

Grasim posts excellent Q4 FY17 and for year ended 31 March 2017 results

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19 MAY, 2017

- Q4: Revenue up 5 per cent; ; EBITDA up 4 per cent; Net Profit up 2 per cent
- Consolidated Financial Performance

Rupees in crore

Full year ended			Quarter ended	
31.03.2017	31.03.2016		31.03.2017	31.03.2016
40,247	38,535	Revenue	11,140	10,566
8,333	7,066	EBITDA	2,142	2,051
3,167	2,496	Net Profit (Before Exceptional Item)	775	757

Grasim has reported a consolidated revenue of Rs.11,140 crore for the fourth quarter of FY17. It's EBITDA of Rs.2,142 crore was up by 4 per cent on the back of stellar performance by the VSF business. Net profit for the quarter was up by 2 per cent at Rs.775 crore.

Dividend

The Board of Directors of Grasim has recommended a higher dividend of Rs.5.50 per share as against Rs.4.50 per share (adjusted for sub-division of share) in the previous year.

Viscose Staple Fibre (VSF)

The company's strong sales volume supported by firm international prices helped drive an excellent performance in the VSF business. Even though the captive pulp plant at Harihar remained shut from February'17 onward, due to water shortage, the production of VSF remained unaffected as the business ensured running of operations with external pulp supplies. Net revenue increased by 12 per cent at Rs.1,945 crore. Despite the rise in pulp and energy costs, EBITDA at Rs.345 crore rose by 30 per cent, led by higher realisation and improved operating efficiencies.

Chemical Business

Lower chlorine offtake in the industry has restricted caustic production. As a result business recorded a volume de-growth of 6 per cent YoY. This, coupled with sharp increase in power cost has created pressure on profitability. However, a volume growth of 33 per cent in Chlorine Value Added Products (VAPs), as a result of continued focus, has contained the decline in EBITDA from Rs.229 crore in Q4FY16 to Rs.211 crore (on a like to like basis).

The company's brownfield expansion at Vilayat is on track. Civil work has already begun. The commissioning of plant is expected by Q4FY18. Alongside, the debottlenecking under implementation at its other plants will increase the company's capacity from 840K TPA to 1,048K TPA.

Cement Subsidiary - UltraTech



acturing cost increase was limited to a large extent, given the enhanced share of power from waste heat recovery and reduced power consumption. Similarly the logistic cost was controlled by increased use of sea route and higher supply from new grinding units. The company's net profit was Rs.726 crore compared to Rs.819 crore in the corresponding quarter.

Composite Scheme of Arrangement for merger of Aditya Birla Nuvo Ltd.

The process of seeking the requisite regulatory approvals for the composite Scheme of merger of Aditya Birla Nuvo with Grasim and the listing of the Financial Services Business is in progress. The scheme has been approved by the shareholders and creditors of the company. It is subject to sanction from National Company Law Tribunal and final approval from stock exchanges. The transaction is expected to be completed by Q2 FY18. Outlook

The VSF business will continue to focus on expanding the VSF market in India by partnering with the textile value chain, achieving better customer connect through Brand Liva and enriching the product mix through a larger share of specialty fibre. The company is in the process of debottlenecking of its plants to meet the growing demand.

The demand for caustic Soda in India is expected to grow with rising consumption from the alumina and textile sectors. However, the increase in supply on account of new capacities in the industry may create a temporary imbalance in demand supply.

In cement, the demand is expected to grow, driven by the Government's focus on infrastructure development, affordable housing etc. The company is well positioned across the country to cater to the growth in demand.

Upon the completion of the merger of Aditya Birla Nuvo with Grasim, the company is poised to enter into a new era of growth, given its leadership position in all its businesses post merger.

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.

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