ADITYA BIRLA

GRASIM

19th May 2017

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring,
Rotunda Building, P J Towers, Dalal Street,
Fort, Mumbai - 400 001

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400 051

Dear Sir,

Sub: Audited Annual Accounts of Grasim for the year ended 31st March 2017

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 2017, 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
President & Company Secretary

Encl. : as above

GRASIM INDUSTRIES LIMITED MUMBAI

Grasim Industries Limited
Aditya Birla Centre, 'A' wing, 2nd Floor, S.K. Ahire Marg, Worli, Mumbai 400 030, India
T: +91 22 6652 5000 / 2499 5000 | F: +91 22 6652 5114 / 2499 5114
E: grasimcfd@adityabirla.com | W: www.grasim.com | CIN: L17124MP1947PLC000410
Regd. Office : P.O. Birlagram, Nagda – 456 331 (M.P.)

Quarterly Performance Review
Quarter 4 : 2016-17

Mumbai, 19th May, 2017

Grasim Industries Limited

Building, Consolidating, Growing

Contents

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 (Excluding Capital Work In Progress), RONW : Return on Net Worth
Revenue is net of excise unless stated otherwise, EBITDA Margin = EBITDA / (Revenue + Other Income) * 100
Financials from FY16 onwards are as per Ind AS

ADITYA BIRLA GRASIM

Indian Economy

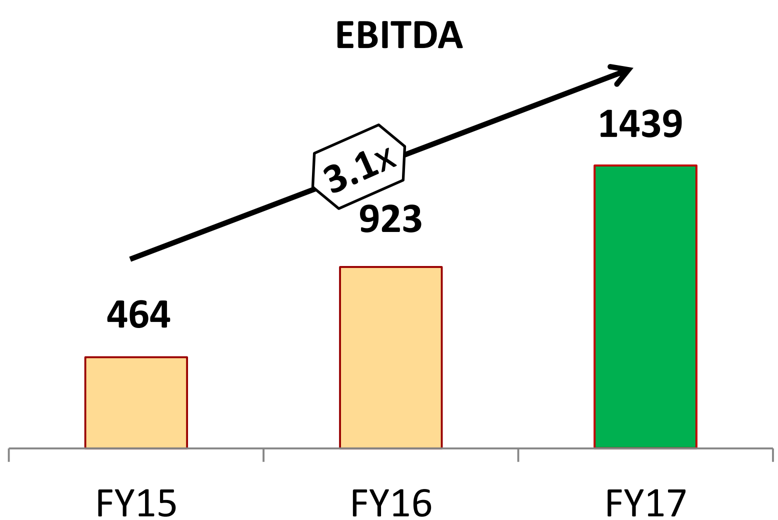
- Indian economy to be the fastest growing economy in the world in FY18
  - IMF forecasts India's growth at 7.2% in FY18 (7.1% advanced estimates in FY17)
- Impact of demonetization on the economy seems to be over
  - Manufacturing PMI increases to 5 months high of 52.5 in March'17
  - Domestic consumption started to normalize as the effect of currency replacement is waning
- Migration to GST likely to be game changer for the economy in long term
- The external environment has turned supportive of growth
  - Export growth has improved during the quarter
  - FDI flows are near an all-time high level
- Expectations of normal monsoon coupled with continuous focus on reforms by the Government augurs well for the economy

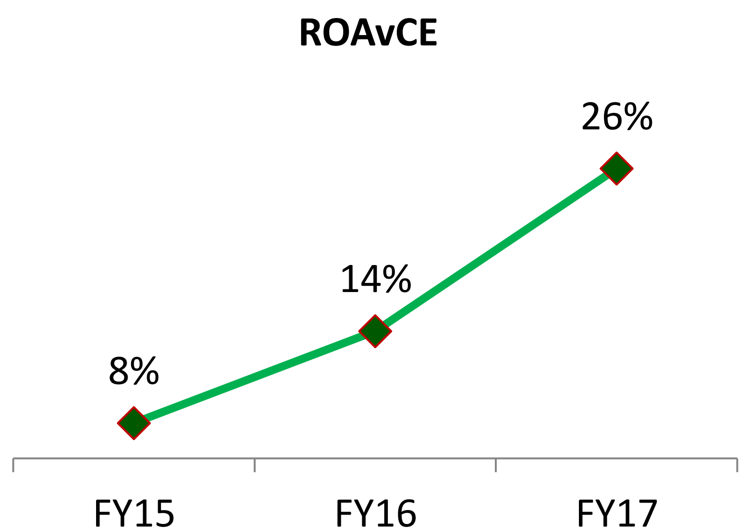
Highlights – Quarter 4

VSF Business
Leading Global Player

Stellar performance on the back of strong sales volume supported by firm prices in the international markets

Sales Volume	Revenue	EBITDA
133K Tons	₹ 1,945 Cr.	₹ 345 Cr.
Up 2% YoY	Up 12% YoY	Up 30% YoY





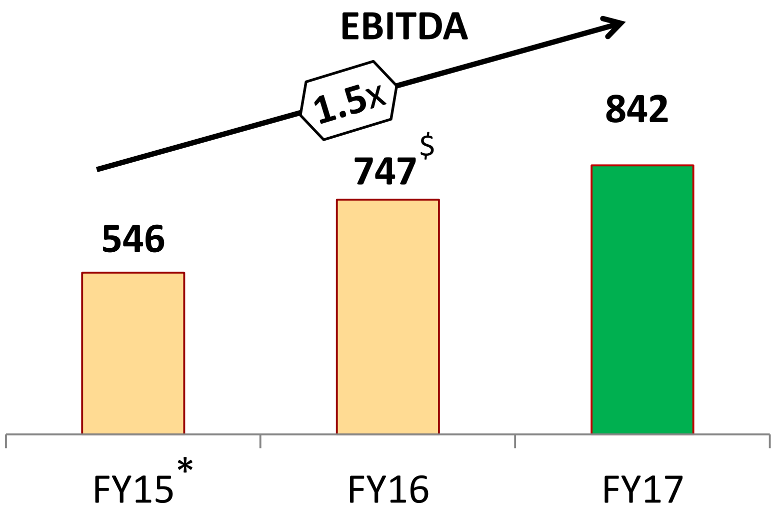
Return ratios almost doubled in FY17 led by sharp rise in profitability

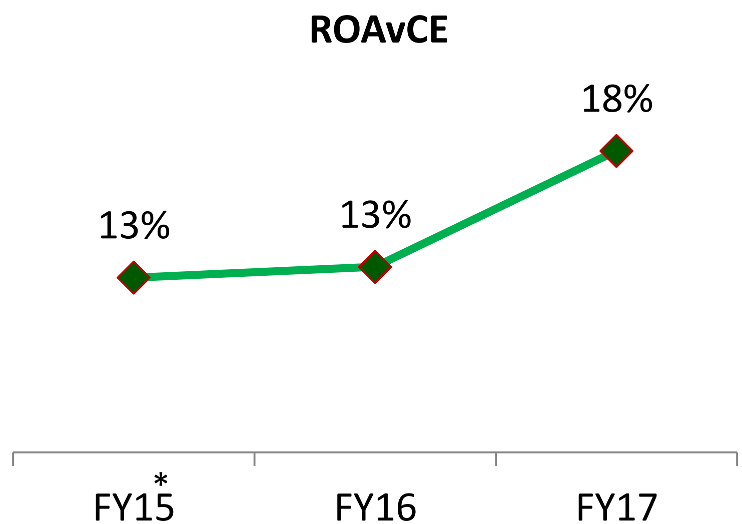
Highlights – Quarter 4

Chemical Business
Largest Chlor-Alkali Producer in India

- Increased chlorine supply upon commencement of new capacity in industry during the year limited Caustic production
- Continued focus on Chlorine Value Added Products yielding results (Volume up 33%)

Caustic Sales Volume	Revenue	EBITDA
194K Tons	₹ 1,068 Cr.	₹ 211 Cr.
Down 6% YoY	Up 11% YoY	Down 8% YoY





