



Grasim Industries

STOCK INFO.	BLOOMBERG
BSE Sensex: 14,229	GRASIM IN
	REUTERS CODE
S&P CNX: 4,178	GRAS.BO

26 April 2007

Buy

Rs2,498

Previous Recommendation: Buy

Equity Shares (m)	91.7
52-Week Range	2,908/1,392
1,6,12 Rel. Perf. (%)	12/-17/-14
M.Cap. (Rs b)	229.1
M.Cap. (US\$ b)	5.6

YEAR	NET SALES	PAT	EPS	EPS	P/E	P/BV	ROE	ROCE	EV/	EV/
END	(RS M)	(RS M)	(RS)	GROWTH (%)	(X)	(X)	(%)	(%)	SALES	EBITDA
03/07A	141,673	19,675	214.6	89.6	11.6	3.4	29.5	34.5	2.0	7.2
03/08E	146,182	21,199	231.2	7.7	10.8	2.7	25.0	31.7	2.0	6.4
03/09E	157,579	20,764	226.5	-2.1	11.0	2.2	20.3	30.9	1.7	5.9

* Consolidated

- Grasim's 4QFY07 results (standalone) are below our estimates at the EBITDA level, with margins of 27.8%. VSF business performance disappointed due to lower than estimated realizations and cost push. However, higher other income boosted adjusted PAT to Rs4.49b.
- Revenues were up 36% YoY to Rs24.9b, driven by 34% growth in cement revenues and 30% growth in VSF revenues. Sponge iron business performance continued to improve, with revenue growth of 118%. Chemicals business also witnessed improved performance (due to normalcy in operations of CPP), with revenue growth of 9%.
- EBITDA grew 70% YoY to Rs6.9b, leading to 530bp YoY (-140bp QoQ) margin expansion to 27.8%, driven by higher realizations in cement, and improvement in both sponge iron & chemical business. Margin expansion was restricted due to VSF business, where realizations growth was lower and cost push higher. However, higher other income and write-back of provisioning boosted reported PAT to Rs4.75b and recurring PAT to Rs4.49b (up 73%).
- The company has announced additional brownfield capacity expansion of around 50,000 ton in VSF business, which will take total VSF capacity to 365,000 ton by end-FY09. Overall, Grasim (incl UltraTech) is investing Rs51.5b (capex of Rs24.2b in FY07) in expanding capacities in its core business of cement (Rs42.7b for adding 14m ton) and VSF (Rs7.1b for adding 63,875 ton excl. 31,000 ton).
- With outlook on both of its core businesses (cement and VSF) positive and being the leader in both business, Grasim would be one of the biggest beneficiary of any further upturn in these businesses. At 10.8x FY08E EPS and 6.4x FY08E EV/EBITDA, we maintain **Buy**.

QUARTERLY PERFORMANCE (STANDALONE)

(Rs Million)

Y/E MARCH	FY06				FY07				FY06	FY07
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	15,533	16,492	16,482	18,298	18,770	20,108	22,794	24,938	67,035	86,757
YoY Change (%)	2.4	7.5	5.7	11.4	20.8	21.9	38.3	36.3	7.2	29.4
EBITDA	3,744	3,218	3,191	4,077	5,133	5,322	6,661	6,942	14,279	24,094
Margins (%)	24.1	19.5	19.4	22.3	27.3	26.5	29.2	27.8	21.3	27.8
Depreciation	705	720	733	759	741	756	807	876	2,916	3,179
Interest	265	237	235	248	235	241	240	366	1,034	1,118
Other Income	201	308	152	575	375	502	444	776	1,691	2,097
PBT before EO Items	2,975	2,570	2,376	3,645	4,532	4,827	6,058	6,476	12,019	21,893
Extraordinary Inc/(Exp)	454	0	0	41	0	0	0	371	495	371
PBT after EO Items	3,429	2,570	2,376	3,687	4,532	4,827	6,058	6,847	12,514	22,264
Tax	919	693	757	1,059	1,413	1,467	1,942	2,102	3,428	6,906
Rate (%)	26.8	27.0	31.9	28.7	31.2	30.4	32.1	30.7	27.4	31.0
Reported PAT	2,510	1,877	1,619	2,628	3,119	3,360	4,116	4,745	9,086	15,358
Adj. PAT	2,056	1,877	1,619	2,598	3,119	3,360	4,116	4,488	8,726	15,102
YoY Change (%)	-6.2	-14.7	-21.5	-4.4	51.7	79.1	154.3	72.7	-7.4	73.1

