Ref No. GIL/CFD/SEC/20/203/SE

BSE Limited
Dalal Street,
Phiroze Jeejeebhy Towers,
Mumbai 400 001
Scrip Code: 500300

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051
Symbol: GRASIM

Dear Sirs,

Sub: Outcome of Board Meeting held on 10th February 2020

Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board at its meeting held today, inter alia, considered and approved the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended 31st December 2019.

The Limited Review of the aforesaid Financial Results have been done by the Joint Statutory Auditors of the Company.

In this connection, we are pleased to enclose the following:

(a) Unaudited Financial Results — Standalone and Consolidated for the quarter ended 31st December 2019;
(b) Limited Review Report issued by Joint Statutory Auditors on the said results; and
(c) Press Release.

The meeting commenced at 12 noon and concluded at 1:45 p.m.

The above is for your information.

Thank you.

Yours faithfully,
For Grasim Industries Limited

Hutokshi Vadla
President & Company Secretary

Encl: as above

Cc: Luxembourg Stock Exchange
Market & Surveillance Dept., P.O. Box 165, L-2011 Luxembourg, Grand Duchy of Luxembourg, Europe

Citi Bank N.A.
Depositary Receipt Services
388 Greenwich Street,
14th Floor, New York,
NY 10013

Citi Bank N.A.
Custodial Services
FIFC, 11th Floor, C-54 & 55,
G Block Bandra Kurla Complex, Bandra (East), Mumbai
### UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE THREE MONTHS AND NINE MONTHS ENDED 31-12-2019

**STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 31-12-2019**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Unaudited)</td>
<td>(Unaudited)</td>
<td>(Unaudited)</td>
</tr>
<tr>
<td><strong>Revenue from Operations</strong></td>
<td>4,408.89</td>
<td>4,797.44</td>
<td>5,291.41</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td>81.27</td>
<td>266.20</td>
<td>95.05</td>
</tr>
<tr>
<td><strong>Total Income (1+2)</strong></td>
<td>4,489.16</td>
<td>5,063.64</td>
<td>5,386.46</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Materials Consumed</td>
<td>2,196.39</td>
<td>2,474.30</td>
<td>2,554.70</td>
</tr>
<tr>
<td>Purchases of Stock-in-Trade</td>
<td>120.07</td>
<td>68.04</td>
<td>117.20</td>
</tr>
<tr>
<td>Changes (Decrease / Increase) in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</td>
<td>(15.30)</td>
<td>(49.95)</td>
<td>(167.03)</td>
</tr>
<tr>
<td>Employee Benefits Expense</td>
<td>406.63</td>
<td>403.86</td>
<td>383.46</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>67.34</td>
<td>86.06</td>
<td>41.34</td>
</tr>
<tr>
<td>Depreciation and Amortisation Expense</td>
<td>212.33</td>
<td>208.51</td>
<td>192.78</td>
</tr>
<tr>
<td>Power and Fuel Cost</td>
<td>750.92</td>
<td>785.64</td>
<td>786.78</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>526.64</td>
<td>583.22</td>
<td>600.22</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>4,065.13</td>
<td>4,422.46</td>
<td>4,499.48</td>
</tr>
<tr>
<td><strong>Profit before Exceptional Items and Tax (5 - 4)</strong></td>
<td>215.99</td>
<td>590.96</td>
<td>877.01</td>
</tr>
<tr>
<td><strong>Exceptional Items (Refer Note 2)</strong></td>
<td>(10.20)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit before Tax (5 - 6)</strong></td>
<td>204.79</td>
<td>590.96</td>
<td>877.01</td>
</tr>
<tr>
<td><strong>Tax Expense on other than exceptional items</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax</td>
<td>(13.33)</td>
<td>86.52</td>
<td>239.84</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td>39.94</td>
<td>37.95</td>
<td>29.02</td>
</tr>
<tr>
<td><strong>Total Tax Expense on Exceptional Items (Refer Note 2)</strong></td>
<td>6.20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Tax Expenses</strong></td>
<td>20.19</td>
<td>124.47</td>
<td>203.26</td>
</tr>
<tr>
<td><strong>Net Profit (Loss) for the period (7 - 8)</strong></td>
<td>184.44</td>
<td>555.49</td>
<td>663.75</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Items that will not be reclassified to profit or loss</td>
<td>362.97</td>
<td>(2,204.20)</td>
<td>63.38</td>
</tr>
<tr>
<td>(ii) Income Tax relating to items that will not be reclassified to profit or loss</td>
<td>(18.10)</td>
<td>173.50</td>
<td>(7.05)</td>
</tr>
<tr>
<td>(iii) Items that will be reclassified to profit or loss</td>
<td>1.97</td>
<td>20.28</td>
<td>(18.13)</td>
</tr>
<tr>
<td>(iv) Income Tax relating to items that will be reclassified to profit or loss</td>
<td>(1.65)</td>
<td>(6.07)</td>
<td>0.11</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income (10 + 11)</strong></td>
<td>345.19</td>
<td>(2,818.79)</td>
<td>28.31</td>
</tr>
<tr>
<td><strong>Paid-up Equity Share Capital (Face Value ₹2 per share)</strong></td>
<td>520.88</td>
<td>(1,800.00)</td>
<td>654.66</td>
</tr>
<tr>
<td><strong>Reserves excluding Revaluation Reserves</strong></td>
<td>30.55</td>
<td>30.59</td>
<td>30.54</td>
</tr>
<tr>
<td><strong>Earnings per Share of ₹2.00 face value ₹2.00 each (not audited)</strong></td>
<td>2.81</td>
<td>8.02</td>
<td>9.25</td>
</tr>
</tbody>
</table>

See accompanying notes to the Financial Results

**SIGNED FOR IDENTIFICATION**

By S R B C & CO LLP

MUMBAI

S R B C & CO LLP

Chartered Accountants

5th Floor,
Lodha Excelus,
Apollo Mills Compound,
N. M. Joshi Marg,
Mahalaxmi,
Mumbai-400011,
India
NOTES:

1. The above financial results of the Company for the three months and nine months ended 31st December, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company today.

