



7th May 2016

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring,
Rotunda Building,
P J Towers, Dalal Street,
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: Audited Annual Accounts of Grasim for the year ended 31st March, 2016

This is further to our letter and email of date on the aforesaid subject.

We are attaching herewith a copy of the Presentation on the audited Annual Accounts of our Company for the year ended 31st March, 2016, which will be presented to our investors and also posted on our websites, www.grasim.com and www.adityabirla.com.

Thanking you,

Yours faithfully,

Hutokshi Wadia
Sr. Vice President & Company Secretary

Encl. : as above



Quarterly Performance Review

Quarter 4 : 2015-16

Mumbai, 7th May, 2016

Grasim Industries Limited
Building, Consolidating, Growing

Contents

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Glossary

VSF : Viscose Staple Fiber, MT : Metric Ton, TPA : Tons Per Annum, YoY: Year on Year Comparison, CY : Current Year, LY : Last Year,
YTD : Year to Date, EBITDA : Earnings before Interest, Tax ,Depreciation and Amortisation, ECU : Electro Chemical Unit
ROAvCE : Return on Avg. Capital Employed, RONW : Return on Avg. Net Worth, LFL : Like For Like

Indian Economy

- Indian economy is the only large economy reporting healthy growth
 - GDP grew by 7.3% in Q3FY16
- Global headwinds though, impacting pace of growth
 - Exports continues to decline due to slowdown in global trade
 - Lower utilisation of capacity and softness in commodity cycle, slowing down private capex
- Government policy measures coupled with expectations of good monsoon to increase pace of growth
 - Inflation sharply down to 4.9% in FY16 (6% in FY15), helped by fiscal discipline, lower crude prices etc.
 - Reduction in interest rate should boost credit off take
 - Above average monsoon forecast augurs well for consumption growth

Highlights – Quarter 4

VSF Business

**Leading
Global Player**

Price recovery in China post new year holidays in February 2016

Sales Volume

130K Tons
(Up by 10% YoY)

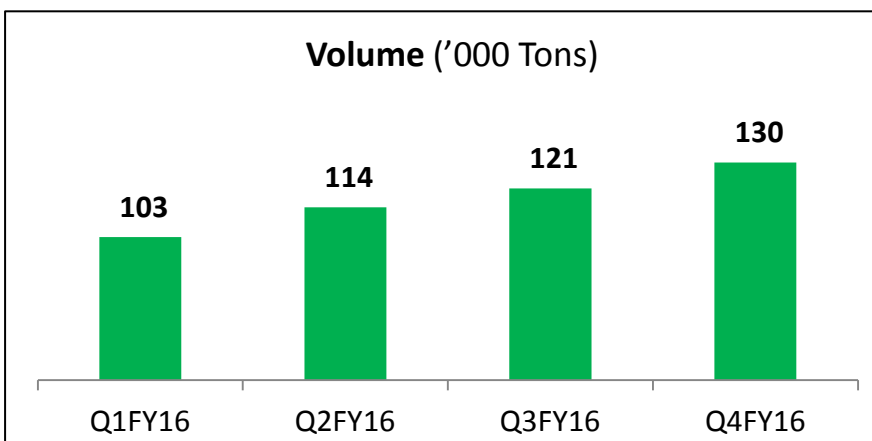
Revenue

₹ 1,729 Cr.
(Up by 23% YoY)

EBITDA

₹ 267 Cr.
(Up by 176% YoY)

Volume ('000 Tons)



Continuous Growth in Sales Volume



Highlights – Quarter 4



Chemical Business

(Chlor Alkali, Chlorine Derivatives and Epoxy)

**Largest
Indian Player**

Rise in Caustic Soda prices in international and domestic markets

Caustic Sales Volume

204K Tons
(Up by 95% YoY;
15% LFL)

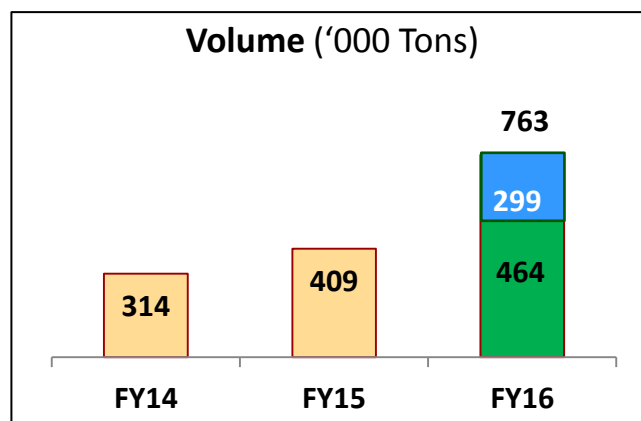
Revenue

₹ 957 Cr.
(Up by 123% YoY ;
42% LFL)

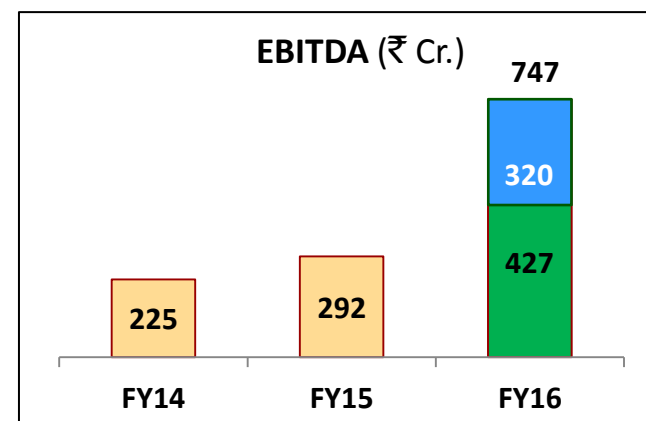
EBITDA

₹ 229 Cr.
(Up by 319% YoY;
156% LFL)

Volume ('000 Tons)



EBITDA (₹ Cr.)