E: MOSt Estimates; Quarterly results do not add-up to full year results due to restatement

STRONG PERFORMANCE IN CORE BUSINESSES (RS M)

	4QFY07	4QFY06	% YOY	3QFY07	% QOQ
Revenue Mix					
Fibre	6,516	4,987	30.7	6,470	0.7
Cement	13,708	10,167	34.8	12,748	7.5
Sponge Iron	2,388	1,094	118.3	1,952	22.3
Chemical	927	879	5.5	767	20.9
Textile	675	647	4.3	537	25.7
Total	24,938	18,298	36.3	22,794	9.4
PBIT					
Fibre	1,791	1,381	29.7	2,047	-12.5
Cement	4,239	2,229	90.2	3,764	12.6
Sponge Iron	283	-123	-330.2	162	74.8
Chemical	283	226	25.3	135	109.8
Textile	-15	-31	-51.6	-29	-
Total	6,582	3,682	78.7	6,079	8.3
EBIT Margins (%)					
	4QFY07	4QFY06	CH. (BP)	3QFY07	CH. (BP)
Fibre	27.5	27.7	-21	31.6	-415
Cement	30.9	21.9	900	29.5	140
Sponge Iron	11.9	-11.2	2,310	8.3	356
Chemical	30.6	25.7	484	17.6	1,295
Textile	-2.2	-4.8	257	-5.4	318
Total	26.4	20.1	627	26.7	-28

Source: Company/ Motilal Oswal Securities

Operating performance below estimates

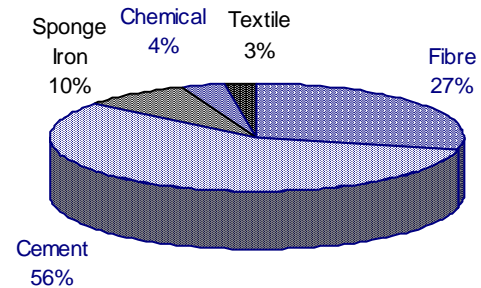
Grasim's 4QFY07 results (standalone) are below our estimates at the EBITDA level, despite higher sales growth at 36%. Operating margins improved by 550bp YoY to 27.8% (-140bp QoQ), driven by higher realizations in cement and VSF, and improvement in sponge iron and chemicals business. Margin expansion coupled with higher other income (up 35% YoY to Rs776m) boosted PAT growth to 73% to Rs4.49b.

For FY07, Grasim's consolidated revenues stood at Rs141b (up 38%), with EBITDA margins of 28.5% (up 790bp) and PAT of Rs19.7b (up 90%).

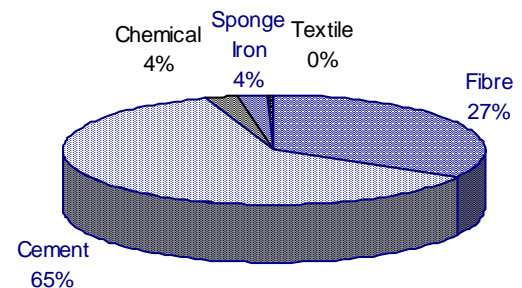
Cement and sponge iron businesses drive revenue growth...