2. Exceptional Items as included in results for the different periods are detailed below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-12-19 (Unaudited)</td>
<td>31-12-19 (Unaudited)</td>
<td>31-12-18 (Unaudited)</td>
</tr>
<tr>
<td>Loss on fair value of investment in Vodafone Idea Limited</td>
<td>-</td>
<td>-</td>
<td>(2,283.35)</td>
</tr>
<tr>
<td>Additional Fixed cost claim provided for under NPS III</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Write back of provision of Stamp duty related to merger of Aditya Birla Chemicals (India) Limited and Aditya Birla Novo Limited with the Company</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contribution towards liquidation expenses and Impairment in value of investment in Aditya Birla Idea Payment Bank Limited</td>
<td>(10.20)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Exceptional Gain/(Loss)</td>
<td>(10.20)</td>
<td>-</td>
<td>(300.37)</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>6.45</td>
<td>-</td>
<td>38.85</td>
</tr>
<tr>
<td>Exceptional Gain/(Loss) [Net of Tax]</td>
<td>(3.75)</td>
<td>-</td>
<td>(241.52)</td>
</tr>
</tbody>
</table>

3. The Company has adopted Indian Accounting Standard 116 — Leases ("Standard"), with effect from 1st April, 2019 using the modified retrospective approach under the transitional provisions of the Standard and has taken the cumulative adjustment to retained earnings as on 1st April, 2019, which is the date of the initial application of the Standard. Accordingly, the financial results for period ended 31st December 2018 and the year ended 31st March, 2019 have not been adjusted. The net impact of the Standard on the net profit for the period and earnings per equity share is not material.

4. During the year, the Company has impaired its investment of ₹ 290.17 crore in Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company, which has been disclosed as an exceptional Item. The Board of Directors of ABIPBL at its meeting held on 19th July, 2019, subject to requisite regulatory approvals, approved the winding up of ABIPBL due to unanticipated developments in the business landscape that has made the economic model unviable. Further, during the quarter the Company has contributed ₹ 10.20 crore towards liquidation expenses of ABIPBL.

5. During the quarter, the Company has allotted 126,204 fully paid up equity shares of ₹ 2 each upon exercise of employee stock options.

6. The Segment-wise Revenue, Results, Assets and Liabilities have been disclosed in the consolidated financial results.
During the quarter ended, the Company has listed commercial papers on recognised stock exchange. Pursuant to SEBI circular no. SEBI/HO/DDH5/DDHS/CIR/P/2019/115 dated 22nd October, 2019, the Company has calculated following ratios:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As on 31st December 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Debt Equity Ratio (in times)</td>
<td>0.12</td>
</tr>
<tr>
<td>ii) Debt Service Coverage Ratio (in times)</td>
<td>7.41</td>
</tr>
<tr>
<td>iii) Interest Service Coverage Ratio (in times)</td>
<td>10.42</td>
</tr>
</tbody>
</table>

The above have been computed as under:

i) Debt Equity Ratio =  
\[
\frac{(\text{Long-term and Short-term borrowings including Current maturities of Long-term Borrowings})}{(\text{Equity : Equity Share Capital + Other Equity})}
\]

ii) Debt Service Coverage Ratio =  
\[
\frac{\text{Profit before Depreciation and Amortisation Expenses, Finance Costs, Exceptional Items and Tax}}{(\text{Finance Costs + Principal Repayment of Long term borrowings})}
\]

iii) Interest Service Coverage Ratio =  
\[
\frac{\text{Profit before Depreciation and Amortisation Expenses, Finance Costs, Exceptional Items and Tax}}{\text{Finance Costs}}
\]

The tax expenses for the period ended 31st December, 2019 has been calculated based on the estimated effective tax rate for the current financial year and tax expenses for the current quarter is worked out accordingly.

The Government of India, on 20th September, 2019, vide Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income-tax Act, 1961, which provides non-reversible option to the Company for paying Income Tax at a reduced rate as per the provision/conditions defined in the said Section. The Company is in process of evaluating the impact of this ordinance.

Previous periods’ figures have been regrouped/rearranged wherever necessary to conform to the current period’s classification.