Chemical Business Records Robust Growth

FY16 Grasim ■ ABCIL ■

Highlights – Quarter 4

UltraTech
CEMENT
The Engineer's Choice



Cement Business

**Market leader
in India**

Signs of recovery in demand with ~11.5% growth for the sector

- Capacity utilisation for the industry increased to 71% compared to 67% last year

Cement Sales Volume

14.3 Mn. Tons
(Up by 14% YoY)

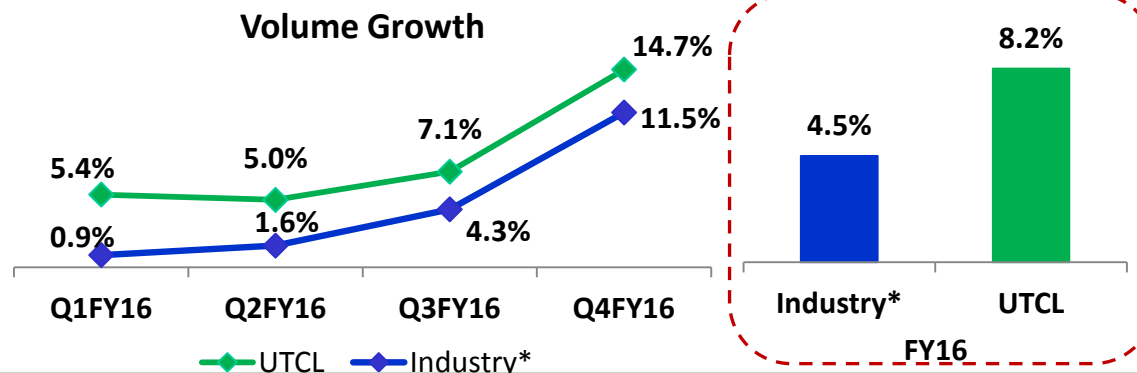
Revenue

₹ 6,920 Cr.
(Up by 5% YoY)

EBITDA

₹ 1,478 Cr.
(Up by 3%)

- Improved performance with lower operating cost driven by efficiency improvement and lower energy cost
- Achieved double digit volume growth, outperformed industry



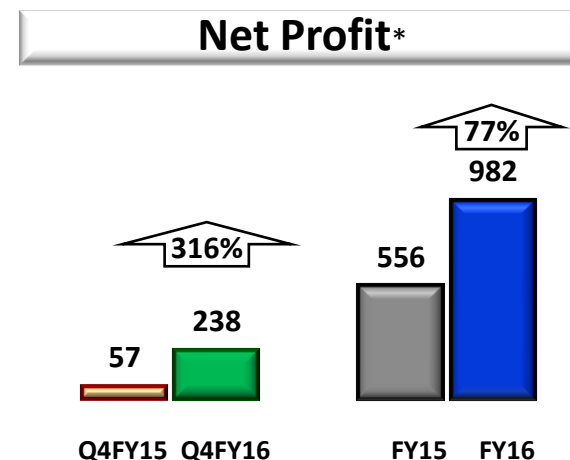
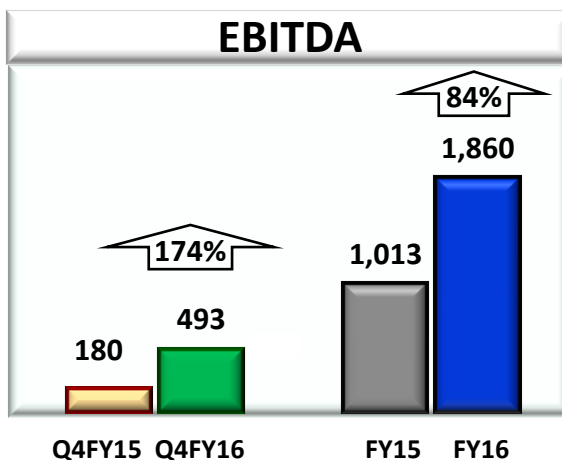
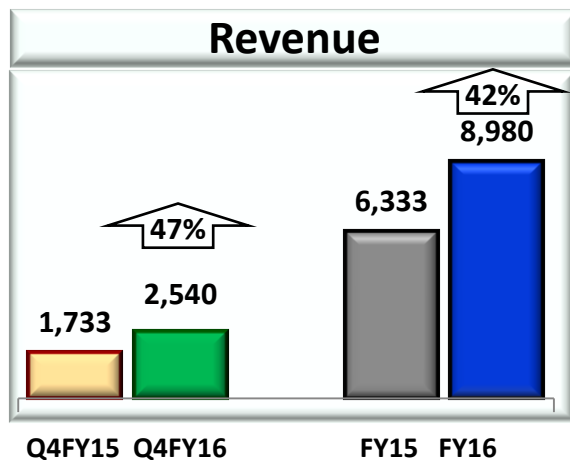
Continuous Growth in Sales Volume

* DIPP data and Company estimates

Financial Performance

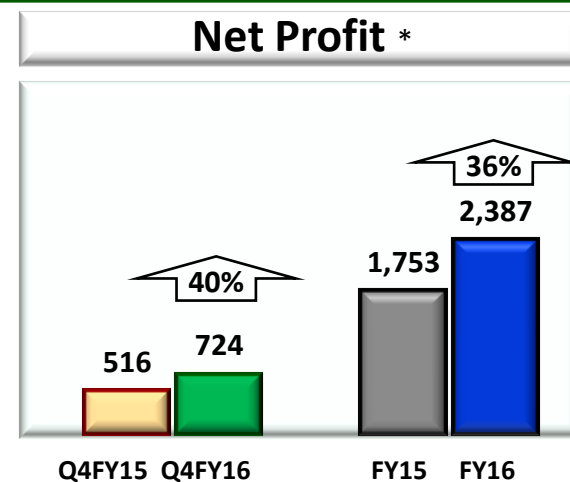
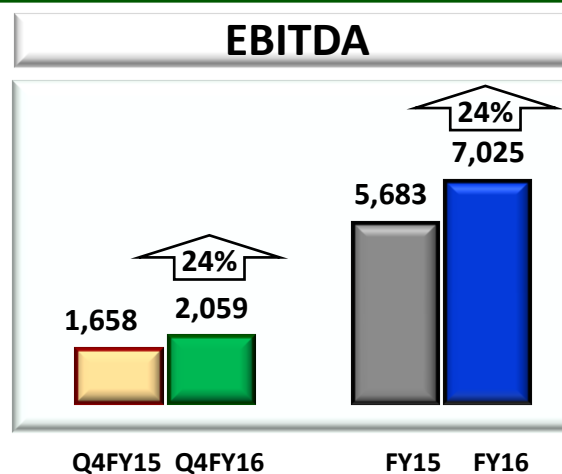
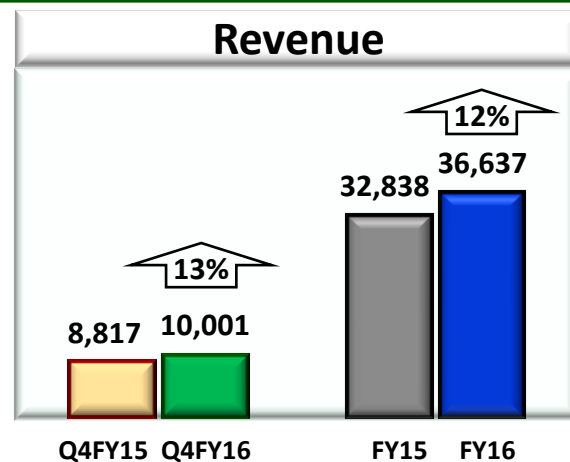
Standalone