$ On like to like basis

** Includes ABCIL which was merged w.e.f. 1st April'15*

Continuous improvement in Profitability and ROAvCE

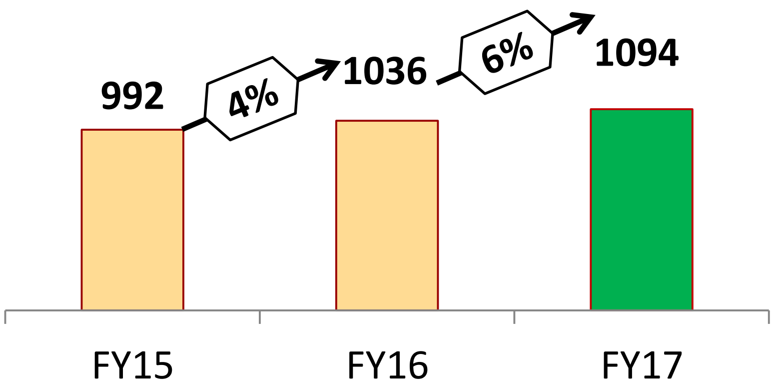
Highlights – Quarter 4

Cement Business
India's Largest Cement Company

- Possibly the weakest fourth quarter in years, normally the best quarter for Cement industry
- UltraTech's domestic capacity utilisation at 82% vs. < 70% that of Industry

Sales Volume	Revenue	EBITDA
14.7 Mn. Tons	₹ 7,020 Cr.	₹ 1,439 Cr.*
Up 2% YoY	Up 3% YoY	Down 10% YoY

EBITDA/Ton (₹)



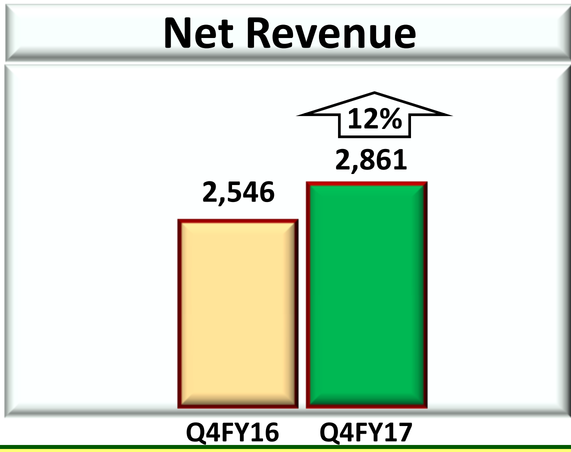
Increased in EBITDA / ton Led by Cost Efficiency

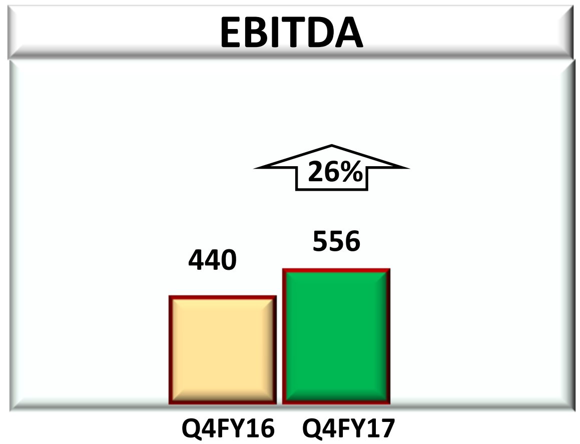
* Excluding ₹ 138 Cr. provisions write back, no longer required

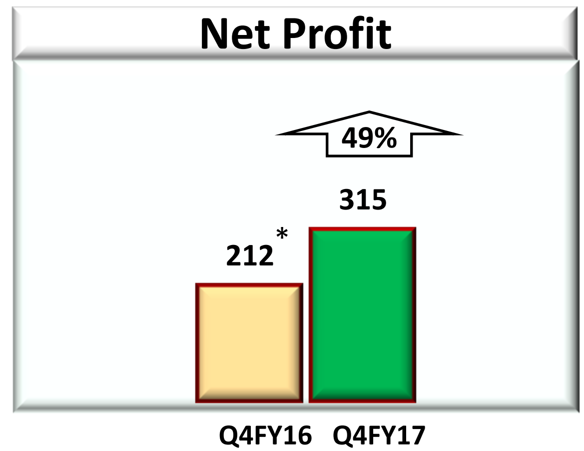
Financial Performance – Quarter 4

Standalone

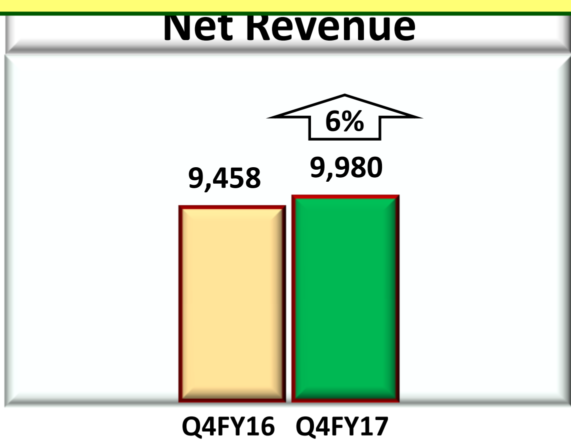
₹ Cr.

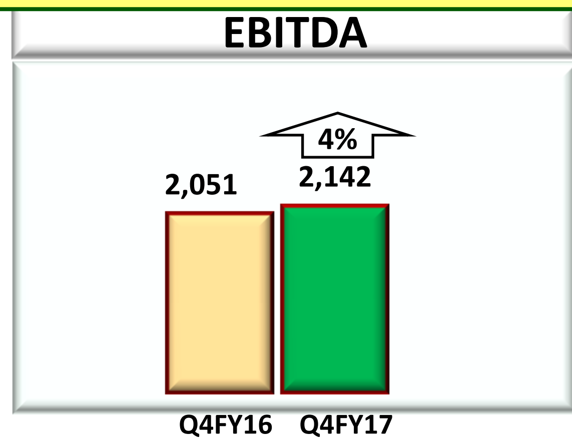


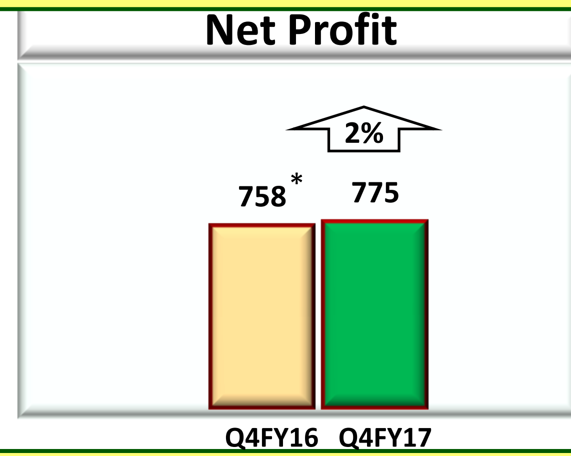




Consolidated







All-Round Growth in Revenue, EBITDA and Net Profit

* Excluding Exceptional item

Performance in Perspective

- VSF Business
  - Sales volume up by 25% over last two financial years with speedy ramp up of Vilayat project
    - Increase in share of specialty fibre, leveraging brand Liva to increase usage of VSF in domestic market
  - Continuous improvement in operating efficiencies leading to ₹ 1 bn in savings
    - Reduction in consumption ratio in two years : Steam 7%, Power 4%, Caustic 2% and Sulphur 6%
  - Focus on sustainability - Significant reduction in water consumption

- Fibre and Pulp JVs
  - Turnaround in Pulp and Fibre JVs – Profit of Rs. 134 Cr. in FY17 as against loss of Rs. 111 Cr. in FY15 (Grasim's share)
  - BJFC – Achieved highest ever profits of ₹ 36 Cr., sizeable reduction in consumption ratio
  - Achieved cash break even in AV Terrace Bay