For and on behalf of Board of Directors

Place: Mumbai  
Date: 10th February 2020

Dilip Gaur  
Managing Director
Independent Auditor's limited review report on unaudited quarterly and year to date standalone financial results of Grasim Industries Limited under Regulation 33 and Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended

Review Report to
The Board of Directors
Grasim Industries Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Grasim Industries Limited ("the Company") for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 52(4) as per SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, as amended ("the Regulation").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurements principles laid down in the aforesaid Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAAAP5459

Mumbai
February 10, 2020

For S R B C & CO LLP
Chartered Accountants
Firm’s Registration No: 324982E/E300003

Vijay Maniar
Partner
Membership No: 36738
UDIN: 20036738AAAAAPF5000

Mumbai
February 10, 2020
## STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 31-12-2019

### Particulars

<table>
<thead>
<tr>
<th>Quarter Ended</th>
<th>31-12-2019</th>
<th>30-09-2019</th>
<th>Nine Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Unaudited)</td>
<td>(Unaudited-Restated) (Refer Note 2)</td>
<td>(Unaudited-Restated) (Refer Note 3)</td>
<td>(Audited- Restated) (Refer Note 3)</td>
</tr>
<tr>
<td><strong>1</strong> Continuing Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2a</strong> Revenue from Operations</td>
<td>19,205.85</td>
<td>18,430.27</td>
<td>20,128.91</td>
<td>57,733.56</td>
</tr>
<tr>
<td><strong>2b</strong> Other Income</td>
<td>245.52</td>
<td>217.10</td>
<td>207.32</td>
<td>645.34</td>
</tr>
<tr>
<td><strong>2</strong> Total Income (2a+2b)</td>
<td>19,451.37</td>
<td>18,647.37</td>
<td>20,336.23</td>
<td>58,378.90</td>
</tr>
<tr>
<td><strong>3</strong> Less: Exceptional Items (Refer Note 1(b))</td>
<td>(10.20)</td>
<td>-</td>
<td>(119.53)</td>
<td>(2,390.63)</td>
</tr>
<tr>
<td><strong>4</strong> Total Income (2at2b)</td>
<td>19,441.17</td>
<td>18,647.37</td>
<td>20,216.70</td>
<td>58,088.27</td>
</tr>
<tr>
<td><strong>5</strong> Add: Share in Profit/(Loss) of Equity Accounted Investees (Refer Note 5)</td>
<td>38.51</td>
<td>448.50</td>
<td>76.31</td>
<td>535.16</td>
</tr>
<tr>
<td><strong>6</strong> Share in Profit/(Loss) of Joint Ventures and Associates (Refer Note 5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(163.44)</td>
</tr>
<tr>
<td><strong>7</strong> Add: Other Comprehensive Income attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>8</strong> Loss: Exceptional Items (Refer Note 1(b))</td>
<td>(0.20)</td>
<td>-</td>
<td>(119.53)</td>
<td>(2,390.63)</td>
</tr>
<tr>
<td><strong>9</strong> Share in Profit/(Loss) of Equity Accounted Investees (Refer Note 5)</td>
<td>38.51</td>
<td>448.50</td>
<td>76.31</td>
<td>535.16</td>
</tr>
<tr>
<td><strong>10</strong> Tax Expense on other than Exceptional Items (Net)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>11</strong> Tax expenses of discontinued operations</td>
<td>10.36</td>
<td>15.25</td>
<td>15.24</td>
<td>44.45</td>
</tr>
<tr>
<td><strong>12</strong> Non Profit/(Loss) from discontinued operations</td>
<td>1,415.33</td>
<td>1,400.02</td>
<td>777.28</td>
<td>1,375.85</td>
</tr>
<tr>
<td><strong>13</strong> Non Profit/(Loss) from continuing operations attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>14</strong> Owners of the Company</td>
<td>1,425.76</td>
<td>1,385.02</td>
<td>792.56</td>
<td>1,375.85</td>
</tr>
<tr>
<td><strong>15</strong> Non-controlling Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>16</strong> Total Comprehensive Income attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>17</strong> Owners of the Company</td>
<td>1,425.76</td>
<td>1,385.02</td>
<td>792.56</td>
<td>1,375.85</td>
</tr>
<tr>
<td><strong>18</strong> Non-controlling Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>19</strong> Total Comprehensive Income attributable to:</td>
<td>1,425.76</td>
<td>1,385.02</td>
<td>792.56</td>
<td>1,375.85</td>
</tr>
</tbody>
</table>

### Notes to the Financial Results

- **Note 1**: Details of the Definitions and Basis of Presentation
- **Note 2**: Details of the Restatement
- **Note 3**: Details of the Flexing to Audited" financial statements
- **Note 4**: Details of the Interim Figures
- **Note 5**: Details of the Equity Accounted Investees""
### 1. SEGMENT REVENUE

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter Ended</th>
<th>Nine Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As on 31-12-2019</td>
<td>As on 30-09-2019</td>
<td>As on 31-12-2018</td>
</tr>
<tr>
<td>Viscose - Pulp, Viscose Staple Fibre and Filament Yarn</td>
<td>10,380.96</td>
<td>9,830.26</td>
<td>9,045.13</td>
</tr>
<tr>
<td>Cement - Grey, White and Allied Products</td>
<td>81,832.46</td>
<td>81,852.02</td>
<td>77,863.76</td>
</tr>
<tr>
<td>Chemicals - Caustic Soda and Allied Chemicals</td>
<td>6,563.37</td>
<td>5,851.49</td>
<td>5,461.89</td>
</tr>
<tr>
<td>Financial Services</td>
<td>134,548.06</td>
<td>132,258.33</td>
<td>126,329.12</td>
</tr>
<tr>
<td>Others #</td>
<td>5,871.53</td>
<td>5,776.07</td>
<td>5,519.03</td>
</tr>
<tr>
<td>TOTAL</td>
<td>238,360.37</td>
<td>235,508.17</td>
<td>224,218.93</td>
</tr>
<tr>
<td>Add : Investment in Associates/ Joint Ventures</td>
<td>6,684.44</td>
<td>6,577.23</td>
<td>6,309.97</td>
</tr>
<tr>
<td>Add : Unallocated Assets</td>
<td>3,856.43</td>
<td>3,948.98</td>
<td>3,748.92</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>249,101.24</td>
<td>246,094.28</td>
<td>237,877.82</td>
</tr>
</tbody>
</table>

