



Growth across Businesses leading to robust performance

Revenue up 13%; EBITDA up 43%; Net Profit up 95%

Consolidated Financial Performance

₹ Cr.

Nine Months ended				Quarter ended		
31.12.2015		31.12.2014		31.12.2015		31.12.2014
Reported	LFL*			Reported	LFL*	
26,636	25,690	24,021	Net Revenue	9,044	8,699	8,035
4,967	4,736	4,025	EBITDA	1,795	1,719	1,260
1,663	1,593	1,237	Net Profit	650	634	334

*Aditya Birla Chemicals (India) Ltd. (ABCIL) has been merged with the Company with effect from 1st April 2015. Like for Like (LFL) numbers exclude ABCIL numbers.

All of Grasim's Businesses viz. VSF, Chemical and Cement have posted encouraging results during the quarter. The investments made by the Company on capacity expansions and acquisitions are yielding results leading to 13% growth in consolidated revenue at ₹ 9,044 Cr. and 43% growth in EBITDA at ₹ 1,795 Cr. Net Profit was up by 95% to ₹ 650 Cr.

Viscose Staple Fibre (VSF)

Partnering with the value chain players towards increasing the usage of VSF, a focus on increasing the share of specialty fibre and the full ramp up of its Vilayat plant has resulted in a higher off take. Consequently volume increased by 24% from 97K MT in Q3FY15 to 121K MT in Q3FY16. Realisation improved by 8% with uptrend higher global prices. As a result, EBITDA increased by 126% at ₹ 308 Cr.

The Company's Pulp JVs have also reported improved performance, driven by higher volumes as well as better realization.

Chemical Business

The Business revenue doubled from ₹ 442 Cr. in Q3FY15 to ₹ 871 Cr. in Q3FY16, as a consequence of the merger of ABCIL, and growth from the existing plants. Its Caustic Soda volume was up by 87%. Epoxy volume also witnessed 48% growth, with product approvals from customers in place and higher exports. EBITDA rose from ₹ 67 Cr. to ₹ 177 Cr. On a like for like basis also, EBITDA was up by 50% at ₹ 101 Cr. with higher volume and lower energy costs.

Cement Subsidiary (UltraTech Cement)

UltraTech Cement has outperformed registering a volume growth of 7% as against ~4.5% estimated for industry. The Company saw a higher penetration in rural markets. EBITDA stood at ₹ 1,245 Cr., up by 18% from ₹ 1,058 Cr. PAT grew by 36% to ₹ 546 Cr. Though cement prices remained subdued, its performance during the quarter was encouraging, largely due to operational efficiencies, a judicious fuel mix and lower energy costs.

However, the gains were partially offset by the additional district mineral foundation levy and the increased bonus liability for employees.

Outlook

In VSF, prices have seen some correction globally during the quarter due to lower demand on account of end of season. This may have an impact on margins in the near term.

The Company will continue to focus on expanding its domestic market through product development activities, working closely with brands, designers and retailers. A better customer connect through Brand Liva is leading to growth in demand for VSF based products in the textile value chain.

Caustic demand in India is expected to grow with increase in demand from the end user industry. Being the largest player in the industry, the company will gain from the rise in demand.

In Cement, the demand is expected to pick up in the near term with the Government's focus on infrastructure development, housing sector, smart cities, roads etc. The Company is well positioned across the country to cater to the growth in demand.

Grasim enjoys a leadership position in all its businesses: Cement, VSF, and Chemical. It continues to strengthen the same. The Company is well poised to gain from the expected upturn in the business cycle, backed by the improvement in economic environment.

GRASIM INDUSTRIES LIMITED

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