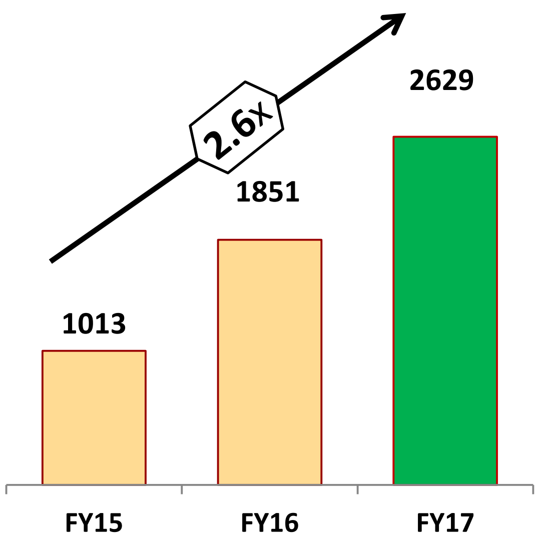
- Chemical Business
  - Sales volume almost doubled over last two financial years
    - Acquisition of ABCIL and successful integration, ramp up of existing and acquired units
  - Augmentation of Value added products (VAPs) portfolio leading to unhindered Caustic production

FY17 : Robust Growth Continues at Standalone.....

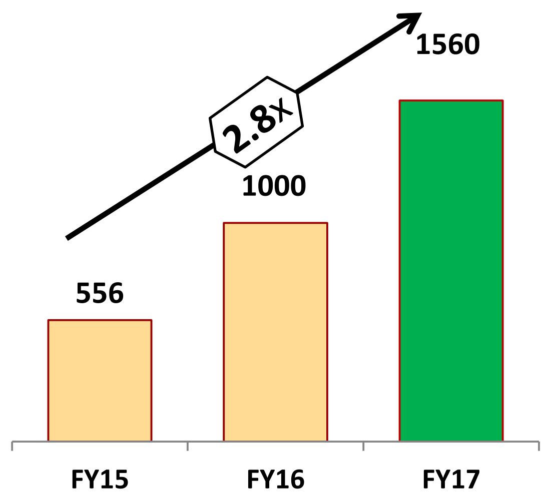
Standalone

₹ Cr.

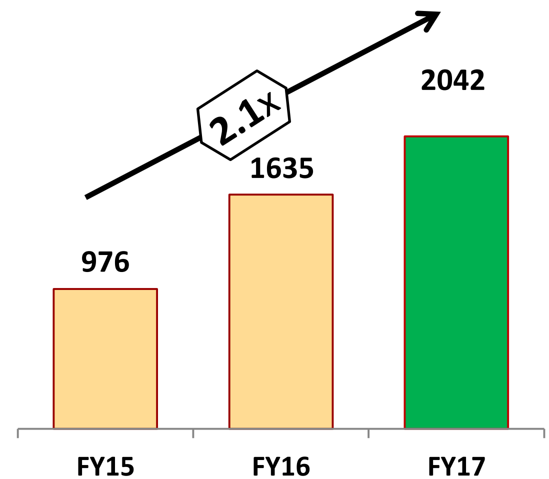
EBITDA



Net Profit



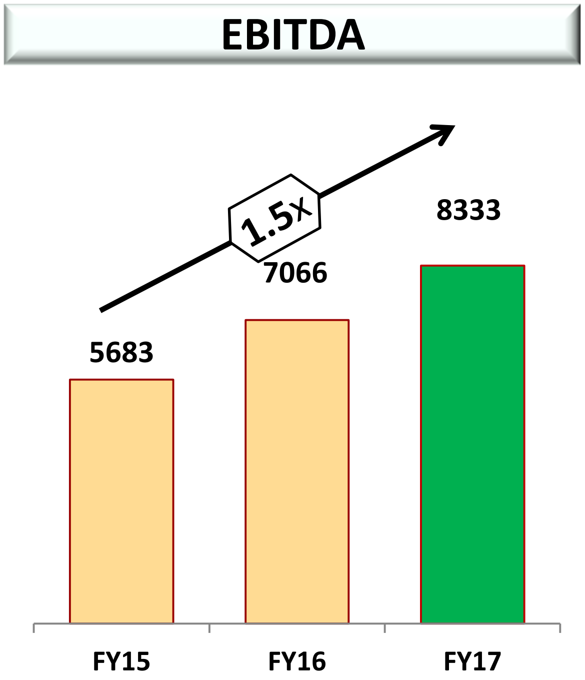
Cash Profit

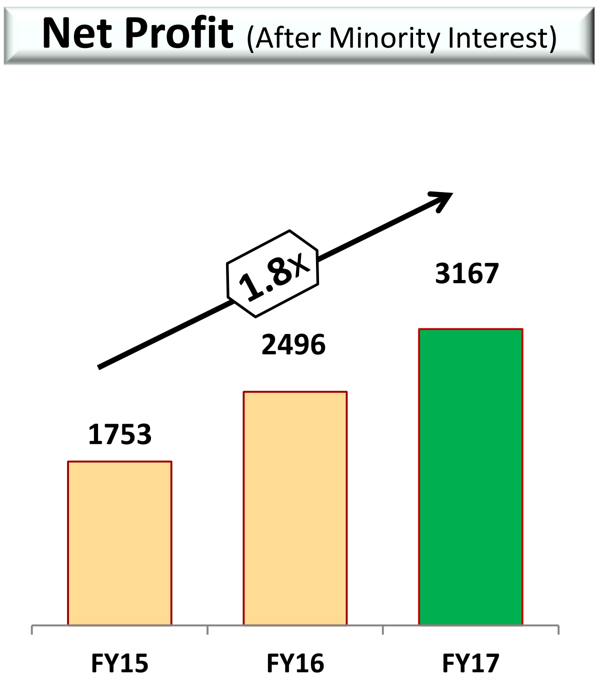


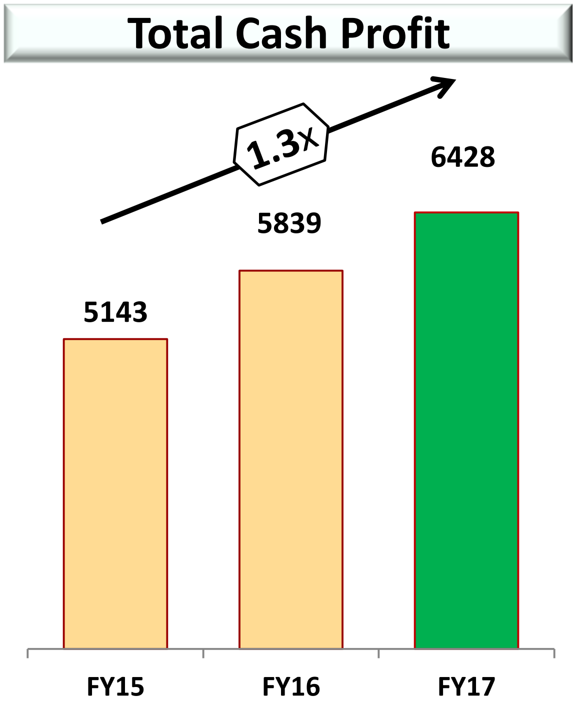
….. As Well as at Consolidated level

Consolidated

₹ Cr.