₹ Cr.



LFL Growth

Consolidated



* Before exceptional item

FY16 – The year in perspective.....

	VSF	Pulp JVs	Chemical	Cement
Volume	↑	↑	↑	↑
Revenue	↑	↑	↑	↑
EBITDA	↑	↑	↑	↑
Margin	↑	↑	↑	↔

All round Growth Across Businesses

Increasing share of Fibre & Chemical business

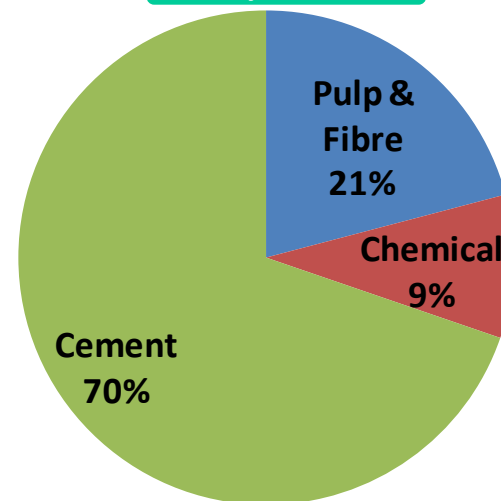
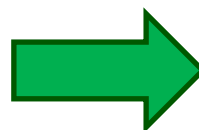
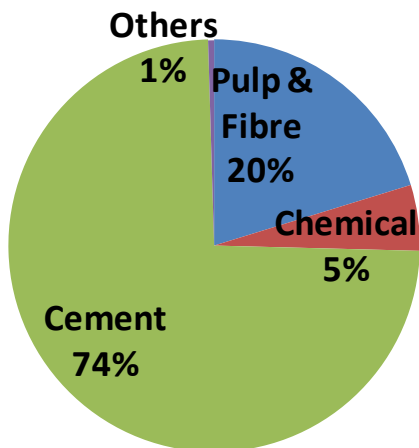
FY15

Revenue

FY16

₹ 32,838 Cr.

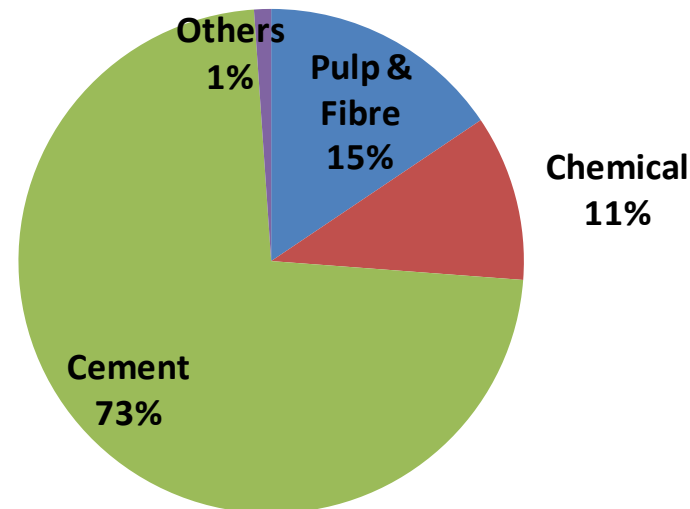
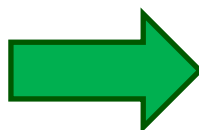
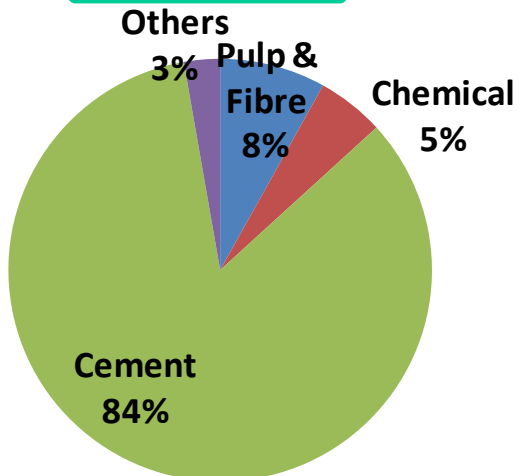
₹ 36,637 Cr.



EBITDA

₹ 5,683 Cr.

₹ 7,025 Cr.