### 2. SEGMENT LIABILITIES

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter Ended</th>
<th>Nine Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As on 31-12-2019</td>
<td>As on 30-09-2019</td>
<td>As on 31-12-2018</td>
</tr>
<tr>
<td>Viscose - Pulp, Viscose Staple Fibre and Filament Yarn</td>
<td>1,883.96</td>
<td>1,815.54</td>
<td>1,651.73</td>
</tr>
<tr>
<td>Cement - Grey, White and Allied Products</td>
<td>11,300.87</td>
<td>10,322.30</td>
<td>10,765.83</td>
</tr>
<tr>
<td>Chemicals - Caustic Soda and Allied Chemicals</td>
<td>691.82</td>
<td>774.53</td>
<td>857.19</td>
</tr>
<tr>
<td>Financial Services</td>
<td>101,505.42</td>
<td>100,509.27</td>
<td>95,628.38</td>
</tr>
<tr>
<td>Others #</td>
<td>1,250.19</td>
<td>1,081.97</td>
<td>1,133.07</td>
</tr>
<tr>
<td>TOTAL</td>
<td>116,832.36</td>
<td>114,569.61</td>
<td>110,007.20</td>
</tr>
<tr>
<td>Add : Unallocated Liabilities</td>
<td>41,776.77</td>
<td>42,919.45</td>
<td>38,589.48</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>158,609.13</td>
<td>157,489.06</td>
<td>148,596.68</td>
</tr>
</tbody>
</table>

# Others represent mainly Textiles, Insulators, Agri and Solar Power businesses
NOTES:

1. a. Net profit (before exceptional items, one-time deferred tax benefit [Refer Note 5] and discontinued operations) of the Company is as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-12-2019 (Unaudited)</td>
<td>30-09-2019 (Unaudited)</td>
<td>31-12-2018 (Unaudited-Restated)</td>
</tr>
<tr>
<td>Net Profit of the Company (before non-controlling interest)</td>
<td>1,043.66</td>
<td>1,103.91</td>
<td>1,147.80</td>
</tr>
</tbody>
</table>

b. Exceptional Items as included are as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-12-2019 (Unaudited)</td>
<td>30-09-2019 (Unaudited-Restated)</td>
<td>31-12-2018 (Unaudited-Restated)</td>
</tr>
<tr>
<td>Contribution towards liquidation expenses and impairment in value of investment in Aditya Birla Idea Payment Bank Limited (refer note 6)</td>
<td>(10.20)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on fair value of investment in Vodafone Idea Limited as not consolidated as an Associate w.e.f. 31st August, 2018</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment of Goodwill in Subsidiary Companies of Aditya Birla Capital Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additional fixed cost claim provided for under NPS III</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision for Stamp Duty on Assets acquired in Business Combination by a Subsidiary Company (Note 3 below)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Write back of provision of Stamp duty related to merger of Aditya Birla Chemicals Limited and Aditya Birla Nuvo Limited with the Company</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exceptional Gains/(Loss)</td>
<td>(10.20)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>6.45</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exceptional Gains/(Loss) [Net of Tax]</td>
<td>(3.75)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

2. Under the Sabka Vishwas (Legacy dispute Resolution) Scheme 2019, announced by the Government of India, UltraTech Cement Limited (UltraTech) has provided a one-time expense of ₹ 133.23 Crores as part of other expenses, against various disputed liabilities.

3. The Scheme of Demerger amongst Century Textiles and Industries Limited (“Century”) and UltraTech and their respective shareholders and creditors (“the Scheme”) has been made effective from 1st October, 2019 consequent to completion of conditions precedent specified in the Scheme. The National Company Law Tribunal, Mumbai Bench (“NCLT”) had earlier approved the Scheme by its Order dated 3rd July, 2019 and fixed 20th May, 2018 as the Appointed Date. Consequently, the Company has restated its financial statements with effect from 20th May, 2018, to include the financial information of the acquired Cement Business of Century. As per Ind AS 103, purchase consideration has been allocated on a provisional basis, pending determination of the fair value of the acquired assets and liabilities. Costs related to acquisition (including stamp duty on assets transferred) have been charged to Statement of Profit and Loss on appointed date.

In terms of the Scheme, UltraTech has allotted issue 1 (one) equity share of the Company of face value ₹ 10/- each for every 8 (eight) equity shares of Century of face value ₹ 10/- each to the shareholders of Century on the record date as defined in the Scheme. Consequent to issue of shares by UltraTech to the shareholders of Century, the Company’s shareholding in UltraTech has been reduced from 60.20% to 57.29% and the financial impact of the same has been taken to other Equity.
4. The Group has adopted Indian Accounting Standard 116 — Leases ("Standard"), with effect from 1st April, 2019 using the modified retrospective approach under the transitional provisions of the Standard and has taken the cumulative adjustment to retained earnings as on 1st April, 2019, which is the date of the initial application of the Standard. Accordingly, the financial results for the quarter ended 31st December, 2018 and the year ended 31st March, 2019 have not been adjusted. The net impact of the Standard on the net profit for the period and earnings per equity share is not material.