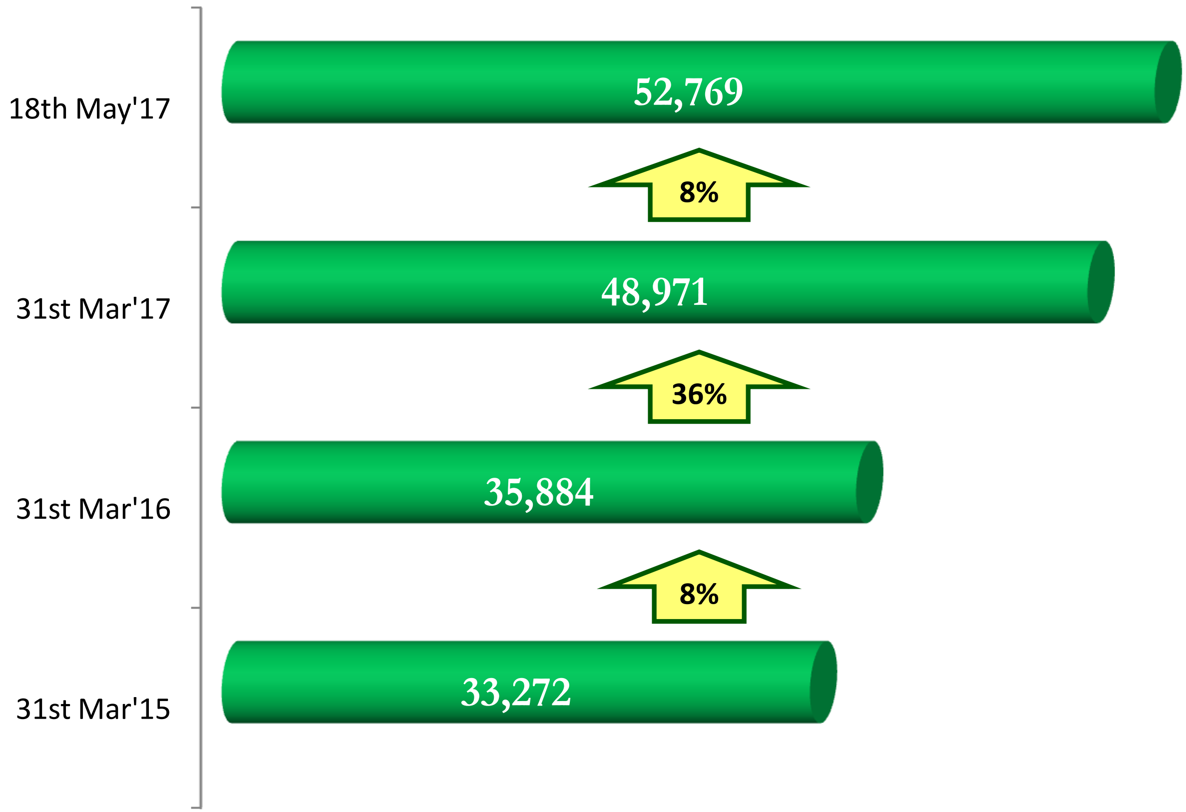






…Resulting into Wealth Creation for Shareholders

Market Cap (₹ Cr.)



* Source : Bloomberg

Strong Financial Ratios

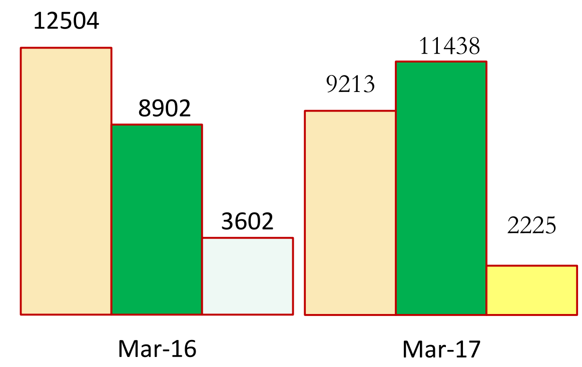
₹ Cr.

Consolidated Financial Ratios

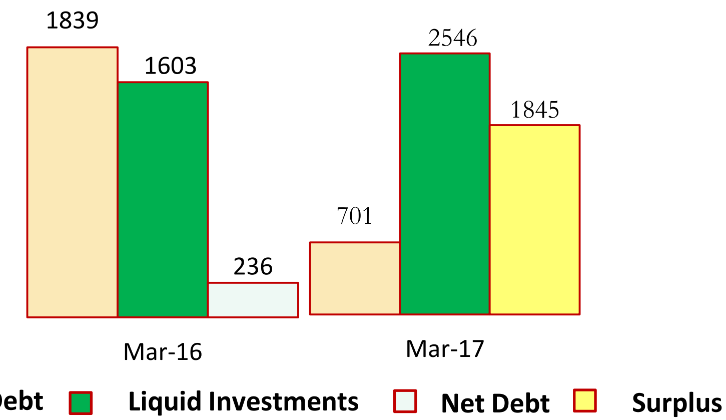
	Consolidated 3/31/2016	Consolidated 3/31/2017
Debt:Equity (x)	0.35	0.22
Net Debt: Equity (x)	0.10	- *
Net Debt / EBITDA	0.51	- *
ROAvCE (%) (Excluding CWIP)	11.3	12.8
RONW (%)	9.6	10.8

* Zero net debt as on 31.3.2017; Net cash surplus is ₹ 2,225 Cr.