Robust Financial Ratios

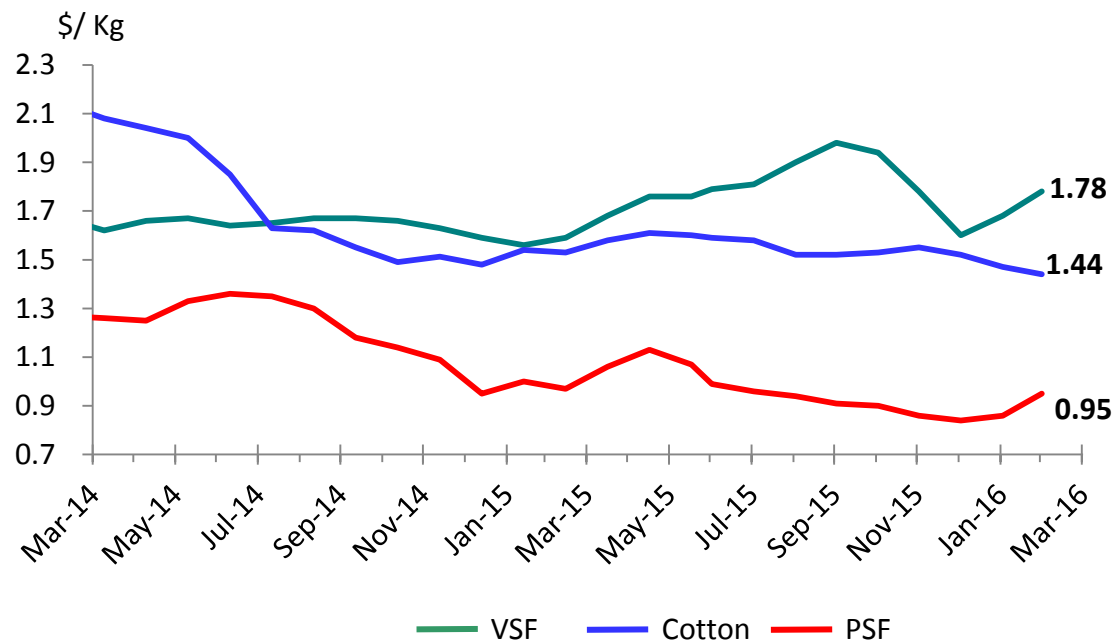
Standalone		Consolidated		₹ Cr.
FY 2015-16	FY 2014-15		FY 2015-16	FY 2014-15
12,370	11,183	Net Worth	25,831	23,140
1,839	1,115	Debt	12,841	11,930
403	-	Net Debt	4,928	6,140
0.15	-	Debt:Equity (x)	0.37	0.39
0.03	-	Net Debt: Equity (x)	0.14	0.20
0.22	-	Net Debt / EBITDA	0.70	1.08
		ROAvCE (%) (Excluding CWIP)	11.2	10.5
		RONW (%)	9.7	7.8

Strong Balance Sheet – Robust Financial Ratios

Business Performance

- VSF
- Chemical
- Cement

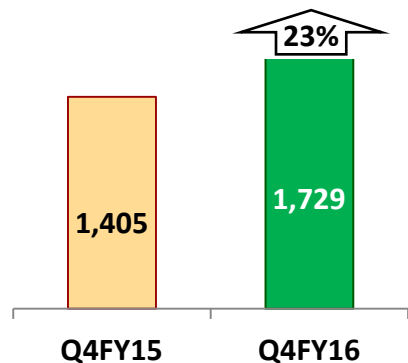
International Fibres Price Trend



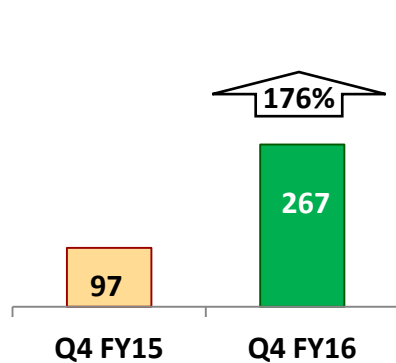
- VSF : Improving trend after witnessing decline
 - Improvement in demand with beginning of new season
- Cotton : Declined slightly during the quarter
- PSF : Uptick with increase in crude prices

VSF : Performance

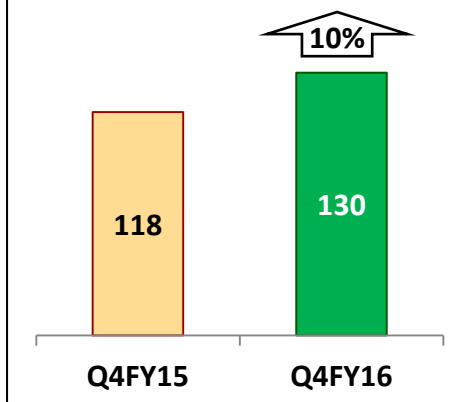
Revenue (₹ Cr.)



EBITDA (₹ Cr.)



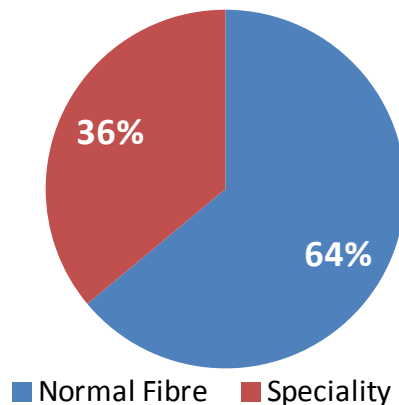
Volume ('000 Tons)



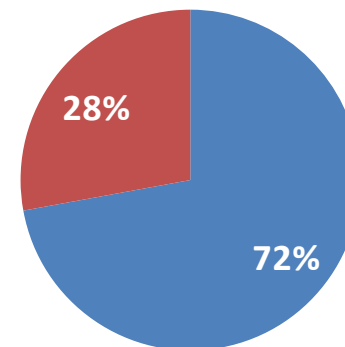
- Sales volume up by 10%
 - Strong demand from domestic segment
 - Higher sale of specialty fibre
- Improvement in realisation helped by uptrend in global fibre prices
- Standalone VSF EBITDA up by 176%
 - Incremental volumes coming from Vilayat plant
 - Reduction in conversion cost
 - Better market condition
- Sequentially, EBITDA margins declined from 19% due to lag effect of higher pulp prices

VSF : Volume Drivers

Q4 FY16

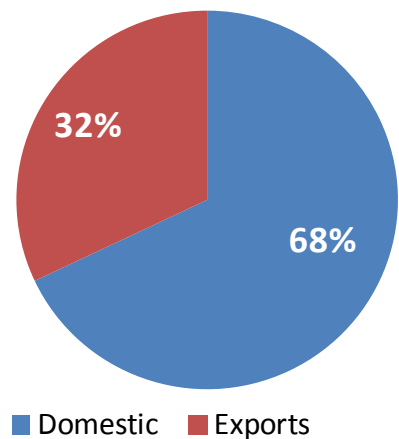


Q4 FY15

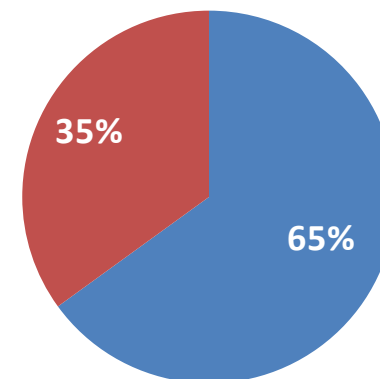


Share of specialty fibre increased from 28% to 36%, on higher base

Q4 FY16



Q4 FY15



Increase in proportion of domestic sales from 65% in Q4FY15 to 68% in Q4FY16

Pulp & Fibre JVs : Performance

Revenue* (₹ Cr.)

