3	1,215.4	(11)	3,590.7	3,349.7	7	4,852.2
Total Tax	303.0	330.2	(8)	997.4	940.1	6	1,320.8
Share in Profit of Associates	13.3	18.6	(29)	60.1	28.7	109	63.2
PAT (Before Minority Share)	793.6	903.9	(12)	2,653.3	2,438.3	9	3,594.6
Minority Share	244.5	234.8		766.6	599.6		947.1
PAT (After Minority Share)	549.2	669.1	(18)	1,886.8	1,838.7	3	2,647.5
Cash Profit (Before Minority Share)	1,112.5	1,188.6	(6)	3,767.6	3,315.8	14	4,766.7

Standalone Financial Performance

(₹ Crore)

	Quarter 3		% Change	Nine Months		% Change	Full Year 2011-12
	2012-13	2011-12		2012-13	2011-12		
Net Sales & Op. Income	1,219.7	1,266.3	(4)	3,831.4	3,557.5	8	4,969.7
Other Income	79.3	85.9	(8)	336.2	337.0	--	463.5
PBIDT	310.5	394.7	(21)	1,190.5	1,354.8	(12)	1,721.8
PBIDT Margin (%)	23.9%	29.2%		28.6%	34.8%		31.7%
Finance Cost	10.7	7.2	49	24.6	28.4	(14)	35.8
Depreciation	39.5	36.6	8	114.1	107.3	6	144.2
PBT	260.3	350.9	(26)	1,051.9	1,219.0	(14)	1,541.8
Tax Expense	62.3	76.4	(18)	198.3	285.6	(31)	364.8
PAT	198.0	274.5	(28)	853.6	933.5	(9)	1,177.0
Cash Profit	228.7	313.4	(27)	1,082.5	1,053.5	3	1,330.6

Profitability Snapshot

(<i>₹ Crore</i>)	Standalone				Consolidated			
	FY 2009-10 *	FY 2010-11	FY 2011-12	9M 2012-13	FY 2009-10	FY 2010-11	FY 2011-12	9M 2012-13
Net Turnover & Op. Income	8,313	4,640	4,970	3,831	20,195	21,550	25,241	20,203
PBIDT	2,972	1,817	1,722	1,191	6,322	5,395	6,320	4,757
PBIDT Margin (%)	34.8	36.8	31.7	31.1	30.9	24.6	24.3	23.1
Finance Cost	120	46	36	25	335	407	314	243
PBDT	2,852	1,771	1,686	1,166	5,988	4,988	6,006	4,514
Tax Expenses	745	413	365	198	1,570	954	1,321	997
PAT # (After Minority Share)	1,756	1,182	1,177	854	2,759	2,279	2,647	1,887
EPS (₹) #	191.4	128.8	128.2	93.0	300.8	248.4	288.4	205.5
DPS (₹)	30.0	20.0	22.5	-	--	--	--	--
ROAvCE (PBIT Basis)(%)					23.9	16.5	17.5	15.1
RONW (%) #					22.9	16.8	16.7	13.9
Interest Cover (x)	15.5	30.3	36.8	29.6	13.9	10.6	13.4	11.2

before exceptional / extraordinary gain

* After demerger of cement business w.e.f. 01.10.2009

Revenue Chart

₹ Crore

Nine Months			Net Revenue	Quarter 3			Quarter 2 2012-13
2012-13	2011-12	% Change YoY		2012-13	2011-12	% Change YoY	
3,256	3,065	6	Viscose Staple Fibre	1,030	1,084	(5)	1,164
695	557	25	Chemical	236	210	12	225
77	81		Others	26	28		26
(196)	(145)	36	Eliminations (Inter Segment)	(71)	(56)		(61)
3,831	3,557	8	Standalone Net Revenue	1,220	1,266	(4)	1,353
			<u>Subsidiaries</u>				
15,498	13,583	14	Cement	5,164	4,800	8	4,972
307	284	8	Textiles	112	87	28	116
790	679	16	Pulp JVs and Fibre JV (Pro Rata)	350	211	66	244
(223)	(141)		Eliminations (Inter Company)/Others	(78)	(66)		(81)
16,372	14,405	14	Total for Subsidiaries & JVs	5,548	5,033	10	5,251
20,203	17,962	12	Consolidated Net Revenue	6,768	6,300	7	6,604