Consolidated Debt / Surplus



Standalone Debt / Surplus

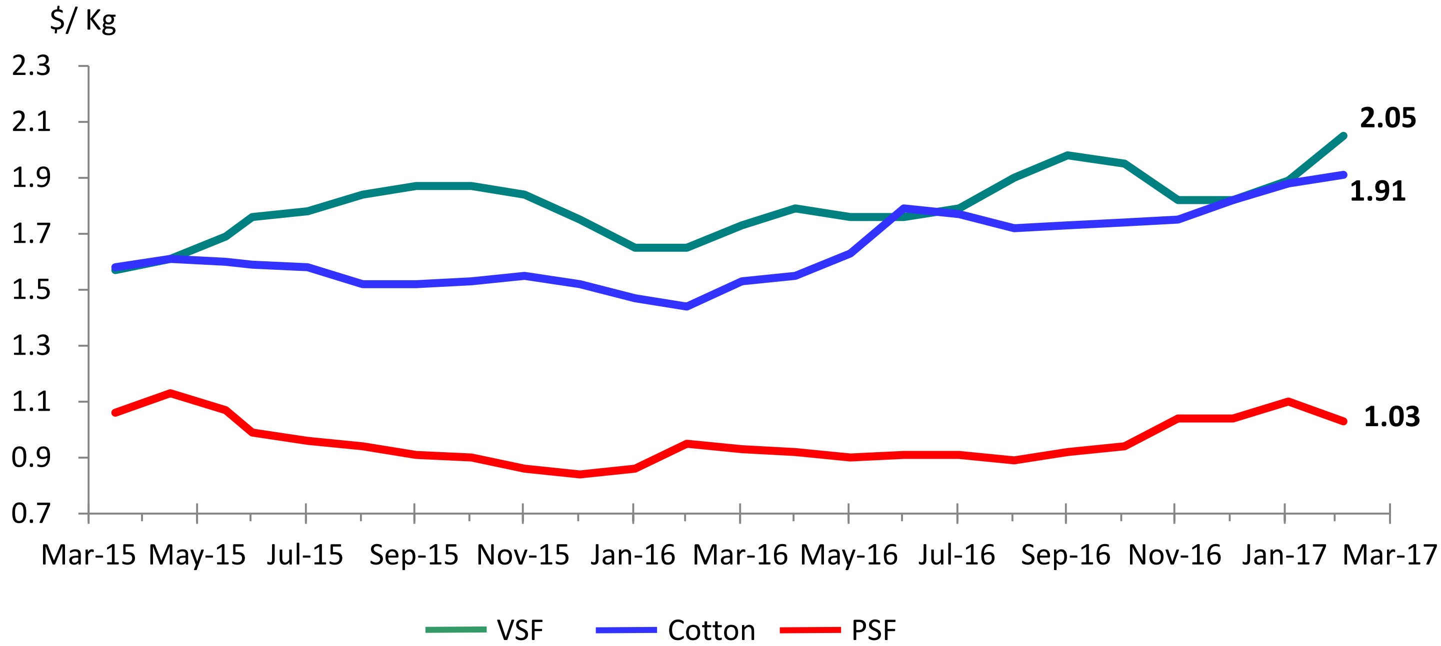


Strong Balance Sheet – Robust Financial Ratios

Business Performance

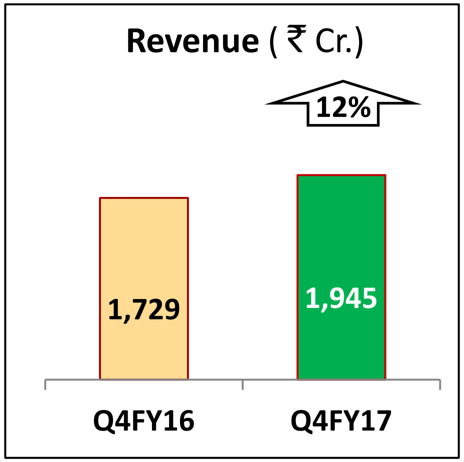
- VSF
- Chemical
- Cement

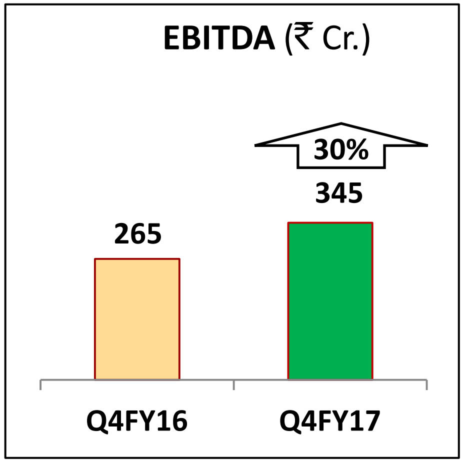
International Fibre Price Trend

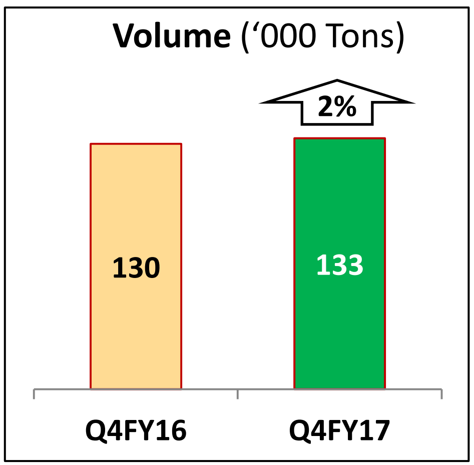


- VSF : Prices witnessed recovery during the quarter
- Cotton : Prices firmed up driven by good demand
- PSF : Prices remained steady during the quarter, decline in March in line with crude prices

VSF : Performance

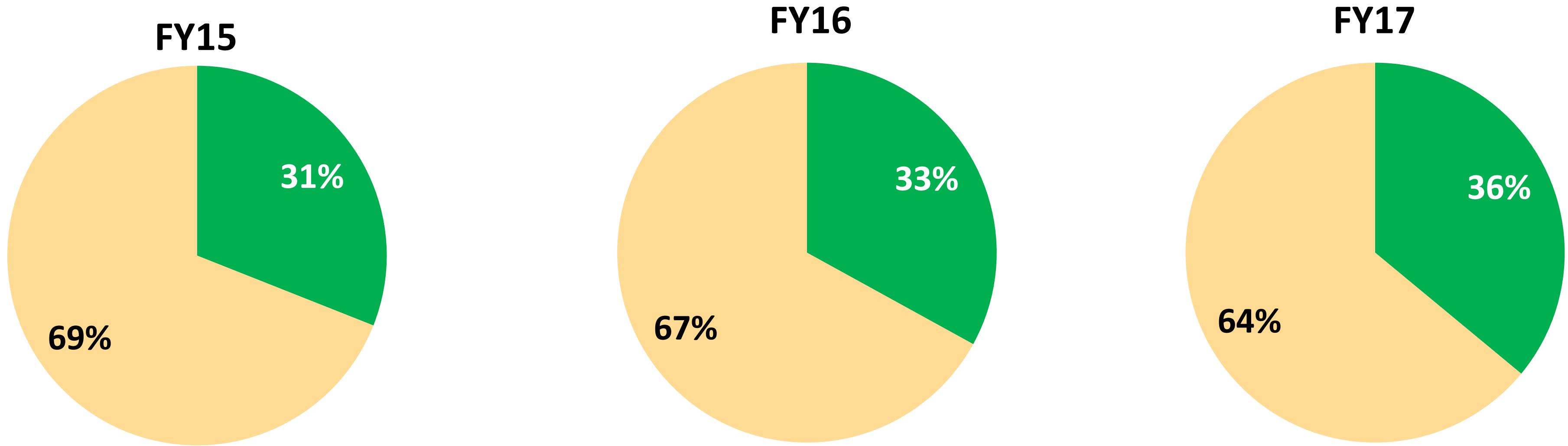






- Volumes were up by 2% YoY
  - Operating at full capacity
  - Domestic markets recovered from demonetisation effect
- Realisation were up 11% YoY
  - Increase in global prices
  - Rising pulp prices
- EBITDA up by 30% at ₹ 345 Cr.
  - Higher realisation
  - Improvement in operating efficiencies
  - Partially offset by higher pulp and energy cost, though international prices are softening
- Operations at Captive Pulp plant at Harihar suspended from February'17 due to water shortage
  - Will resume operations upon onset of Monsoon
  - Operations of VSF plant remained unaffected with external supplies

Increasing share of Specialty Fibre



Volume : 403K Tons	Volume : 467K Tons	Volume : 498K Tons

Increasing Share of Specialty Fibre on Higher Volumes

Liva Brand : Creating Pull

- The high quality fabrics made using natural cellulosic fibres delivered through an accredited value chain

Liva Accredited Partner Forum

- Partners assessed for their ability to deliver on Liva promise
- Liva norms defined and shared
  - Liva percentage in yarn/ fabric/ garment defined to qualify
  - Quality norms
- Ensures capacity readiness, Liva usage and consistent flow through volumes, linking different parts of the fragmented garment supply chain
- Periodic audits to ensure adherence to norms

 # Reach

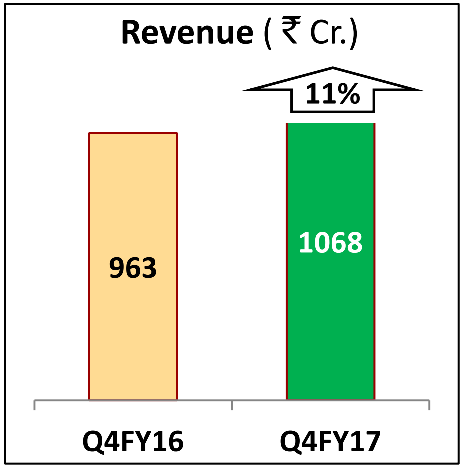
AW'15	AW'16	SS'17
16 Brands	29 Brands	34 Brands
1400 stores	2700 stores	2500 stores + 10000 category stores
105 cities	160 cities	189 cities