14%

501

572

Q4FY15

Q4FY16

EBITDA* (₹ Cr.)

127%

33

75

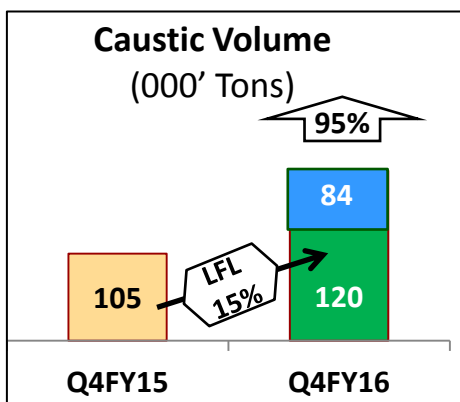
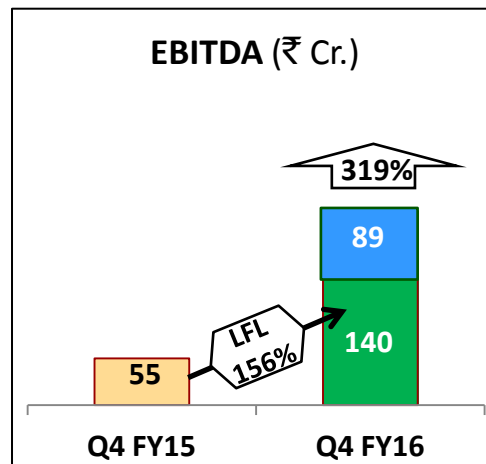
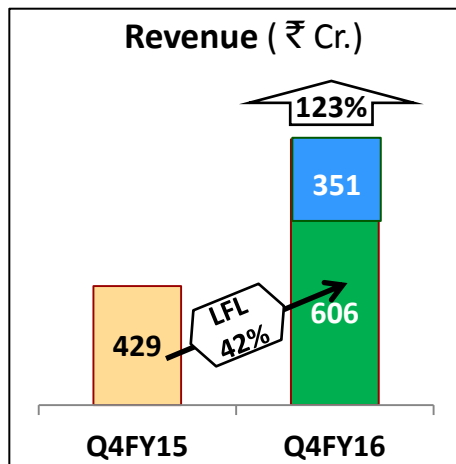
Q4FY15

Q4FY16

* Grasim's Share

- Higher pulp sales volumes, contributed mainly by AV Terrace Bay
- Pulp & Fibre JVs EBITDA more than doubled to ₹ 75 Cr. from ₹ 33 Cr. last year
 - Better DG pulp realisation
 - Favorable exchange rates
 - Gain offset to some extent by decline in paper grade pulp realisation at AVTB

Chemical : Performance



Industry Scenario

- Uptick in Caustic Soda prices
 - Lower availability of caustic in domestic markets
 - Increase in international prices

Business Performance

- Revenue more than doubled from last year (LFL up by 42%)
 - Caustic volume up by 95%
 - Additional volume from ABCIL merger
 - Achieved full utilisation with ramp up of Vilayat and Karwar
 - Epoxy plant achieved ~ 95% utilisation levels
 - Higher ECU Realisation
- EBITDA at ₹ 229 Cr., up by 319%
 - Significant increase in EBITDA of existing operations from ₹ 55 Crore to ₹ 140 Crore
 - Higher volumes, lower energy cost
 - Increase in realisation
 - Merger of ABCIL added ₹ 89 Crore

Cement : Performance

Revenue (₹ Cr.)

5%

6,595

6,920

Q4FY15

Q4FY16

EBITDA (₹ Cr.)

3%

1,435

1,478

Q4 FY15

Q4 FY16

Volume (Mn. MT)

14%

12.5

14.3

Q4FY15

Q4FY16

Industry Scenario

- Significant improvement in demand growth
 - Demand from Govt. initiatives, 'Housing for All'
- Volatile cement prices

Business Performance

- Capacity up by 7% YoY with commissioning of 4.5 Mn. tons during FY16
- Revenue up by 5%
 - Cement sales volume growth of 14%
 - Continued penetration in rural markets
- EBITDA up by 3% at ₹ 1,478 crore
 - Prices improved marginally during the quarter
 - Gains from lower energy cost (27% YoY) and higher volumes
 - Partially offset by lower realisation on YoY basis

Capex

Capex plan

(₹ Cr.)

	Capex (Net of CWIP as on 01-04-16)	Cash Outflow		Capex spent - FY16
		FY17	FY18 Onward	
<u>Standalone</u>				
Vilayat Caustic Plant Brownfield expansion (144K TPA)	513			
VSF : Water supply augmentation & usage reduction 87	474			
Research & Development 76				
Environment 97				
Others 214				
Chemical capacity debottlenecking & VAPs	173			
VSF Expansion : Vilayat Residual Capex	143			
Chemical & Others	170			
Standalone Capex (A)	1,473	750	723	495
<u>Cement Subsidiary : UltraTech</u>				
Capacity expansion #	930			
Logistic Infrastructure	346			
RMC Business	106			
Modernisation, Plant Infrastructure, Upgradation etc.	2,228			
Cement Business Capex (B)	3,610	1,500	2,110	2,025
Capex (A + B)	5,083	2,250	2,833	2,520

Represents residual capex of brown field expansion projects already commissioned and Grinding units