Net sales grew by 36% YoY to Rs24.9b, driven by 34% growth in cement revenues (1% volume and 35% realization growth) and 30% growth in VSF revenues (13% volume

REVENUE MIX



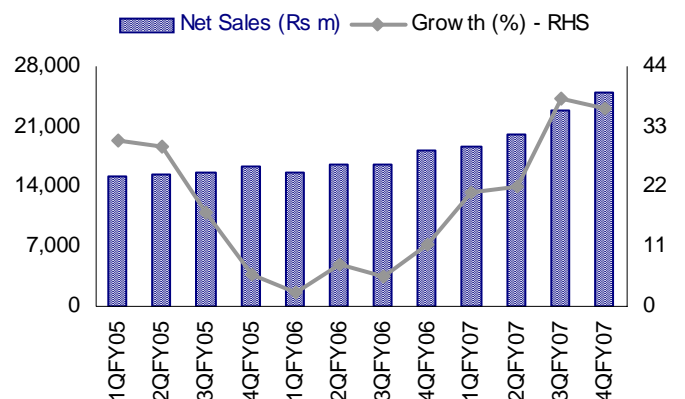
PBIT MIX



Source: Company/Motilal Oswal Securities

and 15% realization growth). Sponge iron business performance continued to improve, with revenue growth of 118% (79% volume and 24% realization growth). Chemicals business also witnessed improved performance (due to normalcy in operations of CPP) with revenue growth of 9% (8% volume growth).

TREND IN NET SALES

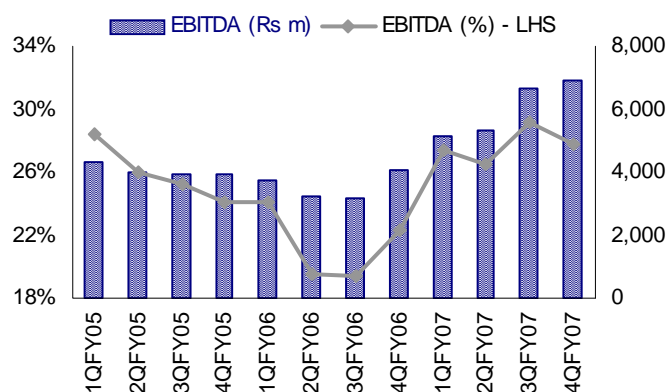


Source: Company/Motilal Oswal Securities

...as well as margin expansion

EBITDA grew 70% YoY to Rs6.9b, leading to 530bp YoY (-140bp QoQ) margin expansion to 27.8%, driven by higher realizations in cement, improvement in sponge iron business (PBIDT margins of 15.5% v/s -3.5% in 4QFY06) and improvement in chemical business (PBIDT margins of 36.9% v/s 30.8% in 4QFY06). Margin expansion was restricted due to VSF business, where realizations growth was lower due to higher discount in domestic market & higher exports (up ~22%), and cost push in the form of higher pulp cost (up ~4%) and higher other fixed cost.

TREND IN EBITDA



Source: Company/ Motilal Oswal Securities

However, higher other income (up 35%, boosted by higher treasury income) and write-back of provisioning boosted reported PAT to Rs4.75b and recurring PAT to Rs4.37b (up 68%).

VSF division: lower realization growth impact margins

VSF business 4QFY07 revenues grew 31% YoY to Rs6.5b, primarily driven by 13% volume growth and 15% realization growth. However, realizations declined 2% despite Rs2/Kg price increase in domestic market taken by the company at the beginning of the quarter. Realizations growth was lower due to higher discount in domestic market and higher exports (up ~22%). PBIDT margins declined by 140bp YoY (~370bp QoQ) on account of lower realization growth, and cost push in the form of higher pulp prices (up 4%) and higher other fixed cost.

VSF DIVISION PERFORMANCE

	4QFY07	4QFY06	% YOY	3QFY07	% QOQ
Production (ton)	67,772	64,606	4.9	68,784	-1.5
Sales Volume (ton)	68,588	60,636	13.1	67,061	2.3
Net Turnover (Rs M)	6,516	4,987	30.7	6,470	0.7
Avg Realiz. (Rs/ton)	88,687	77,133	15.0	90,389	-1.9
PBDIT	2,005	1,557	28.8	2,233	-10.2
PBDIT Margin (%)	30.8	31.2		34.5	

Source: Company/Motilal Oswal Securities

Demand for VSF is expected to grow, based on strong demand from Indian textile industry post quota. Also, the company is taking initiatives to introduce VSF-based non-woven products in domestic market and is also focusing on high-value niche fibers, Modal and Excel. Grasim is enhancing its VSF capacity from the current 266,450 ton to 334,000 ton by FY08. Also, the company has sought regulatory clearances for brownfield expansion of 31,000 ton per year at Harihar, which is likely to be completed by the end of FY09. Further, it is doubling capacity in its Chinese JV to 60,000 ton per year by 2QFY09. Strong VSF demand, supported by firm prices (despite fall in competing fiber prices) augurs well for VSF business. Margins are expected to remain firm, despite rise in pulp prices, based on Re1/Kg price increase in April 2007.