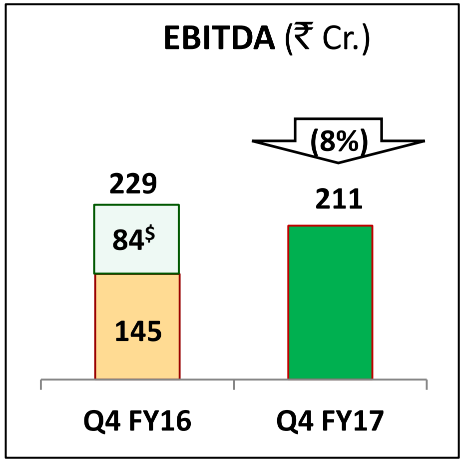
#AW: Autumn-Winter; SS: Spring-Summer

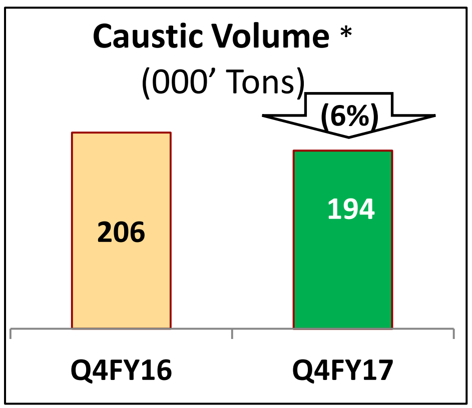
 # Higher Sales

AW'15	AW'16	SS'17
21 Lacs Garments	85 Lacs Garments	128 Lacs Garments

Chemical : Performance





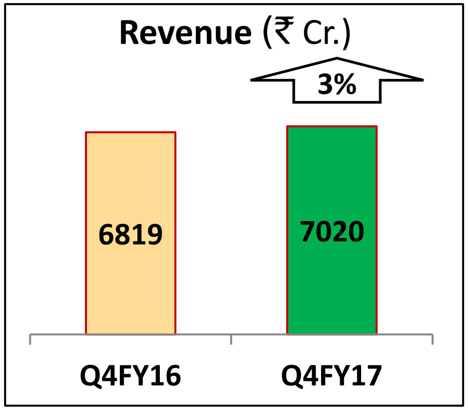


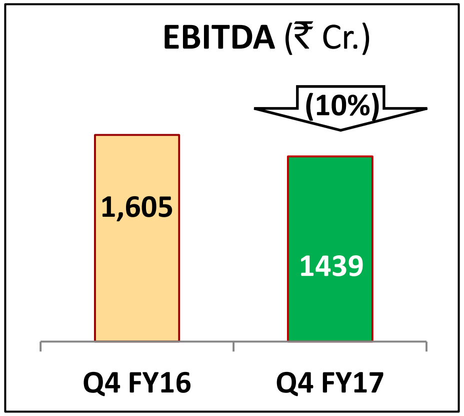
* Includes captive consumption

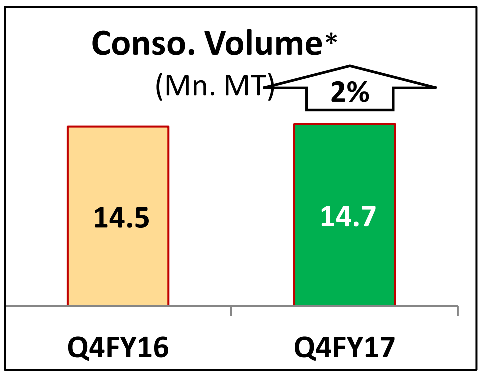
$ Non recurring expenses related to Stamp duty provision of ₹ 84 Cr. for ABCIL assets transfer, charged to P&L as per IND AS. This has been added back in EBITDA for better comparison

- Volume down by 6% YoY
  - Caustic Soda production impacted due to lower Chlorine offtake
- ECU realisation maintained
  - Higher Caustic prices offset by negative Chlorine realisation
  - Chlorine realisation continues to remain under pressure
- EBITDA down 8% (on like to like basis)
  - Increase in power cost due to higher coal prices and SEB rate
  - Impact of lower caustic volume partially offset by 33% higher volumes of Chlorine VAPs
- Caustic capacity to increase from 840K TPA to 1,048K TPA in FY18
  - Civil work begun at Vilayat brownfield expansion
  - Expected to be commissioned by Q4 FY18
  - Phosphoric Acid capacity to double from 25K MT to 54K MT by 2nd half of FY18

Cement : Performance







* Includes captive consumption for RMC and clinker volume

- Volume up by 2% despite industry witnessing subdued housing demand
  - Increased in sales from UltraTech Building Solutions stores (volume share up by 20%)
  - Continued thrust on retail market
- Manufacturing cost increase restricted to 13%, despite increase in energy cost by 23% YoY
  - Increase in pet coke prices by 55% offset by
    - Enhanced share of power from waste heat recovery
    - Reduced power consumption
    - Use of industrial waste over coal
- Increase in logistic cost by only 1% against diesel prices hike of 27% YoY
  - Increased use of sea route
  - Increase in supply from new grinding units
- EBITDA at ₹ 1,439 Cr.$ (on like to like basis)

$ Excludes provision write back of ₹ 138 Cr., being no longer required

Capex

Capex plan

(₹ Cr.)

	Capex (Net of CWIP as on 01-04-17)	Cash Outflow		Capex spent - FY17
		FY18	FY19 Onward	
Standalone				
Vilayat Caustic Plant Brownfield expansion (144K TPA)	442			
VSF : Water supply augmentation & usage reduction, Research & Development, Environment and Other normal capex	294			
Chemical capacity debottlenecking (64K TPA) & VAPs	110			
VSF Expansion : Vilayat Residual capex #	115			
Chemical & Others : Normal capex	84			
Standalone Capex (A)	**1,045**	**850**	**195**	**438**
Cement Subsidiary : UltraTech				
Capacity expansion	2716			
Modernisation, Plant Infrastructure, Environment, Upgradation, logistic infra etc.	2,066			
Cement Business Capex (B)	**4,782**	**2,190**	**2,592**	**1,239**
Capex (A + B)	**5,827**	**3,040**	**2,787**	**1,677**

Merger of Aditya Birla Nuvo Limited (ABNL)

Amalgamation of ABNL into Grasim

- Highlights of the merger:
  - Creates a large combination of manufacturing and service businesses commanding leadership positions across Cement, Financial Services, Telecom, Textiles and Chemicals sectors
  - Grasim to have fast growing sectors such as financial services and telecom under its fold
  - Financial Services business to grow faster under Grasim's strong parentage
  - Listing of Financial Services business to unlock value for all the shareholders
  - ABNL's shareholders to participate in Grasim's steady cash generating businesses while enabling its growth businesses to expand at a faster pace
  - Consolidates common businesses and investments of Grasim and ABNL

- Update on the Scheme
  - Approvals received from shareholders and creditors of the Company
  - The Scheme is subject to sanction of NCLT and final approval from the Stock Exchanges
  - The Scheme under implementation is expected to be effective by Q2 FY18

Strong Financials Post Merger

(₹ Cr.)

	Grasim FY17		Aditya Birla Nuvo FY17		Aggregate Proforma Financials FY17
Net Revenue	36,053	+	14,408	=	50,461
EBITDA	8,333	+	1,650	=	9,983
PAT (After MI)	3,167	+	908	=	4,075
Net Debt/ (Surplus) (As on 31.3.17)	(2,225)	+	1,992	=	(233)
Net Debt to EBITDA	NA	+	1.2	=	NA

EBITDA for ABNL has been adjusted for finance cost of NBFC

Business Outlook

VSF Business

- Business outlook expected to remain stable
  - No major capacity addition expected in next 12-18 months globally
  - However, short term variations likely in utilisation level and pricing
- Cotton consumption projected to be higher than production, in season 16-17
- Apparel sales growth higher in India (~9%) vis-à-vis global average (~4%)
  - Augurs well for domestic VSF demand
- Continued focus on expanding usage and application of VSF in domestic textile market
  - Better customer connect through brand Liva with sharp increase in Liva tagged garment sales
  - Recently launched brand Liva Crème, a premium variant based on our specialty products (Modal, Micro Modal)
  - Partnering with textile value chain through Liva Accredited Partnership Forum
  - The Company is in the process of debottlenecking of its plants to meet growing demand

Business Outlook

Chemical Business

- Caustic demand in India expected to record stable growth
  - Supported by growth in user industries like Textile, Aluminium, Paper, Soap and Detergent etc.
- Increase in Caustic supply expected on account of new capacity additions in the industry
  - May create temporary imbalance in the demand supply

Cement Business

- Favourable factors for demand growth :
  - Affordable housing and interest subvention scheme
  - Infrastructure growth
  - Improving demand sentiments in Southern Markets
  - Bettering of rural housing due to improved rural cash flows
- Challenging Factors :
  - Slow growth of urban housings and private sector capex
  - Industry capacity utilisation at 70%
  - Increase in fuel costs affecting operating margins

Thank You

Grasim Industries Limited

Annexure - Financials

Annexure

- Consolidated Financial Performance
- Standalone Financial Performance
- Balance sheet
- VSF Summary
- Chemical Summary
- Cement Summary
- Organisational Structure
- Plant Locations

Consolidated Financial Performance

(₹ Cr.)