VSF Business

- Price volatility expected to reduce
 - Limited capacity addition in China leading to higher operating rates
 - Cotton consumption higher than production in Season 15-16; shortfall to be met through auction in China
- Textile consumption in India expected to grow at higher rates, vis-à-vis global consumption
 - Supports VSF demand growth
- Continued focus on expanding domestic market through product development activities by the Company
 - Working closely with brands, designers and retailers to leverage benefits of Liva brand
 - Focus on increasing share of specialty products

Chemical Business

- Caustic demand in India expected to record continuous growth
 - Supported by growth in user industries like Textile, Aluminium, Soap and Detergent etc.
- Prices likely to remain stable despite slowdown in China
- Grasim's Caustic capacity to increase from 804K TPA to 1,048K TPA
 - 144K TPA Brownfield expansion at Vilayat
 - 100K TPA debottlenecking at various plants

Cement Business

- Cement demand expected to grow 7% - 8% for FY17
- Cement demand growth drivers :
 - Pick up in cement concrete roads
 - Development of ports
 - 'Housing for All' and rural housing
 - Higher demand from states – New capital city in A.P., development activities in U.P. and Punjab
 - Pre –election demand in several states
 - Gradual revival in housing demand linked to stable housing prices and seventh pay commission
- Prevailing draught conditions, slow execution of government projects and volatility in cement prices are concern areas

Thank You

Grasim Industries Limited

Annexure - Financials

Annexure

- Consolidated Financial Performance
- Standalone Financial Performance
- Balance sheet
- Profitability Trend
- Revenue & EBITDA Chart
- VSF Summary
- Chemical Summary
- Cement Summary
- Organisational Structure
- Plant Locations

Consolidated Financial Performance

				(₹ Cr.)		
	Quarter 4		%	Full Year		%
	2015-16	2014-15	Change	2015-16	2014-15	Change
Net Sales & Op. Income	10,001	8,817	13	36,637	32,838	12
Other Income	57	110	(48)	336	539	(38)
EBITDA	2,059	1,658	24	7,025	5,683	24
EBITDA Margin (%)	20.5%	18.6%		19.0%	17.0%	
Finance Cost	166	183	(9)	751	667	13
Depreciation	532	417	28	1,911	1,563	22
Earnings before Tax (Before exceptional item)	1,360	1,058	29	4,363	3,453	26
Exceptional item	(28)	(9)		(28)	(9)	
Earnings before Tax	1,333	1,049	27	4,335	3,443	26
Total Tax	376	326	15	1,211	1,016	19
PAT (Before Minority Share)	956	723	32	3,124	2,427	29
Add: Share in Profit of Associates	27	45	(39)	145	154	(6)
Less: Minority Share	288	261	10	911	838	9
PAT (After Minority Share)	696	507	37	2,359	1,744	35
EPS (After EI)	75	55	37	253	190	35
Cash Profit (Before Minority Share)	1,693	1,502	13	5,881	5,143	14

Q4 FY16 and FY16 not comparable with corresponding period due to amalgamation of ABCIL

Standalone Financial Performance

				(₹ Cr.)		
	Quarter 4		%	Full Year		%
	2015-16 [#]	2014-15	Change	2015-16 [#]	2014-15	Change
Net Sales & Op. Income	2,540	1,733	47	8,980	6,333	42
Other Income	28	51	(44)	282	348	(19)
EBITDA	493	180	174	1,860	1,013	84
EBITDA Margin (%)	19.2%	10.1%		20.1%	15.2%	
Finance Cost	27	13	105	147	39	275
Depreciation	129	84	53	447	263	70
Earnings before Tax (Before exceptional item)	338	82	310	1,266	711	78
Exceptional item	(29)	(26)		(29)	(26)	
Earnings before Tax	309	56		1,237	685	
Tax Expense	100	25	-	283	155	
PAT	209	31		953	530	
EPS (After EI)	22	3		102	58	
Cash Profit	407	167	144	1,643	976	68

Q4 FY16 and FY16 not comparable with corresponding period due to amalgamation of ABCIL

Balance Sheet

Standalone			Consolidated (₹ Cr.)	
31 st Mar'16	31 st Mar'15	EQUITY & LIABILITIES	31 st Mar'16	31 st Mar'15
12,370	11,183	Net Worth	25,831	23,140
-	-	Minority Interest	8,484	7,682
1,839	1,115	Borrowings	12,841	11,930
959	615	Deferred Tax Liability (Net)	4,226	3,410
1,815	1,452	Liabilities & Provisions	8,240	7,871
16,983	14,365	SOURCES OF FUNDS	59,622	54,033
ASSETS				
7,036	5,188	Net Fixed Assets	32,171	28,550
376	522	Capital WIP & Advances	2,342	3,507
-	-	Goodwill on Consolidation	3,374	3,283
		Investments		
2,636	2,636	Cement Subsidiary	-	-
1,436	1,096	Liquid Investments	7,913	5,790
1,615	1,618	Other Investments	1,781	1,465
3,884	3,305	Current Assets, Loans & Advances	12,042	11,439
16,983	14,365	APPLICATION OF FUNDS	59,622	54,033
403	-	Net Debt	4,928	6,140

Profitability Trend

	Standalone				Consolidated				(₹ Cr.)
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	
Net Turnover & Op. Income	5,255	5,604	6,333	8,980	27,909	29,324	32,838	36,637	
EBITDA	1,523	1,246	1,013	1,860	6,543	5,491	5,683	7,025	
EBITDA Margin (%)	26.8	20.8	15.2	20.1	22.9	18.4	17.0	19.0	
EBDT	1,484	1,205	974	1,713	6,219	5,044	5,016	6,274	
PAT # (After Minority Share)	1,022	896	556	982	2,500	2,072	1,753	2,387	
EPS (₹) #	111.3	97.5	60.5	105.2	272.3	225.5	190.8	255.5	
DPS (₹)	22.5	21.0	18.0	-	--	--	--	--	
ROAvCE (PBIT Basis - Excl. CWIP)(%)					18.4	12.1	10.5	11.2	
RONW (%) #					13.6	10.0	7.8	9.7	

before exceptional / extraordinary gain

Revenue Chart

(₹ Cr.)

