

Robust Growth in Volumes, Revenue and EBITDA across all Businesses

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11 AUGUST, 2016

— Q1 FY17: Revenue up 9 per cent; EBITDA up 36 per cent; Net profit up 64 per cent

Consolidated Financial Performance

Rupees in crore			
Quarter ended			
	30.06.2016	30.06.2015	
Net Revenue	9,089	8,366	9% [^]
EBITDA	2,214	1,628	36% [^]
Net Profit	830	508	64% [^]

Grasim has reported an excellent performance for Quarter 1 FY17 with an all-round growth in volume, revenue, EBITDA and Net profit. Consolidated revenue at Rs.9,089 crore was higher by 9 per cent. Consolidated EBITDA was up by 36 per cent at Rs.2,214 crore and Net profit increased by 64 per cent to Rs.830 crore compared to Rs.508 crore in Quarter 1 last year.

Shares split

The Board of Directors have approved sub-division of equity shares of the Company from one(1) equity share of face value Rs.10 each fully paid up to five (5) equity shares of face value Rs. 2 each fully paid up, subject to requisite approvals. The sub-division of the equity shares will take effect from the record date to be determined by Board of Directors.

Viscose Staple Fibre (VSF)

VSF prices in international markets were marginally up on YoY basis on the back of steady demand and low inventory levels in China.

Sales volume soared by 17 driven by growth in the domestic market. The duration of water shortage led shutdown at Nagda plant was restricted to a month vis-a-vis two months in the preceding year. Consequently the Company attained higher production during this quarter. Increase in global prices and rupee depreciation resulted in higher realisation. Revenue for the quarter was up by 32 per cent from Rs.1,254 crore to Rs.1,654 crore EBITDA increased from Rs.139 crore to Rs.322 crore driven by higher revenue, better operating efficiencies and higher quantum of speciality fibre.

Chemical Business

The Chemical Business achieved a revenue growth of 17 per cent at Rs.904 crore. Volume grew by 11 per cent YoY. Temporary disruptions in production at some of the plants in the industry during this quarter led to higher Caustic Soda prices. This, coupled with the rupee depreciation has resulted in higher ECU realisation by 7 per cent. Higher volume and better realisations have resulted in EBITDA rising from Rs.172 crore to Rs.232 crore.

Cement Subsidiary (UltraTech Cement)



,626 crore was higher by 25 per cent fuelled by higher volume and decline in variable cost, mainly lower fuel and logistics cost. Profit after Tax rose 29 per cent from Rs.604 crore to Rs.780 crore.

The transaction for the acquisition of cement capacity of 21.20 million TPA from Jaiprakash Associate Ltd. and Jaypee Cement Corporation Ltd. is expected to be completed in the ensuing 9-10 months after receiving the requisite approvals.

Outlook

In VSF, the Business environment has improved globally. Capacity additions have slowed down which have resulted in higher operating rates in the industry.

The Company will continue to focus on expanding the VSF market in India by partnering with the textile value chain and better customer connect through Brand Liva. Enriching the product mix through larger share of specialty fibre in the portfolio will be yet another focus area.

The demand for Caustic in India is expected to grow with the rising demand from the end user industry. To meet this, caustic capacity is being raised by 208K TPA through brownfield expansion at Vilayat (Gujarat) and debottlenecking at other plants.

In Cement, demand is expected to rise by ~7 per cent in the current year, driven by the Government's focus on infrastructure development, housing, smart cities etc. The Company is well-positioned across the country to cater to the growth in demand.

Grasim is well-poised to reap the benefits of investments in growth plans of its businesses with the sustained expansion of the Indian economy.



ADITYA BIRLA GROUP

Grasim Industries Limited, part of the **Aditya Birla Group**, ranks amongst the top publicly listed companies in India

Contact us

Birlagram, Nagda 456 331
Madhya Pradesh, India

Tel: [91-7366-246760](tel:91-7366-246760) / [246766](tel:91-7366-246766)

Fax: 91-7366-244114 / 246024

Email: grasim.secretarial@adityabirla.com

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