



Improved performance for Q1 FY16 led by substantial investments across Businesses

Consolidated Financial Performance

₹ Crore

	Quarter ended	
	30.06.2015	30.06.2014
Net Revenue	8,599	8,045
EBITDA	1,531	1,488
Net Profit	485	487



Grasim has reported improved performance for the quarter ended 30th June, 2015 amidst challenging market conditions. Its Consolidated Revenue has grown by 7% at ₹ 8,599 Cr. and EBITDA was up by 3% at ₹ 1,531 Cr.

Viscose Staple Fibre (VSF)

Revenue increased by 15% driven by higher sales volume at 103K MT, up 19%.

EBITDA surged by 72% at ₹ 139 Cr. with expanded volumes and a decline in pulp and other input cost. The production at the newly commissioned Vilayat plant has ramped up. It achieved a capacity utilisation of ~82%.

The volume growth would have been higher, had there been no plant stoppage at Nagda for two months due to the water shortage. Operations at Nagda resumed from the last week of June 2015.

Chemical Business

In the Chemical business, revenue soared by 17% as Epoxy volume almost doubled with ramping up of plant utilisation. Caustic soda sales volume was maintained at 98K Tons. EBITDA increased by 3% at ₹ 94 Cr.

The merger scheme of Aditya Birla Chemicals India Ltd. (ABCIL) with the Company has been approved by the Shareholders and Creditors of both the Companies. Post merger, the caustic soda capacity of the Company will increase from 452K TPA to 804K TPA. The scheme will be effective from 1st April, 2015 upon receipt of requisite regulatory approvals inter-alia from Competition Commission of India and High courts, expected by Q3 FY16. Therefore, the Company's results do not include EBITDA of ₹ 78 Cr. and PAT of ₹ 20 Cr. reported by ABCIL for the current quarter.

Cement Subsidiary (UltraTech Cement)

Amidst subdued demand in the Cement sector due to slowdown in construction activities, UltraTech Cement has reported better performance. Its revenue for the quarter at ₹ 6,432 Cr. was up by 7% as compared to ₹ 6,032 Cr. in the corresponding quarter last year. The combined cement and clinker sales volume was 13.0 Mn. tons against 12.4 Mn. tons last year. EBITDA was ₹ 1,282 Cr. (₹ 1,296 Cr.) and Net profit was ₹ 591 Cr. (₹ 627 Cr.) With the reduction in fuel prices and higher pet coke consumption, energy costs declined by 7%. Its benefit was partially offset by the increase in railway freight. Input prices remained stable, except for the rise in royalty on limestone and levies under the Mines and Mineral (Development and Regulation) Amendment Act, 2015.

Outlook

In the VSF business, prices are likely to be influenced by the development in the industry in China amidst increase in the input prices and resumption of operations at some of the shut capacities.

The Company's new plant at Vilayat with a higher share of speciality product will improve its product mix and realisations. The recently launched brand 'Liva' has met with good response from value chain and consumers. The Company is closely working with the brands, designers and retailers to expand its domestic market.

In the Chemical business, the scale of operations will rise significantly post the merger of ABCIL with the Company.

In Cement, the demand is expected to be higher with the Government's focus on infrastructure development, housing sector, smart cities etc. and the softening of interest rates. The Company is well positioned across the country to cater growth in demand.

The Company enjoys a leadership position in all its businesses: Cement, Viscose Staple Fibre and Chemicals, which has been further strengthened having made an investment of US\$ 4 bn. over last five years. The Company is well poised to reap the benefits of these investments with ramping up of capacity utilisation and expected upturn in the business cycle led by accelerated growth in the economy.

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.)

Tel: (07366) 246760-66, Fax : (07366) 244114, 246024, CIN: L17124MP1947PLC000410

www.grasim.com & www.adityabirla.com

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

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.