PBIDT – Chart

₹ Crore

Nine Months		% Change YoY	PBIDT	Quarter - 3		% Change YoY	Quarter 2
2012-13	2011-12			2012-13	2011-12		2012-13
715	935	(24)	Viscose Staple Fibre	188	278	(32)	251
194	128	51	Chemical	61	47	28	67
282	291		Others	62	70		182
1,191	1,355	(12)	Standalone PBIDT	310	395	(21)	500
			<u>Subsidiaries</u>				
3,692	3,075	20	Cement	1,189	1,125	6	1,112
21	21		Textiles	9	6	42	10
(23)	83		Pulp JVs and Fibre JVs (Pro Rata)	(33)	25		18
(123)	(96)	28	Eliminations (Inter Company)/Others	10	3	217	(135)
3,566	3,082	16	Total for Subsidiaries & JVs	1,175	1,159	1	1,005
4,757	4,437	7	Consolidated PBIDT	1,485	1,554	(4)	1,505

Viscose Staple Fibre : Summary

		Quarter 3		% Change	Nine Months		% Change	Full Year 2011-12
		2012-13	2011-12		2012-13	2011-12		
Capacity	TPA	3,52,225	3,33,975	5	3,52,225	3,33,975	5	3,33,975
Production	MT	88,297	84,233	5	2,51,500	2,37,647	6	3,21,085
Sales Volumes	MT	78,579	78,216	1	2,40,903	2,12,013	14	3,06,917
Net Revenue	₹ Cr.	1,030	1,084	(5)	3,256	3,065	6	4,292
PBIDT	₹ Cr.	188	278	(32)	715	935	(24)	1,167
PBIDT Margin	%	18.1%	25.3%		21.8%	30.2%		27.0%
PBIT	₹ Cr.	158	251	(37)	630	858	(27)	1,063
Capital Employed	₹ Cr.	3,753	2,243	67	3,753	2,243	67	2,599
ROAvCE (PBIT Basis)	%	17.7%	46.6%		26.5%	57.0%		48.7%

Chemical : Summary

		Quarter 3		% Change	Nine Months		% Change	Full Year 2011-12
		2012-13	2011-12		2012-13	2011-12		
Capacity	TPA	2,58,000	2,58,000		2,58,000	2,58,000		2,58,000
Production	MT	69,210	68,741	1	2,02,003	1,92,028	5	2,60,326
Sales Volumes	MT	68,115	71,232	(4)	2,03,081	1,92,977	5	2,65,816
Net Revenue	₹ Cr.	236	210	12	695	557	25	777
PBIDT	₹ Cr.	61	47	28	194	128	51	161
PBIDT Margin	%	25.7%	22.5%		27.8%	23.0%		20.6%
PBIT	₹ Cr.	52	38	37	168	102	64	126
Capital Employed	₹ Cr.	1,301	598	118	1,301	598	118	666
ROAvCE (PBIT Basis)	%	17.3%	26.8%		22.8%	26.9%		23.2%

Cement : Summary

		Quarter 3		%	Nine Months		%	Full Year
		2012-13	2011-12	Change	2012-13	2011-12	Change	2011-12
<u>Grey Cement</u>								
Capacity	Mn. TPA	51.75	51.75	--	51.75	51.75	--	51.75
Production	Mn. MT	10.39	10.44	--	30.80	30.27	2	42.11
Cement Sales Volumes ^{\$}	Mn. MT	10.41	10.43	--	30.98	30.54	1	42.60
Clinker Sales Volumes	Mn. MT	0.25	0.38	(34)	0.59	1.04	(43)	1.36
<u>White Cement</u>								
Production	Lac MT	1.57	1.51	4	4.16	3.99	4	5.53
Sales Volumes ^{\$\$}	Lac MT	1.46	1.46	--	4.11	3.92	5	5.55
Net Revenue	₹ Cr.	5,164	4,800	8	15,498	13,583	14	19,232
PBIDT	₹ Cr.	1,189	1,125	6	3,692	3,075	20	4,565
PBIDT Margin	%	22.6%	22.8%		23.5%	22.3%		23.5%
PBIT	₹ Cr.	931	884	5	2,934	2,361	24	3,602
Capital Employed		25,482	22,180	15	25,482	22,180	15	22,637
ROAvCE	%	14.9%	16.4%		16.3%	14.9%		16.9%

^{\$} Includes captive consumption for RMC

^{\$\$} Includes captive consumption for value added products



Grasim Reports Financial Results for Q3 FY 2012-13

• Consolidated Net Revenue	: ₹ 6,768 Cr.	Up 7%
• Consolidated PBIDT	: ₹ 1,485 Cr.	Maintained

• New capacities to be commissioned by Q1 FY 2013-14			
- VSF	: 146K TPA	(Up 40%)	
- Cement	: 9.2 Mn. TPA	(Up 20%)	

Consolidated Financial Performance:

Grasim Industries Limited, an Aditya Birla Group Company, announced its results for the 3rd quarter ended 31st December, 2012.