Cement division: strong realizations on both YoY and QoQ basis

Cement business revenue grew by 35% (to Rs13.7b) and PBIDT grew by 77% (to Rs4.7b), driven by significant improvement in grey cement realizations (up 35% YoY and 2% QoQ). Grey cement volumes grew just by 1.3% to 3.92m ton with realizations of Rs2,979/ton. White cement volumes and realizations were up by 6.9% and 6.6%, respectively. PBIDT margins improved by 820bp YoY (~130bp QoQ), despite significant increase in fuel and freight cost.

Grasim is expected to have muted volume growth of around 4% until its new capacity comes on-stream (in October 2007). Cement prices are likely to remain firm, which will result in strong operating performance for the company. Also, Grasim is taking initiatives to control cost through improving rail-road mix, increasing blending and setting-up captive power plants.

CEMENT DIVISION PERFORMANCE

	4QFY07	4QFY06	% YOY	3QFY07	% QOQ
A. Grey Cement					
Production (m ton)	3.9	3.78	2.6	3.67	5.7
Sales Volume (m ton)	3.9	3.87	1.3	3.72	5.4
Net Turnover (Rs m)	12,585	9,311	35.2	11,755	7.1
Avg Realiz. (Rs/ton)	2,979	2,204	35.2	2,918	2.1
B. White Cement					
Production (ton)	97,116	96,260	0.9	91,722	5.9
Sales volume (ton)	102,200	95,598	6.9	93,571	9.2
Net Turnover (Rs m)	1,123	856	31.2	993	13.1
Avg Realiz. (Rs/ton)	6,518	6,117	6.6	6,456	1.0
PBDIT	4,702	2,651	77.4	4,203	11.9
PBIDT Margin (%)	34.3	26.1		33.0	

Source: Company/Motilal Oswal Securities

Sponge iron division: strong volume growth

Sponge iron division witnessed improvement in performance, led by strong volume growth of 79% YoY (to 171,942 ton) and 24% YoY improvement in realization (to Rs13,518/ton). Volume growth was driven by higher production on account of use of naphtha, made viable due to higher realizations. Realizations benefited from robust scrap prices and high sea freight. As a result, PBIDT margins for the division improved to 15.5% (v/s -3.5% in 4QFY06).

SPONGE IRON DIVISION PERFORMANCE

	4QFY07	4QFY06	% YOY	3QFY07	% QOQ
Production (ton)	167,680	109,073	53.7	116,996	43.3
Sales Volume (ton)	171,942	95,949	79.2	147,339	16.7
Net Turnover (Rs m)	2,388	1,094	118.3	1,952	22.3
Avg Realiz. (Rs/ton)	13,518	10,885	24.2	12,344	9.5
PBDIT	370	-38	-	250	48.0
PBIDT Margin (%)	15.5	-3.5		12.8	

Source: Company/Motilal Oswal Securities

SUM OF PARTS VALUATION - FAIR VALUE (BASED ON FY08E)

	(RS M)	BASIS	FACTOR	EV (RS M)
VSF - EBITDA	7,903	EV/EBITDA (x)	5	39,514
Sponge Iron - EBITDA	526	EV/EBITDA (x)	3.5	1,843
Other Business - EBITDA	1,165	EV/EBITDA (x)	2.5	2,914
Cement (Consolidated) - EBITDA	26,940	EV/EBITDA (x)	7.5	202,053
Total EV (Rs m)				246,324
Less: Debt (Rs m)				35,588
Add: Cash & Investments (Rs m)				29,711
Mkt Cap (Rs m)				240,447
Fair value per share				2,622

Source: Company/ Motilal Oswal Securities

Grasim's sponge iron business is expected to remain under pressure due to poor gas availability, which affects production. The company is hopeful of adequate gas availability by December 2007, although gas pricing remains unclear. Upon availability of gas, we expect Grasim's sponge iron division to operate at higher utilization, resulting in better absorption of fixed cost and improvement in margins.

