

Grasim announces results for the quarter and year ended 31 March 2018

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Standalone			Consolidated		
	Q4 FY18	Q4 FY17		Q4 FY18	Q4 FY17
60% [^]	4,606	2,876	Net Revenue	17,438	9,995
70% [^]	947	556	EBITDA	2,961	2,142
67% [^]	526	315	PAT*	914	775

*PAT Excluding exceptional items



Presentation

(.pdf, 1.00MB)



Grasim results for the quarter and year ended 31 March 2018 have been impressive, with all-round growth both at the standalone and consolidated level.

For the full year FY17-18, standalone revenue at Rs.15,788 crore was up by 53 per cent compared to last year. Standalone EBITDA grew by 35 per cent at Rs.3,542 crore.

At consolidated level, the revenue for FY17-18 rose by 56 per cent to Rs.56,162 crore and EBITDA at Rs.10,879 crore was up by 31 per cent.

The results of the current period are not comparable with that of the previous year, as the previous year’s results do not include the results of the erstwhile Aditya Birla Nuvo Limited (ABNL), which was merged with the company with effect from 1 July 2017. However, on like-to-like basis, the performance for the quarter and year ended 31 March 2018 was impressive. Standalone revenue for the quarter was up by 26 per cent (full year up by 30 per cent) and EBITDA grew by 35 per cent (full year up by 14 per cent).

Dividend

The Board of Directors of Grasim has recommended a higher dividend of Rs.6.20 per share as against Rs.5.50 per share (adjusted for sub-division of share) in the previous year. The total outflow on account of the dividend would be Rs.455 crore (inclusive of the corporate tax on dividend).

Viscose business

The net revenue for Q4FY18 at Rs.2,232 crore is up by 15 per cent and EBITDA at Rs.401 crore by 16 per cent.

For FY18, the net revenue at Rs.8,376 crore is higher by 18 per cent and EBITDA by 17 per cent at Rs.1,680 crore driven by higher sales volume and improved average realisations with higher domestic sales.

The VSF business reported its highest ever sales volume of 508KT in FY18, led by growth in the domestic market with intense market development efforts. The share of the domestic sales the overall sales rose to 75 per cent in FY18 from 69 per cent in FY17. The number of LIVA tagged garments has witnessed a 10x increase in the last three years to 30.25 million in FY18. More than 3,000 stores across the country are making LIVA tagged garments available to the customers.



implementation. Project related work has commenced from April 2018.

Chemical business

The caustic soda prices stabilised during the quarter led by capacity restarts in China. The underlying demand from the user industry (Alumina and Textile) continues to remain buoyant.

Net revenue for the quarter rose by 35 per cent YoY to Rs.1,439 crore and EBITDA by 95 per cent YoY to Rs.412 crore driven by better realisation and higher sales volume.

For FY18 the net revenue is extended by 31 per cent to Rs.5,004 crore and EBITDA by 31 per cent to Rs.1,300 crore. The management focus on increasing the volume of chlorine based value added products continues.

The caustic soda brownfield expansion of 144 KTPA at Vilayat, Gujarat was commissioned in May 2018.

The Board has evaluated plans for brownfield capacity expansion of caustic soda along with new Chlorine VAPs at multiple plant locations and has approved in principle an investment of around Rs.1,000 crore.

Cement subsidiary - UltraTech

UltraTech reported an increase in consolidated sales, higher by 34 per cent (YoY) to Rs.9,298 crore and EBITDA augmented by 20 per cent to Rs.1,887 crore in Q4FY18.

During Q4FY18 and FY18 the consolidated sales volume registered an increase of 15 per cent and 20 per cent on YoY basis. The input costs continued to rise in Q4FY18, due to higher pet coke and coal prices and the ban on pet coke usage in TPP.

The consolidated sales and EBITDA for FY18 stood at Rs.30,973 crore and Rs.6,729 crore vis-a-vis to Rs.25,092 crore and Rs.5,861 crore in FY17.

Financial services subsidiary – Aditya Birla Capital Limited (ABCL)

ABCL was listed on the stock exchanges on 1 September 2017 as the culmination of the composite scheme of arrangement. Aditya Birla Nuvo Limited merged with the company and the financial services undertaking was subsequently demerged into ABCL.

ABCL reported a robust financial performance in Q4FY18 with a consolidated revenue of Rs.4,203 crore and EBT of Rs.398 crore as per IGAAP.

The lending book (including housing) grew 32 per cent YoY to Rs.51,378 crore in Q4FY18.

The Asset Management business (ranked No.3 Mutual Fund in India) reported a 27 per cent YoY increase in average assets under management to Rs.2,67,739 crore. The business reported an overall domestic market share of 10.75 per cent and equity market share of 9.2 per cent in Q4FY18.

Life Insurance business saw a 12.4 per cent growth in the Indian embedded value to Rs.4,281 crore as (31 March 2018) from Rs.3,810 crore (31 March 2017). The net value of new business (VNB) margin turned positive at 4.3 per cent in FY18 vis-à-vis negative 5.5 per cent in FY17.

ABCL is touching the lives of 10 million active customers.

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 brand Liva and enriching the product mix through a larger share of specialty fibre. However, the new capacities likely to come on stream in China may impact the global VSF prices in the near term.

The demand for caustic soda in India is expected to grow with rising consumption from the alumina and textile sectors.



In financial services, ABCL is geared to provide universal financial solutions to meet the customers' money needs for life. ABCL's focused customer-centric approach under a single brand "Aditya Birla Capital" will enable it to chart a differentiated, accelerated and disciplined path to growth.

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 GROUP

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

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