₹ Crore

	Q3 (October – December)				9M (April-December)			
	FY 2012-13	FY 2011-12		% Change	FY 2012-13	FY 2011-12		% Change
		Reported	Restated (Note a)			Reported	Restated (Note a)	
Net Revenue	6,768	6,300	6,300	7	20,203	17,962	17,962	12
PBIDT	1,485	1,554	1,488	--	4,757	4,437	4,346	9
Net Profit	549	669	634	(13)	1,887	1,839	1,801	5
Comparable Net Profit (excluding AV Terrace Bay- Note b)	574		634	(9)	1,920		1,801	7

Given the challenging global and domestic market conditions, the Company has performed satisfactorily, maintaining its PBIDT for the quarter.

The results for the current quarter are not strictly comparable as:

- Financial results of UltraTech Cement, the cement subsidiary, for Q3 FY 2011-12 included subsidies amounting to ₹ 86 Crore for the earlier period, and
- Grasim's proportionate share amounting to ₹ 25 Crore in the loss incurred by the recently acquired pulp JV, AV Terrace Bay, Canada is included in the current quarter.

Comparable Net Profit for the quarter adjusted for a. and b. above is ₹ 574 Crore against ₹ 634 Crore in corresponding quarter.

During nine months, the Company's comparable Net Profit have gone up by 7% from ₹ 1,801 Crore in last year to ₹ 1,920 Crore in the current year.

Viscose Staple Fibre (VSF)

Market conditions for the textile industry, the key consumer of VSF, continued to be challenging. This was compounded by the surplus VSF capacity in China and depressed cotton prices. Despite the difficult environment, sales volumes at 78,579 tons have been sustained. However, volumes during the nine months have grown by 14%. Global VSF prices declined sharply by 14% as compared to Q3 last year. The rupee depreciation has reduced its impact in the domestic market to some extent. Higher Caustic prices coupled with lower realization, have led to pressure on margins. The Chemical business, however, benefited from the increase in Caustic prices.

While in Nagda, the water shortage issue has been resolved with the construction of reservoir, due to abnormally deficient rains in Karnataka, production at Harihar is likely to be impacted intermittently from February onwards till onset of monsoons.

The performance of pulp JVs was adversely affected due to the decline in realisations and volumes. AV Terrace Bay, Canada, the pulp JV acquired in Q2 FY 2012-13 with Grasim holding a 40% stake, commenced operations in October, 2012, as planned. Its losses are expected to be reduced and converted into profit in a phased manner thru' mill upgradation and cost optimization.

Cement Subsidiary (UltraTech Cement)

UltraTech has reported satisfactory performance for the quarter. Cement sales volumes were maintained at 10.4 Mn. tons as demand remained subdued. Net Revenue stood at ₹ 5,164 crore as compared to ₹ 4,800 crore, up by 8%. Net Profit for the quarter was at ₹ 608 crore as against ₹ 598 crore, inclusive of subsidies for the earlier period as explained.

The increase in railway freight and hike in diesel prices led to higher costs of raw materials and logistics. The softening in prices of imported coal and fuel mix optimization helped in reducing energy costs, though rupee depreciation partially offset the benefit.

Chemical Business

The Chemical business continued to perform well. ECU realisation remained firm as lower chlorine offtake led to lower industry utilization. The operating profit, as well as margins, grew.

VSF & Chemical Capex

At Harihar (Karnataka), having commissioned Phase I expansion in Quarter 2, Phase II (18,250 TPA) expansion is expected to be completed in the current quarter.

The greenfield projects of VSF (120,000 TPA) and Chemical (182,500 TPA) along with captive power plants at Vilayat (Gujarat) are progressing well. On completion by Quarter 1 in the next fiscal, these projects will generate additional volumes and profitability.

Work on Epoxy project (Vilayat) has started and is likely to be commissioned in September, 2013.

A major revamp of the VSF plant at Nagda has started which will be undertaken in phases, spread over the next three years.