5. The Government of India, on 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income Tax Act, 1961, which provides non-reversible option to the Company and its subsidiaries, joint ventures and associates for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. While the Company and some of its subsidiaries, joint ventures & associates are in the process of evaluating the same, some have availed the option to pay income tax at the lower rate. Consequently, wherever applicable, the opening deferred tax asset (net) has been measured at the lower rate, with a one-time corresponding credit of ₹ 16.51 Crore and ₹ 352.35 Crore under deferred tax and share in profit/(loss) of equity accounted investees to the Statement of Profit and Loss of previous quarter respectively.

6. During the year, the Company has impaired its investment of ₹ 109.33 Crore in Aditya Birla Idea Payment Bank Limited (ABIPBL), an associate of the Company and has been disclosed as an Exceptional Item. The Board of Directors of ABIPBL at its meeting held on 19th July, 2019 subject to requisite regulatory approvals, approved the winding up of ABIPBL due to unanticipated developments in the business landscape that has made the economic model unviable. Further, during the quarter, the Company has contributed ₹ 10.20 Crore towards liquidation expenses of ABIPBL.

7. UltraTech had filed appeals against the orders of the Competition Commission of India dated 31st August, 2016 and 19th January, 2017. Upon the NCLAT disallowing its appeal against the CCI order dated 31st August, 2016, the Hon’ble Supreme Court has, by its order dated 5th October, 2018, granted a stay against the NCLAT order. Consequently, UltraTech has deposited an amount of ₹ 144.95 Crore equivalent to 10% of the penalty amount. UltraTech Nathdwara Cement Ltd (UNCL), a subsidiary of UltraTech has also filed an appeal in the Hon’ble Supreme Court against a similar CCI order dated 31st August, 2016 and has deposited an amount of ₹ 16.73 Crores equivalent to 10% of the penalty amount. UltraTech, backed by legal opinions, believes that it has a good case in said matters and accordingly no provision has been made in the accounts.

8. During the quarter, Aditya Birla Capital Limited (ABCL), a subsidiary of the Company has made a preferential allotment of 7,70,00,000 Equity Shares of ₹ 10 each at a premium of ₹ 90 per share amounting to ₹ 770 Crore to the Company. As a result of which, the Company’s shareholding in ABCL has increased from 55.98% to 56.60% and the financial impact of the same has been taken to other Equity.

9. During the quarter, the Company has allotted 1,26,204 fully paid up equity shares of ₹ 2 each upon exercise of employee stock options.
10. The above Financial Results of the Company for the three months and nine months ended 31st December, 2019 are reviewed by the Audit Committee and approved by the Board of Directors of the Company today.

11. Previous periods figures have been regrouped/rearranged wherever necessary to conform to the current period's classification.

For and on behalf of Board of Directors

Place: Mumbai
Date: 10th February, 2020

Dilip Gaur
Managing Director
Independent Auditor’s limited review report on the unaudited quarterly and year to date consolidated financial results of Grasim Industries Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Grasim Industries Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Grasim Industries Limited (the ‘Parent’) and its subsidiaries (the Parent and its subsidiaries together referred to as ‘the Group’), share of net profit after tax and total comprehensive income of its associates and joint ventures for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 (the ‘Statement’) attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the ‘Regulation’).

2. This Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the statement.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 9 and 10 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 3 of the Statement which states that the Scheme of Demerger of Cement division of Century Textiles and Industries Limited has been given effect to in the results of UltraTech Cement Limited (‘UltraTech’), a subsidiary Company based on the Appointed Date approved by the National Company Law Tribunal which is deemed to be the acquisition date for the purpose of accounting under Ind AS 103 ‘Business Combinations’. Consequently, all previous periods presented in the Statement have been restated. Our conclusion is not modified in respect of this matter.

7. The statutory auditors of UltraTech, without modifying their conclusion on the unaudited consolidated financial results of UltraTech have drawn attention to note 7 to the Statement which describes the following matters:

a. In terms of order dated August 31, 2016, the Competition Commission of India (‘CCI’) had imposed penalty of Rs. 1,449.51 crores for alleged contravention of the provision of the Competition Act, 2002 by UltraTech (including Demerged Cement Division). UltraTech (including Demerged Cement Division) had filed an appeal against the CCI Order before the Competition Appellate Tribunal (‘COMPAT’). Consequent to reconstitution of tribunals by the Government, this matter was transferred to the National Company Law Appellate Tribunals (‘NCLAT’). NCLAT completed its hearing on the matter and disallowed the appeal filed by UltraTech (including Demerged Cement Division) against the CCI Order. Aggrieved by the order of the NCLAT, UltraTech (including Demerged Cement Division) has filed an appeal before the Honorable Supreme Court, which has granted a stay against the NCLAT order on the condition that UltraTech (including Demerged Cement Division) deposits 10% of the penalty amounting to Rs. 144.95 crores which has been deposited. Based on legal opinions obtained by UltraTech (and Demerged Cement Division), UltraTech believes that it has a good case in this matter. Considering the uncertainty relating to the outcome of this matter, no provision has been considered by UltraTech in the books of account.

b. In terms of order dated January 19, 2017, the CCI had imposed penalty of Rs. 68.30 crores pursuant to a reference filed by the Government of Haryana for alleged contravention of the provisions of the Competition Act, 2002 in August 2012 by UltraTech. UltraTech had filed an appeal before COMPAT and received the stay order dated April 10, 2017. Consequent to reconstitution of tribunals by the Government, this matter was transferred to the NCLAT for which hearing is pending. Based on a legal opinion, UltraTech believes that it has a good case in this matter. Considering the uncertainty relating to the outcome of this matter, no provision has been considered by UltraTech in the books of accounts.

