

Grasim announces consolidated financial performance

Share

f

🐦

in

07 MAY, 2016

[Click here to view the results](#)

[Click here to view the presentation](#)

Outstanding performance led by robust volume growth in all businesses

Q4 FY16: Revenue up 13 per cent; EBITDA up 24 per cent; Net profit up 40 per cent

Rupees in crore

Full year ended		Quarter ended		
31.03.2016	31.03.2015		31.03.2016	31.03.2015
36,637	32,838	Net Revenue	10,001	8,817
7,025	5,683	EBITDA	2,059	1,658
2,387	1,753	Net Profit	724	516
(Before Exceptional Item)				

Grasim has announced impressive results led by robust volume growth in all its businesses viz. VSF, Chemical and Cement. For the current quarter, consolidated revenue rose by 13 per cent at Rs.10,001 crore and EBITDA at Rs.2,059 crore was higher by 24 per cent. Net profit (before EI) grew by 40 per cent to Rs.724 crore (Q4 last year: Rs.516 crore).

For the full year, consolidated revenue was higher by 12 per cent to Rs.36,637 crore. Consolidated EBITDA was up by 24 per cent at Rs.7,025 crore and net profit increased to Rs.2,387 crore compared to Rs.1,753 crore last year.

Dividend

The Board of Directors of Grasim has recommended a higher dividend of Rs.22.5 per share as against Rs.18 per share in the previous year. The total outflow on account of the dividend would be Rs.221 crore (inclusive of the corporate tax on dividend).

Viscose Staple Fibre (VSF)

Globally, VSF prices witnessed a recovery post the Chinese New Year on the back of better demand.

The business revenue increased by 23 per cent at Rs.1,729 crore. Sales volume grew by 10 per cent at 130K TPA helped by additional volume from Vilayat plant and concerted efforts towards market expansion. Business EBITDA for the quarter was Rs.267 crore.

Pulp JVs recorded better results with higher pulp realisation in the international market and favorable exchange rate.

Chemical Business

The revenue more than doubled at Rs.957 crore as against Rs.429 crore in Q4FY15. Caustic soda volume at 204K tonnes was up by 95 per cent. Volumes in existing operations grew by 15 per cent. Additionally, merger of ABCIL contributed 84K tonnes. The uptick in ECU realisations coupled with lower energy cost resulted in higher EBITDA, rising from Rs.55 crore to Rs.229 crore. On a like for like basis, EBITDA was up by 156 per cent at Rs.140 crore. The Board approved Rs.513 crore for brownfield expansion of caustic



sion and debottlenecking of capacity at various plants, Caustic capacity will increase from 804K TPA currently to 1,048K TPA.

Cement Subsidiary (UltraTech Cement)

The cement sector displayed signs of recovery with demand growth for the industry estimated at ~11.5 per cent for the current quarter. UltraTech outpaced the industry with domestic volume growth of 15 per cent. Revenue for the quarter was Rs.6,920 crore vis-à-vis Rs.6,595 crore in Q4 last year. EBITDA was up by 3 per cent at Rs.1,478 crore helped by enhanced volumes and lower fuel prices. Net profit was Rs.723 crore compared to Rs.657 crore in the corresponding quarter.

Outlook

In VSF, the capacity additions have slowed down globally. Further, cotton production is projected to be lower than the consumption in season 15-16 with the reduced acreage and unfavourable climate. As a result, the price volatility of VSF is expected to reduce.

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

The caustic demand in India is expected to grow with increase demand from the end user industry. To meet the growing demand, caustic capacity is being raised by 100K TPA through debottlenecking at different units.

In cement, demand is expected to grow at 7 per cent - 8 per cent for the next year, driven by the Government's focus on infrastructure development, housing, smart cities etc. The company is well positioned across the country to cater the growth in demand.


Grasim is well poised to reap the benefits of the investment in capacity expansion and acquisitions with the expected upturn in the economy.

Cautionary statement

Statements in this "Press Release" describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those express 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.




ADITYA BIRLA

GRASIM



ADITYA BIRLA GROUP

Tel: [91-7366-246760](tel:91-7366-246760) / [246766](tel:91-7366-246766)
Fax: 91-7366-244114 / 246024
Email: grasim.secretarial@adityabirla.com

Follow us on:   

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

©2020 Grasim Industries Limited. All Rights Reserved. [Privacy Policy](#) [Sitemap](#)