Cement Capex

The brownfield expansions at Chhattisgarh and Karnataka totaling 9.2 Mn. TPA are on track. Clinker capacity is expected to be completed by Q1 FY 2013-14. Consequently, UltraTech's cement capacity will stand augmented to 62 Mn. TPA.

Disposal of Investments

In line with the Company's long term strategy of exiting from unrelated investments, the Company has entered into agreement to sell its entire holding of 15% unquoted equity shares in Alexandria Carbon Black Co. (ACB) and 2.75% quoted equity shares in Thai Carbon Black Public Company Limited (TCB) to another Aditya Birla Group Company. While the sale of TCB has been completed at market valuation in January, 2013, the sale of ACB shares will be completed shortly at the fair valuation done by the independent reputed valuer.

Outlook

Given the prevailing global economic conditions, coupled with the surplus capacity in China, the VSF industry is expected to remain under pressure for some more time. However, in Cement, the long term demand is expected to grow by an average 8% with housing, infrastructure and allied spending being the key value drivers. Industry capacity utilisation is likely to improve to 80% in FY 2016 as the pace of capacity addition will slow down. Input cost is likely to increase in line with the general inflation with margins remaining range bound.

Capacity expansions under implementation in both VSF and Cement will provide additional volumes, driving growth and further consolidation of the Company's leadership. The Company will continue to focus on cost reduction measures and improving asset productivity to maintain its position as the lowest cost producer creating shareholder value.

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.

GRASIM INDUSTRIES LIMITED

Aditya Birla Centre, 'A' Wing, 2nd Floor, S. K. Ahire Marg, Worli, Mumbai - 400 030

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

www.grasim.com & www.adityabirla.com

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



**UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED 31-12-2012**

PART I: STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31-12-2012 ₹ Crore

Particulars	Three Months Ended			Nine Months Ended		Year Ended
	31-12-2012	30-09-2012	31-12-2011	31-12-2012	31-12-2011	31-03-2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income from Operations						
Net Sales / Income from Operations (Net of Excise Duty)	6,717.46	6,551.76	6,258.35	20,059.79	17,776.88	24,979.74
Other Operating Income	50.37	52.34	42.06	143.36	184.72	261.28
Total Income from Operations (Net)	6,767.83	6,604.10	6,300.41	20,203.15	17,961.60	25,241.02
2 Expenses						
Cost of Materials Consumed	1,572.10	1,411.99	1,376.96	4,466.82	3,939.82	5,365.22
Purchases of Stock-in-Trade	89.65	82.94	67.17	248.46	189.08	261.56
Changes [Decrease / (Increase)] in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(206.65)	(19.30)	(83.20)	(306.31)	(260.55)	(85.82)
Employee Benefits Expense	447.61	391.24	361.72	1,214.18	1,008.57	1,377.17
Power and Fuel Cost	1,424.68	1,384.66	1,419.17	4,196.99	3,959.56	5,460.49
Freight and Handling Expenses	1,130.95	979.72	979.98	3,191.35	2,752.28	3,890.58
Depreciation and Amortisation Expense	319.05	306.56	288.73	923.49	853.93	1,154.41
Other Expenses	1,002.77	967.48	829.16	2,847.81	2,380.34	3,397.12
Total Expenses	5,780.16	5,505.29	5,239.69	16,782.79	14,823.03	20,820.73
3 Profit from Operations before Other Income and Finance Costs (1 - 2)	987.67	1,098.81	1,060.72	3,420.36	3,138.57	4,420.29
4 Other Income	177.92	99.84	204.79	413.41	444.81	745.36
5 Profit from Operations before Finance Costs and Tax (3 + 4)	1,165.59	1,198.65	1,265.51	3,833.77	3,583.38	5,165.65
6 Finance Costs	82.26	86.82	50.07	243.07	233.72	313.45
7 Profit from Ordinary Activities before Tax (5 - 6)	1,083.33	1,111.83	1,215.44	3,590.70	3,349.66	4,852.20
8 Tax Expense	302.99	308.89	330.21	997.43	940.11	1,320.77
9 Net Profit after Tax before profit of Associates and adjustment for Minority Interest (7 - 8)	780.34	802.94	885.23	2,593.27	2,409.55	3,531.43
10 Add : Share in Profit of Associates	13.28	38.14	18.63	60.06	28.70	63.16
11 Less : Minority Interest	244.45	221.50	234.79	766.58	599.57	947.13
12 Net Profit for the Period (9 +10 - 11)	549.17	619.58	669.07	1,886.75	1,838.68	2,647.46
Paid up Equity Share Capital (Face Value ₹ 10 per share)	91.77	91.76	91.72	91.77	91.72	91.72
Reserves excluding Revaluation Reserves						16,935.01
13 Earnings per Share (of ₹ 10/- each) (Not Annualised):						
(a) Basic (₹)	59.85	67.54	72.95	205.65	200.47	288.65
(b) Diluted (₹)	59.79	67.48	72.90	205.47	200.33	288.40