c. The statutory auditors of UltraTech Nathdwara Cement Limited (‘UNCL’), a wholly owned subsidiary of UltraTech, without modifying their opinion on the unaudited financial results for the quarter ended December 31, 2019 have reported that UNCL had filed an appeal before COMPAT against the Order of the CCI dated August 31, 2016. Consequent to reconstitution of Tribunals by the Government, this matter was transferred to the NCLAT. NCLAT completed its hearing on the matter and disallowed the appeal filed by UNCL against the CCI order. Aggrieved by the order of NCLAT, UNCL had filed an appeal before the Honorable Supreme Court of India, which has granted a stay vide its order dated January 18, 2019 against NCLAT order. Consequently, UNCL had deposited an amount of Rs.16.73 crores equivalent to 10% of the penalty amount. Based on the legal opinion taken by UltraTech in its own similar matter, UNCL believes that it has a good case in this matter. Considering the uncertainty relating to the outcome of this matter, no provision has been considered in the books of accounts of UNCL. Our conclusion is not modified in respect of the above matters.
8. The statutory auditors of Aditya Birla Capital Limited (‘ABCL’), a subsidiary company, without modifying their conclusion on the unaudited consolidated financial results of ABCL have stated that:

a. Determination of the following as at and for the quarter and nine months ended December 31, 2019 is the responsibility of the ABCL’s Appointed Actuaries:

(i) The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at December 31, 2019 in respect of subsidiary engaged in Life Insurance segment and the actuarial valuation of Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) as at December 31, 2019 in respect of subsidiary engaged in Health Insurance segment is the responsibility of the subsidiaries’ Appointed Actuaries. In their respective opinions, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. The charge of “Change in Valuation of Liabilities” includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at December 31, 2019 and “Benefits Paid” includes the estimate of IBNR and IBNER. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiaries’ Appointed Actuaries; and

(ii) Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuaries of the subsidiaries in the Life Insurance and Health Insurance segments are in accordance with Indian Accounting Standard 104 on Insurance Contracts:
   a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
   b. Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts;
   c. Grossing up and classification of the Reinsurance Assets; and
   d. Liability adequacy test as at the reporting dates.

The auditors of ABCL and respective subsidiaries have relied upon the certificates of the Appointed Actuaries in respect of above matters in forming their conclusion on the interim financial results of the said subsidiaries.

Our conclusion is not modified in respect of the above matters.
9. We did not jointly review the financial results of 8 subsidiaries (including their subsidiaries, associates and joint ventures), included in the consolidated unaudited financial results, whose financial results reflect total revenues of Rs. 14,732.96 crores and Rs. 43,484.17 crores, total net profit after tax of Rs. 878.28 crores and Rs. 3,480.32 crores and total comprehensive income of Rs. 905.46 crores and Rs. 3,562.73 crores for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively. The Statement also includes the Company’s share of net loss after tax of Rs. 16.69 crores and net profit after tax Rs. 7.87 crores, total comprehensive loss of Rs. 5.18 and total comprehensive income Rs. 23.53 crores for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively, as considered in the Statement, in respect of an associate and 3 joint ventures, whose financial results have not been jointly reviewed by us. These interim financial results have been reviewed either singly by one of us or jointly by one of us with other auditors or by other auditors, whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, joint ventures and associates is based solely on the report of the other auditors and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

10. Certain of these joint ventures are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent’s management has converted the financial results of such joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent’s management. Our conclusion in so far as it relates to the balances and affairs of such joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.
11. The accompanying Statement of unaudited consolidated financial results includes unaudited financial results in respect of 22 subsidiaries, which have not been reviewed by their auditors, whose financial results reflect total revenues of Rs. 1.49 crores and 5.62 crores, total net profit after tax of Rs. 2.68 crores and Rs. 3.62 crores, total comprehensive income of Rs. 3.18 crores and Rs. 4.07 crores for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019 respectively, as considered in the Statement. The Statement also includes the Group’s share of net loss after tax of Rs. 3.35 crores and Rs. 12.30 crores and total comprehensive loss of Rs. 3.32 crores and Rs. 12.21 crores for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019 respectively, as considered in the Statement, in respect of 3 associates and 4 joint ventures, based on their financial results which have not been reviewed by their auditors. These unaudited financial results have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries, joint ventures and associates, is based solely on such financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022
Vikas R Kasat
Partner
Membership No: 105317
UDIN:20105317AAAAAAD39298
Mumbai
February 10, 2020

For S R B C & CO LLP
Chartered Accountants
Firm’s Registration No: 324982E/E300003
Vijay Maniar
Partner
Membership No: 36738
UDIN:20343887AAAAABD2698
Mumbai
February 10, 2020
Annexure I to Auditor’s Report

Name of the Entity

1. Samrudhi Swastik Trading and Investments Limited

2. ABNL Investment Limited
   (including its following component)
   Subsidiary:
   Sun God Trading and Investments Limited

3. Shakti Mega Foods Park Private Limited
   (upto February 22, 2019)

4. Aditya Birla Chemicals (Belgium) BVBA, Belgium
   (upto January 21, 2019)

5. Aditya Birla Renewables Limited (w.e.f. May 14, 2018)
   (joint venture upto May 14, 2018)
   (Including its following components)
   Subsidiaries:
   Aditya Birla Renewables Subsidiary Limited (w.e.f. May 08, 2018)
   Aditya Birla Renewables SPV 1 Limited
   Aditya Birla Utkal Limited (w.e.f May 27, 2019)