Full Year			%	Quarter 4			%
2015-16	2014-15	Change		2015-16	2014-15	Change	
6,022	4,974	21	Viscose Staple Fibre	1,729	1,405	23	
3,436	1,701	102	Chemical	957	429	123	
96	89		Others	20	22		
(575)	(431)		Eliminations (Inter Segment)	(167)	(122)		
8,980	6,333	42	Standalone Net Revenue	2,540	1,733	47	
			<u>Subsidiaries</u>				
25,552	24,340	5	Cement	6,920	6,595	5	
421	464	(9)	Textiles	111	121	(8)	
2,093	2,072	1	Pulp JVs and Fibre JV (Pro Rata)	572	501	14	
(406)	(321)		Eliminations (Inter Company)/ Others	(140)	(86)		
27,660	26,555	4	Total for Subsidiaries & JVs	7,463	7,131	5	
36,637	32,838	12	Consolidated Net Revenue	10,001	8,817	13	

EBITDA – Chart

(₹ Cr.)

Full Year		%	EBIDTA	Quarter 4		%
2015-16	2014-15	Change		2015-16	2014-15	Change
924	465	99	Viscose Staple Fibre	267	97	176
747	292	156	Chemical	229	55	319
189	257		Others	(2)	29	
1,860	1,013	84	Standalone EBITDA	493	180	174
			<u>Subsidiaries</u>			
5,109	4,776	7	Cement	1,478	1,435	3
10	33	(71)	Textiles	7	10	(25)
188	(22)		Pulp JVs and Fibre JVs (Pro Rata)	75	33	
(142)	(116)		Eliminations (Inter Company)/Others	6	1	
5,165	4,670	11	Total for Subsidiaries & JVs	1,566	1,479	
7,025	5,683	24	Consolidated EBITDA	2,059	1,658	24

Viscose Staple Fibre : Summary

		Quarter 4		%	Full Year		%
		2015-16	2014-15	Change	2015-16	2014-15	Change
Capacity*	KTPA	125	117	6	498	434	15
Production (in '000s)	MT	124	111	11	464	408	14
Sales Volumes (in '000s)	MT	130	118	10	467	403	16
Net Revenue	₹ Cr.	1,729	1,405	23	6,022	4,974	21
EBITDA	₹ Cr.	267	97	176%	924	465	99
EBIT	₹ Cr.	203	39	421	695	305	128
Capital Employed (Incl. CWIP)	₹ Cr.	5,098	5,282	(3)	5,098	5,282	(3)
ROAvCE (Excl. CWIP)	%	16.8%	3.4%	--	14.2%	10.0%	--

* Operational capacity during the period

Chemical : Summary

		Quarter 4			Full Year		
		2015-16 [#]	2014-15	% Change	2015-16 [#]	2014-15	% Change
Capacity	KTPA	201	113	78	804	453	78
Production (in '000s)	MT	209	104	101	756	412	84
Sales Volumes (in '000s)	MT	204	105	95	763	409	86
Net Revenue	₹ Cr.	957	429	123	3,436	1,701	102
EBITDA	₹ Cr.	229	55	319	747	292	156
EBIT	₹ Cr.	170	31	439	546	198	176
Capital Employed (Incl. CWIP)	₹ Cr.	3,821	1,922	99	3,821	1,922	99
ROAvCE (Excl. CWIP)	%	18.3%	6.9%	--	19.7%	11.0%	--

Q4 FY16 and FY16 not comparable with corresponding period due to amalgamation of ABCIL