	Quarter 4 2016-17	Quarter 4 2015-16	% Change	Full Year 2016-17	Full Year 2015-16	% Change
Net Sales & Op. Income	**9,980**	9,458	6	**36,053**	34,490	5
Other Income	**269**	197	36	**948**	662	43
EBITDA	**2,142**	2,051	4	**8,333**	7,066	18
EBITDA Margin (%)	**20.9%**	21.2%		**22.5%**	20.1%	
Finance Cost	**176**	157	13	**702**	718	(2)
Depreciation	**472**	508	(7)	**1,808**	1,834	(1)
Share in Profit of JVs & Associates	**(1)**	55		**129**	193	(33)
Exceptional item		(28)		**-**	(28)	
Earnings before Tax	**1,493**	1,414	6	**5,952**	4,679	27
Total Tax	**429**	358	20	**1,707**	1,225	39
PAT	**1,064**	1,056	1	**4,246**	3,455	23
Less: Minority Interest	**289**	326	(11)	**1,078**	987	9
PAT (After Minority Interest & EI)	**775**	730	6	**3,167**	2,468	28
Other Comprehensive Income (after tax)	**418**	(100)		**952**	210	
Total Comprehensive Income (after tax)	**1,193**	630	89	**4,119**	2,678	54
EPS	**16.6**	15.6	6	**67.8**	52.8	28
Cash Profit (Before Minority Share)	**1,646**	1,526	8	**6,428**	5,839	10

Standalone Financial Performance

(₹ Cr.)

	Quarter 4 2016-17	Quarter 4 2015-16	% Change	Full Year 2016-17	Full Year 2015-16	% Change
Net Sales & Op. Income	**2,861**	2,546	12	**10,331**	8,972	15
Other Income	**30**	57	(47)	**474**	358	32
EBITDA	**556**	440	26	**2,629**	1,851	42
EBITDA Margin (%)	**19.2%**	16.9%		**24.3%**	19.8%	
Finance Cost	**8**	27	(69)	**58**	147	(61)
Depreciation	**113**	126	(10)	**446**	445	0
Earnings before Tax (Before exceptional item)	**434**	288	51	**2,125**	1,259	69
Exceptional item		(29)		**-**	(29)	
Earnings before Tax	**434**	259	68	**2,125**	1,230	73
Tax Expense	**119**	76	56	**565**	259	118
PAT	**315**	183	73	**1,560**	971	61
Other Comprehensive Income (after tax)	**452**	(173)		**1,012**	92	
Total Comprehensive Income (after tax)	**767**	10		**2,572**	1,062	
EPS	**6.8**	3.9	73	**33.4**	20.8	61
Cash Profit	**408**	355	15	**2,042**	1,635	25

Balance Sheet

(₹ Cr.)

Standalone 31st Mar'17	Standalone 31st Mar'16	EQUITY & LIABILITIES	Consolidated 31st Mar'17	Consolidated 31st Mar'16
16,231	13,872	Net Worth	**31,387**	27,429
-	-	Minority Interest	**9,702**	8,729
701	1,839	Borrowings	**9,213**	12,504
663	494	Deferred Tax Liability (Net)	**3,518**	3,025
2,256	1,591	Liabilities & Provisions	**8,927**	7,889
19,851	17,796	SOURCES OF FUNDS	**62,747**	59,576
		ASSETS		
6,887	6,963	Net Fixed Assets	**31,793**	31,256
430	376	Capital WIP & Advances	**1,650**	2,294
-	-	Goodwill on Consolidation	**2,994**	3,016
		Investments		
2,636	2,636	Cement Subsidiary	**-**	-
2,546	1,603	Liquid Investments	**11,438**	8,902
3,814	2,861	Other Investments	**4,992**	3,893
6,174	5,994	Current Assets, Loans & Advances	**9,880**	10,215
19,851	17,796	APPLICATION OF FUNDS	**62,747**	59,576
(1,845)	236	Net Debt / (Surplus)	**(2,225)**	3,602

Viscose Staple Fibre : Summary

		Quarter 4 2016-17	Quarter 4 2015-16	% Change	Full Year 2016-17	Full Year 2015-16	% Change
Capacity	KTPA	**125**	125	-	**498**	498	-
Production (in '000s)	MT	**120**	124	(3)	**493**	464	6
Sales Volumes (in '000s)	MT	**133**	130	2	**500**	467	7
Net Revenue	₹ Cr.	**1,945**	1,729	12	**7,101**	6,022	18
EBITDA	₹ Cr.	**345**	265	30	**1,439**	923	56
EBITDA Margin	%	**17.8%**	15.2%	--	**20.2%**	15.2%	--
EBIT	₹ Cr.	**284**	201	41	**1,206**	694	74
Capital Employed (Incl. CWIP)	₹ Cr.	**4,725**	5,102	(7)	**4,725**	5,102	(7)
ROAvCE (Excl. CWIP)	%	**24.5%**	16.6%	--	**26.1%**	14.0%	--

Chemical : Summary

		Quarter 4 2016-17	Quarter 4 2015-16*	% Change	Full Year 2016-17	Full Year 2015-16*	% Change
Capacity	KTPA	**210**	201	4	**840**	804	4
Production (in '000s)	MT	**197**	208	(5)	**780**	756	3
Sales Volumes (in '000s)	MT	**194**	206	(6)	**784**	768	2
Net Revenue	₹ Cr.	**1,068**	963	11	**3,813**	3,429	11
EBITDA	₹ Cr.	**211**	229	(8)	**842**	747	13
EBITDA Margin	%	**19.7%**	23.8%	--	**22.0%**	21.8%	--
EBIT	₹ Cr.	**161**	171	(5)	**642**	546	17
Capital Employed (Incl. CWIP)	₹ Cr.	**3,778**	3,738	1	**3,778**	3,738	1
ROAvCE (Excl. CWIP)	%	**18.1%**	18.7%	--	**17.7%**	15.4%	--