   Associates:
   Waacox Energy Private Limited (w.e.f June 27, 2018)

6. Aditya Birla Solar Limited (w.e.f May 14, 2018)
   (joint venture upto May 14, 2018)

7. Grasim Premium Fabric Private Limited
   (formerly Soktas India Private Limited (w.e.f March 29, 2019)

8. UltraTech Cement Limited (UltraTech)
   (Including its components)
   Subsidiaries:
   Dakshin Cements Limited
   Harish Cement Limited
   Gotan Lime Stone Khanij Udyog Private Limited
   Bhagwati Limestone Company Private Limited
   UltraTech Nathdwara Cement Limited
      (formerly known as Binani Cement Limited) (w.e.f November 20, 2018)
      (including its following components)

   Subsidiaries:
   Krishna Holdings PTE Limited
   Murari Holdings Limited
   Mukandan Holdings Limited
   Swiss Merchandise Infrastructure Limited
   Merit Plaza Limited
   Bahar Ready Mix Concrete Limited (RMC)
      (formerly known as Binani Ready Mix Concrete Limited)
   Smooth Energy Private Limited
      (formerly known as Binani Energy Private Limited)
B R & C & Co LLP
Chartered Accountants
12th Floor, The Ruby,
29 Senapati Bapat Marg,
Dadar (West)
Mumbai – 400 028

B S R & Co. LLP
Chartered Accountants
Lodha Excelus,
5th Floor, Apollo Mills Compound,
N. M. Joshi Marg, Mahalaxmi
Mumbai 400 011

Bhumi Resources (Singapore) PTE Limited
PT Anggana Energy Resources
Binani Cement Limited (Uganda)
Shandong Binani Rong’an Cement Company Limited
Binani Cement Factory LLC
BC Tradelink Limited
Binani Cement Tanzania Limited

UltraTech Cement Middle East Investments Limited
(including its following components)
Subsidiaries:
- Star Cement Company LLC, UAE
- Star Cement Company LLC, RAK, UAE
- Al Nakhlah Crusher LLC, Fujairah, UAE
- Arabian Cement Industry LLC, Abu Dhabi
- UltraTech Cement Co, WLL, Bahrain
- Emirates Cement Bangladesh Limited, Bangladesh
  (upto December 2, 2019)
- Emirates Power Company Limited, Bangladesh
  (upto December 2, 2019)

PT UltraTech Investments, Indonesia
(including its following components)
Subsidiaries:
- PT UltraTech Mining, Sumatera
- PT UltraTech Cement, Indonesia
- PT UltraTech Mining, Indonesia
- UltraTech Cement Lanka (Private) Limited

Associates:
- Madanpur (North) Coal Company Private Limited
- Aditya Birla Renewables SPV 1 Limited

Joint Venture:
- Bhaskarpara Coal Company Limited

9. Aditya Birla Capital Limited
(Subsidiary)
(including its following components)
Subsidiaries:
- Aditya Birla Finance Limited
- Aditya Birla Housing Finance Limited
- Aditya Birla Trustee Company Private Limited
- Aditya Birla PE Advisors Private Limited
- Aditya Birla MyUniverse Limited
- Aditya Birla Finance Shared Services Limited
- Aditya Birla Money Limited
- Aditya Birla Money Mart Limited
- Aditya Birla Money Insurance Advisory Services Limited
- Aditya Birla Insurance Brokers Limited
- Aditya Birla Health Insurance Company Limited
Joint Ventures:

10. AV Terrace Bay Inc., Canada
11. AV Group NB Inc., Canada
12. Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey
13. Aditya Birla Group AB, Sweden
   (w.e.f. October 15, 2019)
15. Bhubaneswari Coal Mining Limited
16. Birla Jingwei Fibres Company Limited, China
17. Birla Lao Pulp & Plantations Company Limited, Laos
   (upto September 18, 2018)
18. Aditya Birla Science & Technology Company Private Limited
19. Vodafone Idea Limited (upto August 30, 2018)
20. Aditya Birla Idea Payment Bank Limited
Grasim Industries Limited today announced its unaudited financial results for the quarter and Nine months ended 31st December 2019

**CONSOLIDATED FINANCIAL RESULTS**  

<table>
<thead>
<tr>
<th>Q3 FY19</th>
<th>Q3FY20</th>
<th>9MFY20</th>
<th>9MFY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>19,471</td>
<td>19,205</td>
<td><strong>Net Revenue</strong> 57,724</td>
<td>54,770</td>
</tr>
<tr>
<td>3,117</td>
<td>2,968</td>
<td><strong>EBITDA</strong> 10,603*</td>
<td>9,405</td>
</tr>
<tr>
<td>1,748</td>
<td>1,454</td>
<td><strong>PBT</strong> 6,387</td>
<td>5,183</td>
</tr>
</tbody>
</table>

Consolidated Revenue for the nine months ended 31st December 2019 stood at ₹57,724 Cr. recording a growth of 5%. Consolidated PBT at ₹ 6,387 Cr. recorded a growth of 23% YoY. Revenue and EBITDA for the quarter, however, remained largely flat.

**Viscose Business**

In the VSF business, production and sales volume recorded an increase of 5% and 3% YoY to 148KT and 138KT respectively. The Net Revenue for the viscose segment (including VFY) stood at ₹2,194 Cr. and EBITDA for the quarter stood at ₹256 Cr.