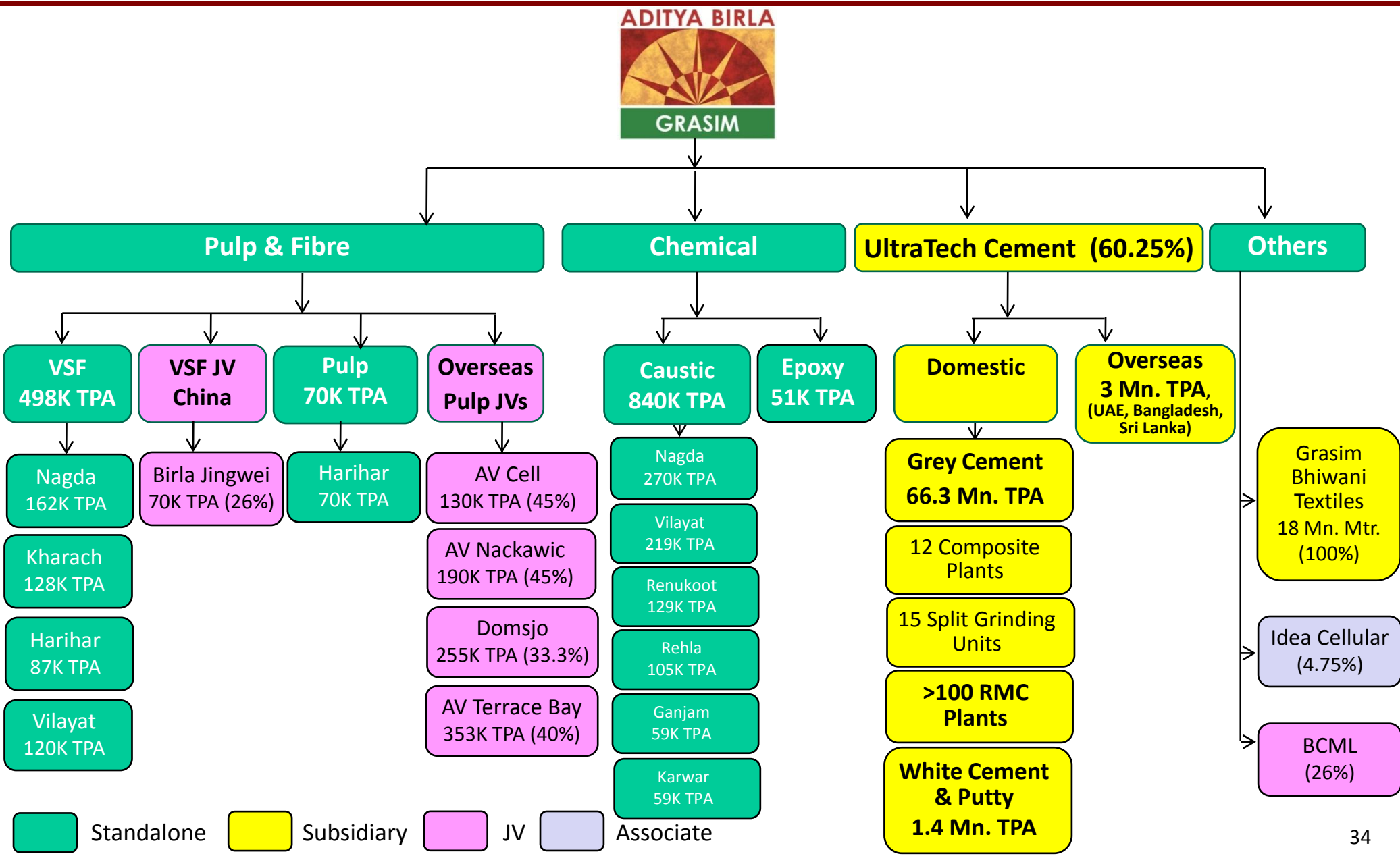
Cement : Summary

		Quarter 4		%	Full Year		%
		2015-16	2014-15	Change	2015-16	2014-15	Change
<u>Grey Cement</u>							
Capacity	Mn. TPA	16.91	15.79	7	67.65	63.15	7
Production	Mn. MT	14.25	12.46	14	50.57	46.71	8
Cement Sales Volumes ^{\$}	Mn. MT	14.31	12.52	14	50.88	47.09	8
Clinker Sales Volumes	Mn. MT	0.19	0.26		0.45	1.08	
<u>White Cement & Putty</u>							
Sales Volumes ^{\$\$}	Lac MT	3.85	3.52	9	13.12	12.24	7
Net Revenue	₹ Cr.	6,920	6,595	5	25,552	24,340	5
EBITDA	₹ Cr.	1,478	1,435	3	5,109	4,777	7
EBIT	₹ Cr.	1,101	1,129	(2)	3,741	3,572	5
Capital Employed (Incl. CWIP)	₹ Cr.	36,492	33,831	8	36,492	33,831	8
ROAvCE (Excl. CWIP)	%	14.1%	15.7%	--	12.0%	13.0%	--

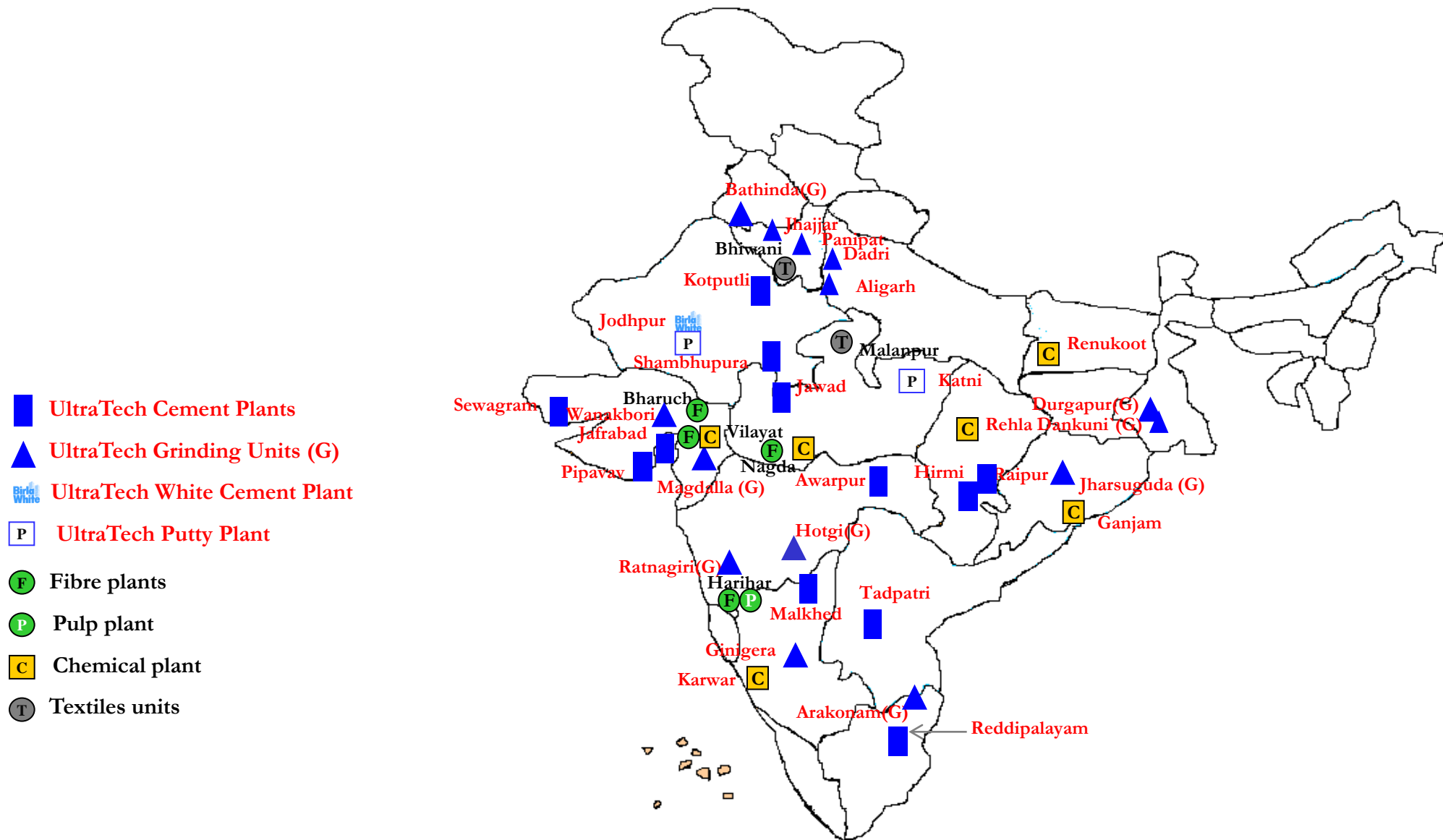
^{\$} Includes captive consumption for RMC

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

Grasim Group Structure



Plant Locations– Grasim & its subsidiaries



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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