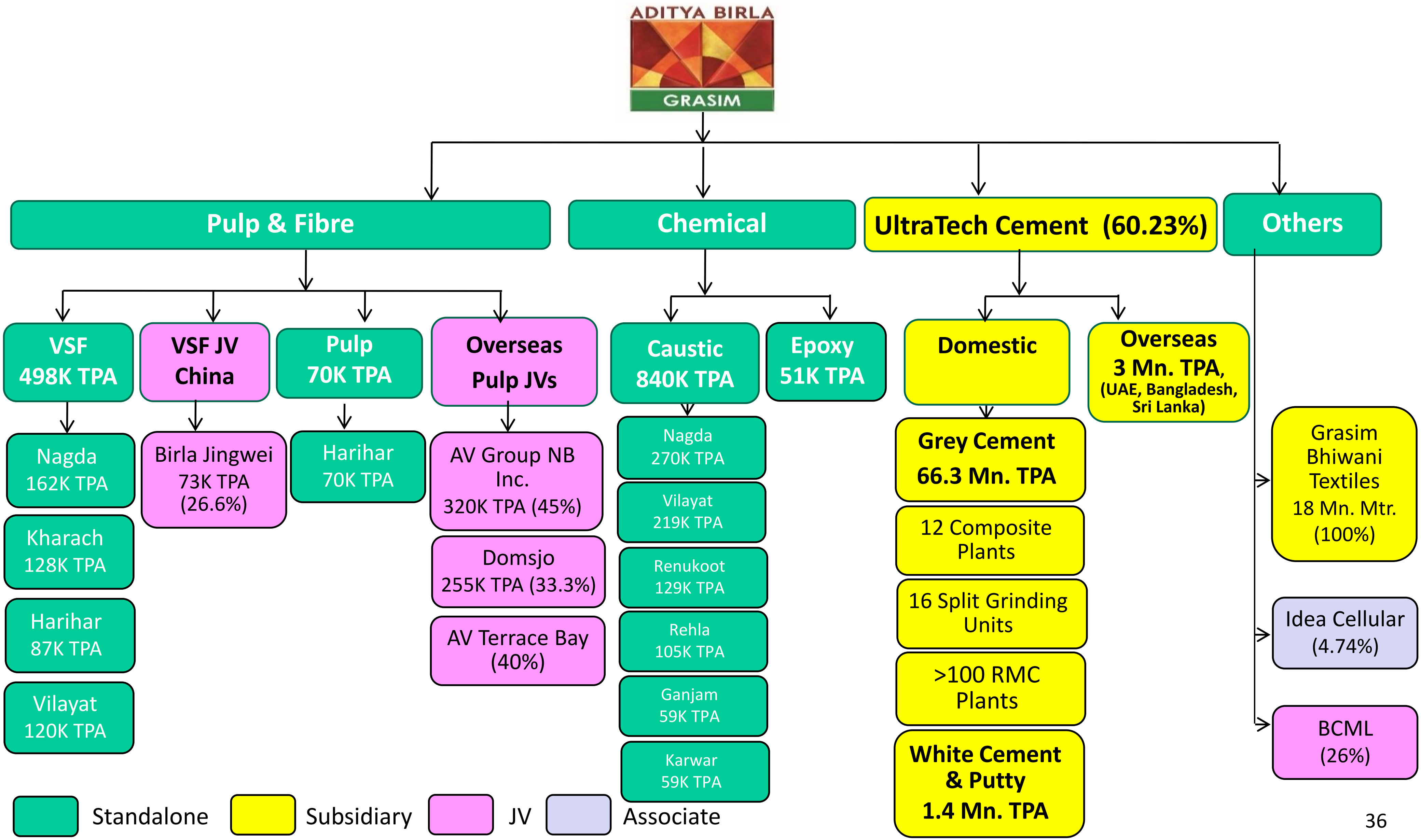
* Non recurring expenses related to Stamp duty provision of ₹ 84 Cr. for ABCIL assets transfer, charged to P&L as per IND AS. This has been added back in EBITDA for better comparison

Cement : Summary

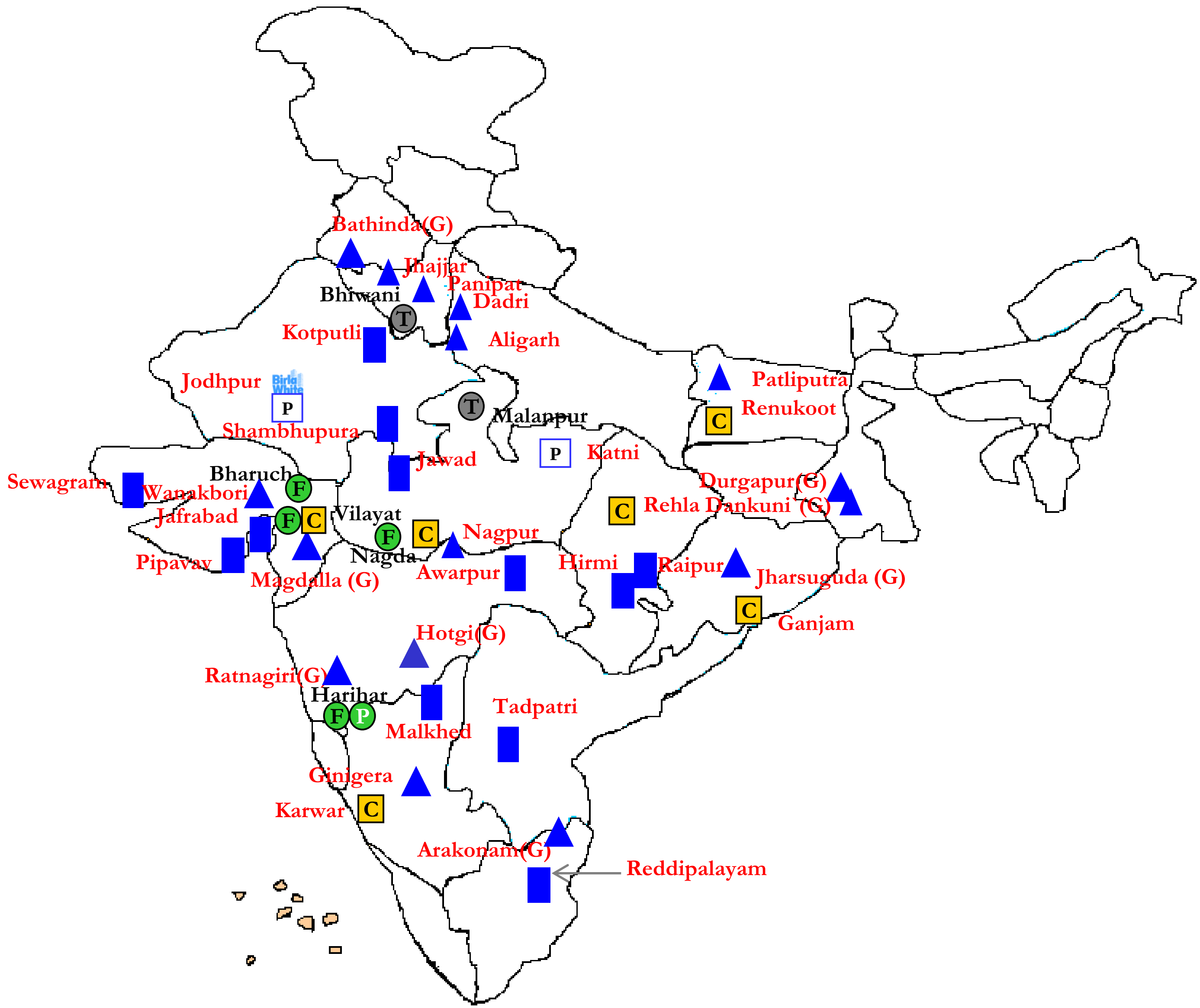
		Quarter 4 2016-17	Quarter 4 2015-16	% Change	Full Year 2016-17	Full Year 2015-16	% Change
Grey Cement							
Capacity	Mn. TPA	**17.56**	16.51	6	**70.25**	66.05	6
Production	Mn. MT	**14.40**	14.25	1	**51.00**	50.57	1
Sales Volumes $	Mn. MT	**14.73**	14.50	2	**52.40**	51.33	2
White Cement & Putty							
Sales Volumes $$	Lac MT	**3.86**	3.85	-	**13.18**	13.12	-
Net Revenue	₹ Cr.	**7,020**	6,819	3	**25,375**	25,153	1
EBITDA	₹ Cr.	**1,577**	1,605	(2)	**5,861**	5,365	9
EBITDA Margin	%	**22.2%**	23.2%	--	**22.7%**	21.1%	--
EBIT	₹ Cr.	**1,221**	1,226	-	**4,512**	3,988	13
Capital Employed (Incl. CWIP)	₹ Cr.	**36,734**	36,114	2	**36,734**	36,114	2
ROAvCE (Excl. CWIP)	%	**14.1%**	15.3%	--	**13.2%**	12.8%	--

$ Includes captive consumption for RMC and clinker volume

Grasim Group Structure



Plant Locations– Grasim & Its subsidiaries



- UltraTech Cement Plants
- UltraTech Grinding Units (G)
- UltraTech White Cement Plant
- P UltraTech Putty Plant
- F Fibre plants
- P Pulp plant
- C Chemical plant
- T Textiles units

Not to scale

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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