This quarter’s profitability was impacted primarily by the drop in the domestic VSF prices, on the back of weakening global prices owing to large supply surplus triggered by new capacity additions in Asia in last one year and global demand slowdown caused by U.S-China trade war. The reduction in the domestic VSF prices was accelerated to counter surge in cheap yarn imports from China/Indonesia which impacted viability of Indian spinners. The domestic VSF prices may witness some improvement in the near term with improving sentiments post phase-1 of US-China trade deal and near-term global supply constraints from China.

The benefit of falling pulp prices will get reflected in the coming quarters due to lag in inventory consumption.

Our Liva brand for VSF products continues to grow its reach in the domestic market, partnering with over 40 retail brands and is available at over 3,600 outlets.

Sustainability has been the core focus area for the company. Our VSF business has been ranked No.1 VSF Producer by global NGO Canopy in their latest Hot Button Report. Canopy’s Hot Button report ranks the world’s top rayon-viscose producers on their progress in eliminating endangered forests from their supply chain. More than 200 leading global brands, retailers and designers are part of the Canopy Style initiative.

The 219 KTPA Vilayat Brownfield capacity expansion is progressing as per schedule and expected to be commissioned by FY21.

* (Includes a one-time expense of ₹133 Cr., towards settlement of various disputed and contingent liabilities under Under the Sabka Vishwas (Legacy Dispute Resolution) scheme 2019 announced by the Government of India)
Chemical Business
The Net Revenue for Q3FY20 stood at ₹1,362 Cr. and EBITDA stood at ₹185 Cr. Global caustic soda prices were soft during the quarter. Domestic caustic prices were impacted due to increased domestic capacity, rise in imports and weak demand.

Caustic Soda sales and production volume for Q3FY20 stood at 257KT and 261KT respectively. The speciality chemicals (Value added chlorine product) profitability was impacted by slowdown in demand. The share of EBITDA from Speciality chemicals including Epoxy resins stood at ~1/3 of Chemical business.

The Caustic Soda capacity expansion projects at Rehla, Vilayat and Balabhadrapuram are at different stages of execution with expansion of specialty chemical products too.

Capex Plan
The total capex plan of ~₹7,800 Cr. (at standalone level) is under execution for raising capacities in both the VSF and Chemical businesses, apart from ongoing modernisation capex at various plants. This capital expenditure is expected to be incurred over three years period from FY20-FY22.

Cement Subsidiary - UltraTech
UltraTech reported Consolidated Revenue of ₹10,354 Cr. and EBITDA of ₹2,141 Cr. in Q3FY20 up 25%YoY. PAT stood higher at ₹712 Cr. up 80% YoY. The consolidated sales volume stood at ~20.90 MTPA.

The acquired plants of Century ramped up production touching a capacity utilization of 79% in Dec-19. Brand and operational integration is underway and is expected to reach 84% by Q2FY21.

UltraTech has divested its entire shareholding in Emirates Cement Bangladesh Ltd. and Emirates Power company Ltd. to Heidelberg Cement Bangladesh at Enterprise Value of BDT equivalent of US$ 30.2 Million.

UltraTech Nathdwara Cement Limited is fully integrated with the UltraTech systems and processes. The plants have achieved optimal efficiencies and are PBT accretive.

Financial Services Subsidiary – Aditya Birla Capital Limited (ABCL)
The Revenue and Net profit after minority interest for Q3FY20 (as reported by ABCL) are at ₹4,326 Cr. and ₹250 Cr. up by 14% and 17% respectively.

The Overall lending book (NBFC and Housing Finance) stood at ₹60,123 Cr. (Q3FY20).

NBFC and HFC have optimised asset and liability mix with adequate liquidity to meet growth requirements.

The Average Assets Under Management stood at ₹2,65,475 Cr. (Q3FY20).

In Life Insurance business, the Individual First year Premium are up 14% to ₹1,261 Cr. in 9MFY20. The persistency ratios witnessed a consistent improvement, the 13th month persistency ratio improved by 562 bps to 80.9 % in Q3FY20.
In the Health Insurance business, Gross written premium increased to ₹547 Cr. (9M FY20), up 73% YoY.

**Outlook**

The VSF business will continue to focus on expanding the market in India by partnering with the textile value chain, achieving better customer connect through its brand LIVA and extension into new categories. VSF continues to be the fastest growing textile fibre globally. The economic standstill in China and improved sentiment post phase-1 of U.S China trade war may lead to some improvement in VSF prices in near term, however the underlying supply-demand imbalance is likely to continue for some time.

The Chemical business is under an expansion mode for both chlor-alkali and specialty chemicals. The ongoing expansion projects at different sites and new product lines for specialty chemicals will enable growth of the business. Simultaneously, the business is focusing in reducing cost of power (a key input) by optimizing power mix and increasing share of renewable power.

In Cement, signs of revival were visible in some markets during the latter part of Q3FY20. This, together with the Government’s firm commitment to revive the economy and the thrust on infrastructure spending augur well for the growth of cement demand. The company with its presence across the country, is the best positioned to take advantage of the revival in cement demand, despite the anomalies that may get created in demand patterns in some parts of the country due to extraneous reasons.

In Financial Services, ABCL is a universal financial solution provider catering to the diverse needs of its customers across their life cycle. ABCL is committed to serving the end-to-end financial services needs of its retail and corporate customers under a unified brand — Aditya Birla Capital.

Grasim is incurring capex to increase capacities across its key businesses and is potentially well positioned to leverage the next phase of the economic growth.