Mega expansion plan, with a capital outlay of Rs51.5b

The company has announced additional brownfield capacity expansion of around 50,000 ton in VSF business, which will take total VSF capacity to 365,000 ton by the end of FY09. Overall, Grasim (incl UltraTech) is investing Rs51.5b (capex of Rs24.2b in FY07) in expanding capacities in its core business of cement (Rs42.7b for adding 14m ton) and VSF (Rs7.1b for adding 63,875 ton excl. 31,000 ton). All its capex programs are on schedule, with both new cement and VSF capacities expected to commence operations from March 2008. Post-expansion Grasim's standalone capacity will increase from 14m ton to 23.5m ton (single largest capacity). On a consolidated basis, AV Birla group will have a direct control of 46m ton of capacity.

Valuation and view

With outlook on both of its core businesses (cement and VSF) positive and being the leader in both business, Grasim would be one of the biggest beneficiary of any further upturn in these businesses. Also, Grasim is financially well placed to fund its future growth plans. Valuations at 10.8x FY08E EPS and 6.4x EV/EBITDA are reasonable for the largest cement player in India. We maintain **Buy**.

Grasim Industries: an investment profile

Company description

Grasim is a diversified company with cement and VSF being core business, accounting for 60.4% and 23.1% of FY06 revenue. Its other business includes sponge iron, chemicals and textiles. The acquisition of UltraTech Cement, the cement division of L&T, by Grasim catapulted it to number one position in the Indian cement industry with total capacity under control of 31mt.

Key investment argument

- Being largest player with total capacity of 31MT (existing capacity) under control and highest organic growth visibility, Grasim would be biggest beneficiary of any further increase in cement price.
- Global leader in VSF business, with backward integration in pulp, experiencing robust demand in both global and domestic markets.

Key investment risks

- Cement sector is likely to add huge capacities in coming year which can result in significant softening in cement prices.
- Softening in prices of competing fibres (cotton & PSF) can put pressure on VSF prices

Recent development

- Strong GDP growth, coupled with sustainable demand drivers, augurs well for cement demand growth
- Although significant capacity addition has already been announced, real impact of these capacities would be felt only in 2HFY09
- Uncertainty on cement prices, due to government intervention, is expected to prevail in the near term

Recent development

- Initiating regulatory clearance process for brownfield expansion of 31,000TPA VSF capacity at Harihar

Valuation and view

- The stock quotes at valuation of 10.8x FY08E EPS and 6.4x EV/EBITDA
- Grasim will be one of the biggest beneficiaries of current upturn in cement prices as well as its organic expansion plan. Maintain Buy with target price of Rs2,620.

COMPARATIVE VALUATIONS

		GRASIM	ACC	GACL
P/E(x)	FY08E	10.8	11.1	11.3
	FY09E	11.0	11.9	12.0
P/BV(x)	FY08E	2.7	3.7	3.6
	FY09E	2.2	3.0	3.0
EV/Sales(x)	FY08E	2.0	2.2	2.9
	FY09E	1.7	2.0	2.7
EV/EBITDA(x)	FY08E	6.4	7.2	7.5
	FY09E	5.9	7.3	7.3

SHAREHOLDING PATTERN (%)

	MAR.07	DEC.06	MAR.06
Promoter	25.2	25.1	25.0
Domestic Inst	20.1	20.9	22.2
Foreign	38.2	37.8	36.5
Others	16.6	16.3	16.3

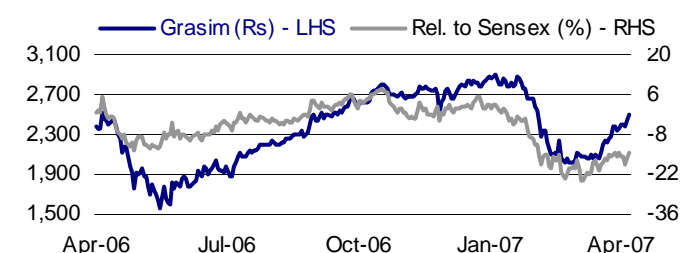
EPS: MOST FORECAST VS CONSENSUS (RS)