PART II : SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31-12-2012

A	PARTICULARS OF SHAREHOLDING						
	Public Shareholding *						
	Number of Shares (000's)	56,643	57,150	58,108	56,643	58,108	57,744
	Percentage of Shareholding	61.73%	62.30%	63.36%	61.73%	63.36%	62.96%
	Promoter & promoter group shareholding *						
	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)	25.53%	25.54%	25.55%	25.53%	25.55%	25.55%
	* Excludes shares represented by Global Depository Receipts						
B	INVESTORS COMPLAINTS						
	Pending at the beginning of the Quarter	-					
	Received during the Quarter	9					
	Disposed during the Quarter	9					
	Remaining unresolved at the end of the Quarter	-					

**UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED
FOR THE QUARTER AND NINE MONTHS ENDED 31-12-2012**

₹ Crore

Particulars	Three Months Ended			Nine Months Ended		Year Ended
	31-12-2012	30-09-2012	31-12-2011	31-12-2012	31-12-2011	31-03-2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. SEGMENT REVENUE						
a Viscose Staple Fibre and Wood Pulp	1,308.68	1,337.25	1,247.49	3,848.76	3,638.08	5,007.17
b Cement - Grey, White and Allied Products	5,164.32	4,971.94	4,800.43	15,498.46	13,582.68	19,232.42
c Chemicals - Caustic Soda and Allied Chemicals	235.51	225.24	209.99	695.16	557.07	776.79
d Others #	149.27	148.96	116.16	408.71	365.90	483.65
TOTAL	6,857.78	6,683.39	6,374.07	20,451.09	18,143.73	25,500.03
(Less) : Inter Segment Revenue	(89.95)	(79.29)	(73.66)	(247.94)	(182.13)	(259.01)
Total Operating Income	6,767.83	6,604.10	6,300.41	20,203.15	17,961.60	25,241.02
2. SEGMENT RESULTS						
a Viscose Staple Fibre and Wood Pulp	114.35	221.42	270.44	570.35	917.95	1,131.46
b Cement - Grey, White and Allied Products	844.70	828.14	818.58	2,756.18	2,240.63	3,320.33
c Chemicals - Caustic Soda and Allied Chemicals	52.43	58.54	38.15	168.32	102.34	125.70
d Others #	8.08	11.20	5.19	20.10	21.06	27.72
TOTAL	1,019.56	1,119.30	1,132.36	3,514.95	3,281.98	4,605.21
Add / (Less) :						
Finance Costs	(82.26)	(86.82)	(50.07)	(243.07)	(233.72)	(313.45)
Net Unallocable Income / (Expenditure)	146.03	79.35	133.15	318.82	301.40	560.44
Profit from Ordinary Activities before Tax	1,083.33	1,111.83	1,215.44	3,590.70	3,349.66	4,852.20
	As on	As on	As on	As on	As on	As on
	31-12-2012	30-09-2012	31-12-2011	31-12-2012	31-12-2011	31-03-2012
3. CAPITAL EMPLOYED						
(Segment Assets - Segment Liabilities)						
a Viscose Staple Fibre and Wood Pulp	5,818.95	4,486.08	3,253.41	5,818.95	3,253.41	3,616.18
b Cement - Grey, White and Allied Products	21,901.32	21,389.80	18,898.65	21,901.32	18,898.65	19,322.09
c Chemicals - Caustic Soda and Allied Chemicals	1,300.74	1,124.32	598.03	1,300.74	598.03	665.58
d Others #	246.14	252.01	220.44	246.14	220.44	229.45
TOTAL	29,267.15	27,252.21	22,970.53	29,267.15	22,970.53	23,833.30
Add: Unallocated Corporate Capital Employed	6,969.81	7,054.07	7,734.99	6,969.81	7,734.99	7,483.54
TOTAL CAPITAL EMPLOYED	36,236.96	34,306.28	30,705.52	36,236.96	30,705.52	31,316.84