	MOST FORECAST	CONSENSUS FORECAST	VARIATION (%)
FY08	231.2	222.2	4.0
FY09	226.5	239.4	-5.4

TARGET PRICE AND RECOMMENDATION

CURRENT PRICE (RS)	TARGET PRICE (RS)	UPSIDE (%)	RECO.
2,498	2,620	4.9	Buy

STOCK PERFORMANCE (1 YEAR)



CONSOLIDATED INCOME STATEMENT					
(Rs Million)					
Y/E MARCH	2005	2006	2007	2008E	2009E
Net Sales	92,917	102,749	141,673	146,182	157,579
Change (%)	23.8	10.6	37.9	3.2	7.8
Total Expenditure	72,645	81,553	101,228	101,519	111,784
EBITDA	20,272	21,195	40,444	44,663	45,795
Margin (%)	21.8	20.6	28.5	30.6	29.1
Depreciation	5,562	5,631	6,100	6,750	7,878
EBIT	14,709	15,564	34,345	37,913	37,917
Int. and Finance Charges	2,846	2,183	2,286	1,985	1,761
Other Income - Rec.	2,452	2,171	2,456	2,427	2,280
PBT & EO items	14,316	15,552	34,515	38,355	38,436
Change (%)	36.4	8.6	21.9	11.1	0.2
Extra Ordinary items	-1,281	41	0	0	0
PBT but after EO items	13,035	15,593	34,515	38,355	38,436
Tax	4,421	4,027	10,921	12,622	12,671
Tax Rate (%)	33.9	25.8	31.6	32.9	33.0
Reported PAT	8,614	11,566	23,594	25,733	25,764
PAT Adj for EO items	9,461	11,536	23,594	25,733	25,764
Change (%)	22.0	2.19	104.5	9.1	0.1
Margin (%)	10.2	11.2	16.7	17.6	16.4
Less: Minority Interest	-190	1,160	3,919	4,533	5,000
Consolidated PAT	9,651	10,376	19,675	21,199	20,764
Change (%)	26.9	7.5	89.6	7.7	-2.1

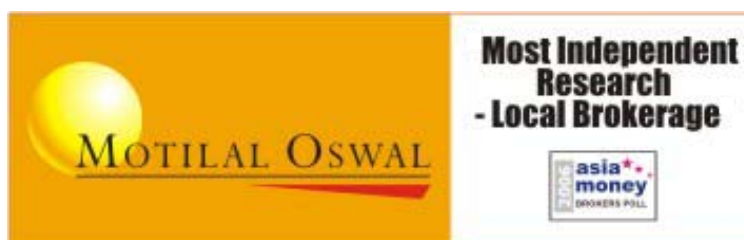
CONSOLIDATED BALANCE SHEET					
(Rs Million)					
Y/E MARCH	2005	2006	2007	2008E	2009E
Equity Share Capital	917	917	917	917	917
Reserves	39,943	47,459	65,852	83,833	101,379
Net Worth	40,859	48,376	66,768	84,750	102,296
Loans	39,339	36,833	40,000	42,500	27,750
Deferred liabilities	11,793	11,583	11,532	11,897	12,621
Minority Interest	5,002	5,136	9,055	13,588	18,588
Capital Employed	96,993	101,927	127,355	152,735	161,255
Gross Block	111,116	114,836	138,836	173,836	189,636
Less: Accum. Deprn.	50,181	55,160	54,393	60,330	68,209
Net Fixed Assets	60,935	59,676	84,443	113,505	121,427
Capital WIP	2,053	4,480	7,500	7,500	2,158
Investments	7,690	13,521	12,018	8,155	13,640
Goodwill	19,577	17,728	17,728	17,728	17,728
Curr. Assets	23,971	26,185	33,647	34,718	37,425
Inventory	10,567	11,645	14,876	15,349	16,546
Account Receivables	7,232	5,908	7,792	8,040	8,667
Cash and Bank Balance	1,635	2,374	3,188	3,289	3,546
Others	4,537	6,259	7,792	8,040	8,667
Curr. Liability & Prov.	17,233	19,663	27,980	28,871	31,122
Account Payables	8,982	11,382	15,584	16,080	17,334
Other Liabilities	5,209	5,003	7,792	8,040	8,667
Provisions	3,043	3,277	4,604	4,751	5,121
Net Current Assets	6,738	6,523	5,667	5,847	6,303
Appl. of Funds	96,993	101,927	127,355	152,735	161,255