Others segment mainly represents Textiles and Investment Subsidiaries

GRASIM INDUSTRIES LIMITED

NOTES:

1. The Company has opted to publish Consolidated Financial Results. Key numbers of Standalone Financial Results of the Company for the quarter and nine months ended 31st December, 2012 are as under:

₹ Crore

Particulars	Three Months Ended			Nine Months Ended		Year Ended
	31-12-2012 (Unaudited)	30-09-2012 (Unaudited)	31-12-2011 (Unaudited)	31-12-2012 (Unaudited)	31-12-2011 (Unaudited)	31-03-2012 (Audited)
Total Income from Operations (Net)	1,219.74	1,353.35	1,266.25	3,831.39	3,557.48	4,969.72
Profit from Ordinary Activities before Tax	260.29	453.96	350.93	1,051.87	1,219.03	1,541.79
Net Profit for the Period	197.95	382.73	274.48	853.62	933.45	1,177.00

The Standalone Financial Results are available at the Company's websites given below.

2. During the last quarter, the company acquired through AV Terrace Bay Inc., Canada, a 40:60 Joint Venture (JV) with Thai Rayon Public Co. Ltd., Thailand, the assets of the Terrace Bay Pulp Inc., a paper grade pulp mill in Canada. The JV has an ultimate plan to convert the mill to produce Rayon Grade Pulp, a basic raw material for production of VSF. The operations at the mill have been started in October, 2012 as planned and the company's share of loss included in the Consolidated Results amounts to ₹ 25.31 Crore for the current quarter and ₹ 32.90 Crore for the nine months ended 31st December, 2012. Therefore, Results of current period are not strictly comparable with earlier periods.
3. The Financial Results of Ultratech Cement Limited (UTCL), a subsidiary, for the corresponding quarter and nine months ended 31st December, 2011 included subsidies in terms of State Investment Promotion Scheme :

₹ Crore

Three Months Ended **Nine Months Ended**
31-12-2011 **31-12-2011**

i) For earlier year included in Other Income	66.63	91.27
ii) For earlier quarters netted from Finance Costs of three months ended 31-12-2011	19.68	-

4. Pursuant to a Shareholders Agreement signed by promoting companies of Aditya Group AB, Sweden (AGAB) during the quarter, the Financial Results of AGAB for the three months ended 31st December, 2012 have been consolidated as per proportionate consolidation method of accounting in accordance with Accounting Standard on Financial Reporting of Interests in Joint Ventures (AS-27). The Financial Results of AGAB were consolidated as an Associate as per equity method of accounting in accordance with Accounting Standard on Accounting for Investments in Associates in Consolidated Financial Statements (AS-23) till 30th September, 2012. This does not have any impact on consolidated net profit of the Company.

GRASIM INDUSTRIES LIMITED

5. No provision has been made in the Results for any liability that may arise from the order of the Competition Commission of India dated 20th June, 2012 imposing a penalty of ₹ 1,175.49 Crore on UTCL along with certain other cement manufacturing companies for alleged cartelisation, based on legal opinion that UTCL has a good case in the matter and for which an appeal is pending before the Competition Appellate Tribunal.
6. During the quarter, the Ministry of Coal, Government of India issued an order for de-allocation of the coal block allocated to a joint venture of UTCL and Electrotherm (India) Limited in Bhaskarpara, Chattisgarh. On a writ petition filed by UTCL for quashing the order, stay has been granted by the Hon'ble High Court of Chattisgarh.
7. During the quarter, the Company has allotted :
 - a. 14,334 fully paid up equity shares of ₹ 10 each upon exercise of stock options granted under the Employee Stock Option Scheme, 2006.
 - b. 27 equity shares of ₹ 10 each out of Share Capital Suspense pursuant to Scheme of Arrangement between Aditya Birla Nuvo Limited and the Company, implemented in the Financial Year 1999-2000.
8. a. Previous periods' figures have been regrouped / rearranged wherever necessary to conform to the current periods' classification.
 - b. The above Results were reviewed by the Audit Committee and approved by the Board of Directors today.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 31st January, 2013

K.K. Maheshwari
Managing Director

GRASIM INDUSTRIES LIMITED
Regd. Office: Birlagram, Nagda 456 331 (M.P.)
An Aditya Birla Group Company
www.grasim.com and www.adityabirla.com