E: MOST Estimates

RATIOS					
Y/E MARCH	2005	2006	2007	2008E	2009E
Basic (Rs)					
EPS	105.3	113.2	214.6	231.2	226.5
Cash EPS	164.8	178.9	284.1	314.8	281.4
BV/Share	445.7	527.6	728.2	924.3	1,115.7
DPS	16.5	20.0	27.5	30.0	30.0
Payout (%)	18.3	18.4	12.5	12.5	12.5
Valuation (x)					
P/E		22.1	11.6	10.8	11.0
Cash P/E		14.0	8.8	7.9	8.9
P/BV		4.7	3.4	2.7	2.2
EV/Sales		2.9	2.0	2.0	1.7
EV/ EBITDA		14.3	7.2	6.4	5.9
Dividend Yield (%)		0.8	1.1	1.2	1.2
Return Ratios (%)					
RoE	23.6	21.4	29.5	25.0	20.3
RoCE	21.4	20.8	34.5	31.7	30.9
Working Capital Ratios					
Debtor (Days)	28	21	20	20	20
Asset Turnover (x)	1.0	1.0	1.1	1.0	1.0
Leverage Ratio					
Debt/Equity (x)	1.0	0.8	0.6	0.5	0.3

CONSOLIDATED CASH FLOW STATEMENT					
(Rs Million)					
Y/E MARCH	2005	2006	2007	2008E	2009E
OP/(Loss) before Tax	25,274	21,329	44,363	49,196	50,796
Interest/Dividends Recd.	2,452	2,171	2,456	2,427	2,280
Direct Taxes Paid	1,047	-4,237	-10,971	-12,256	-11,947
(Inc)/Dec in WC	-1,881	954	1,670	-79	-199
CF from Operations	26,892	20,216	37,518	39,287	40,929
EO Items	1,281	-41	0	0	0
CF from Op. incl EO	25,611	20,257	37,518	39,287	40,929
(inc)/dec in FA	-36,368	-6,798	-33,887	-35,813	-10,458
(Pur)/Sale of Investments	-1,861	-3,981	1,503	3,863	-5,485
CF from Investments	-38,229	-10,780	-32,384	-31,950	-15,943
Issue of Shares	-2,128	-1,928	-2,251	-4,533	-5,000
(Inc)/Dec in Debt	18,687	-2,506	3,167	2,500	-14,750
Interest Paid	-2,846	-2,183	-2,286	-1,985	-1,761
Dividend Paid	-1,735	-2,121	-2,950	-3,218	-3,218
CF from Fin. Activity	11,978	-8,738	-4,321	-7,236	-24,730
Inc/Dec of Cash	-640	739	814	101	256
Add: Beginning Balance	2,275	1,635	2,374	3,188	3,289
Closing Balance	1,635	2,374	3,188	3,289	3,546

N O T E S



For more copies or other information, contact

Institutional: Navin Agarwal. **Retail:** Manish Shah

Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: inquire@motiloswal.com

Motilal Oswal Securities Ltd, 3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Motilal Oswal Securities Limited (*hereinafter referred as MOST*) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. MOST or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

MOST and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Disclosure of Interest Statement

Grasim Industries

- | | |
|---|----|
| 1. Analyst ownership of the stock | No |
| 2. Group/Directors ownership of the stock | No |
| 3. Broking relationship with company covered | No |
| 4. Investment Banking relationship with company covered | No |

This information is subject to change without any prior notice. MOST reserves the right to make modifications and alternations to this statement as may be required from time to time. Nevertheless, MOST is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.