



Grasim continues with the momentum of Strong Performance

- **Net debt stands at zero with the completion of disinvestment of fertiliser business on 1st January 2022, on a standalone business**
- **Successful commissioning of expansion projects:**
 - **Vilayat brownfield VSF project of 220KTPA commissioned in two phases, 110KTPA in Nov-21 and the balance 110KTPA in Feb-22**
 - **Caustic Soda: 117KTPA (BB Puram, Andhra Pradesh phase-1: 26KTPA and Rehla, Jharkhand: 91KTPA) (Dec-21)**
- **Net Zero Carbon emission across VSF Business by 2040**
- **Consolidated Revenue was up 16% YoY at ₹24,402 Cr. and Consolidated PAT was up 26% YoY to ₹1,746 Cr.**

QUARTERLY FINANCIAL RESULTS

₹ Cr.

Standalone				Consolidated		
Q3FY22	Q3FY21	% Change (Y-o-Y)		Q3FY22	Q3FY21	% Change (Y-o-Y)
5,785	3,697	56%	Revenue	24,402	21,000	16%
963	708	36%	EBITDA	4,107	4,476	-8%
522	358	46%	PAT	1,746	1,389	26%

Consolidated revenue for Q3FY22 was up 16% at ₹24,402 Cr., EBITDA stood at ₹4,107 Cr. and PAT at ₹1,746 Cr. was up 26%, on a YoY basis.

Standalone revenue for Q3FY22 jumped 56% to ₹5,785 Cr., EBITDA soared 36% to ₹963 Cr. and PAT at ₹522 Cr. was up 46%, on a YoY basis.

Revenue and EBITDA from the discontinued operation (Fertiliser Business) for Q3FY22 stood at ₹974 Cr. and ₹53 Cr. (Q3FY21: ₹598 Cr. and ₹57 Cr.) respectively.

Viscose Business

The growth in the global demand for textile products in the US and Europe led to a positive demand environment for VSF. Chinese fibre and yarn manufacturers witnessed a sharp uptick in the operating rates (OR) in Jan-22 after a brief dip in Q3FY22. The OR for VSF improved to a 12-month high of 83%, and for yarn, it improved to 55% in Jan-22. The VSF prices averaged higher in Q3FY22 compared to the previous quarter. Though towards the end of December-21, the realisation started to trend downwards due to COVID concerns.

The strong operational performance of VSF has been induced by strong demand for textile products in India during Q3FY22, despite the curbs imposed by various state governments. The domestic textile value chain has been operating close to its peak capacity, which is led by the demand uptick.

The VSF sales volume for Q3FY22 were further boosted by the commissioning of brownfield expansion (300 TPD) at Vilayat. The share of value-added products in the overall sales mix increased to 29%. The VFY business reported strong operational and financial performance on a sequential basis driven by strong demand and improvement in realisation despite cost pressure.

Chemical Business

International caustic soda prices maintained an upward trajectory in Q3FY22, for the fourth straight quarter. The domestic caustic soda prices mirrored the global trend in caustic prices, strong domestic demand conditions also supported the prices. The caustic soda capacity utilization stood at 93% in Q3FY22, up 7% sequentially. The Chlor Alkali business is on the path of improving the share of green power in the overall power mix from 3.4%(9MFY22) to 10% (FY23). This will further enhance the sustainability performance and will also lead to cost competitiveness.

The Advanced Materials business witnessed a YoY improvement in the operational and financial performance driven by a better product mix on the back of strong demand from the wind power segment.

Paint Business

The company has received Environmental Clearance for two of its plant sites at Panipat and Ludhiana of the five sites as part of its Pan India footprint for paints manufacturing.

Capex Plan

This quarter witnessed the commissioning of various ongoing capex projects in both the VSF and Chemical business. The 300TPD line of the VSF brownfield expansion (out of total 600 TPD) at Vilayat commissioned in November 2021 is operating at full capacity, the balance 300TPD has also been successfully commissioned on 12th February 2022. In the Chlor-alkali business, BB Puram (phase-1) plant of 26KTPA was successfully commissioned in Dec-21, and the balance (47KTPA) is expected to be commissioned in Q1FY23. The Rehla plant of 91KTPA and the Chloromethane plant of 55KTPA at Vilayat (Gujarat) was also commissioned in Q3FY22.

Sustainability

The VSF business has taken the target to achieve Net Zero Carbon emissions across all its operations by 2040. The company participated for the first time in CDP (Carbon Disclosure Project) in 2021 and has received a management band score B-. The VSF unit at Kharach has been bestowed with the CII-ITC Sustainability Award 2021 for Excellence in Environment Management. Grasim received the Gold Shield award for "Integrated Reporting" and "Excellence in Financial Reporting" from the Institute of Chartered Accountants of India (ICAI).

Cement Subsidiary - UltraTech Cement Limited

UltraTech's Consolidated Revenue was at ₹12,985 Cr. up 6% YoY. The company reported an EBITDA of ₹2,490 Cr. and sales volume stood at ~23.13 MTPA.

The impact of the rise in input costs was felt across the board, with energy costs up 39% YoY, raw material costs up 7% YoY, and logistics costs up 4% YoY, which impacted the EBITDA margins.

UltraTech has commissioned 3.2 MTPA of new cement capacity taking its total cement manufacturing capacity in India to 114.55 MTPA.

The UltraTech board has approved a capex of ₹965 Cr. for modernisation and capacity expansion of the White cement plant at Kharia (Rajasthan) from 6.5 LTPA to 12.53 LTPA.

UltraTech has been conferred the "Leaders Award - Mega Large Business, Process Sector" – highest award in that category by Frost & Sullivan and the Energy and Resources Institute (TERI) for the year 2021, in recognition of its efforts to build a sustainable business.

Financial Services Subsidiary – Aditya Birla Capital Limited (ABCL)

The Consolidated Revenue of Aditya Birla Capital Limited (ABCL) grew 13.4% to ₹5,706 Cr. and consolidated PAT (after minority interest) grew 99.7% to ₹577 Cr., on a YoY basis. ABCL remains focused on maximising the value of the active customer base of 31 million whilst continuing to drive customer acquisition at scale.

The NBFC and Housing Finance lending book grew by 7% YoY to ₹61,411 Cr. in Q3FY22. The loan book for NBFC grew to ₹49,805 Cr, reflecting a 9% YoY growth. The Retail, SME and HNI loan book grew 24% YoY, leading to its contribution in the overall book being the highest ever at 60% in December'21, vis-à-vis 53% in the previous year. The NBFC business reported the highest ever Net Interest Margin (Incl. Fee Income) at 6.24%, up 100 bps YoY, led by growth in retail and SME segments and lower cost of borrowing.

In Asset Management, the Domestic AAUM increased to ₹2,98,763 Cr. (Q3FY22), up 17% YoY. The PBT/AAUM increased to 33.1 bps in Q3FY22 from 30.1 bps in Q3FY21.

In Life Insurance, Individual First Year Premium grew 16.51% YoY to ₹635 Cr., Total Premium grew 21% YoY, to ₹3,145 Cr. in Q3FY22.

In the Health Insurance business, the gross written premium for Q3FY22 increased to ₹406 Cr., up 31% YoY., with retail contributing 65% of total business. The business witnessed robust digital enablement, with 97% of policies issued digitally.

About Grasim Industries Limited

Grasim Industries Limited, a flagship company of the Aditya Birla Group, ranks amongst the top publicly listed companies in India. Grasim is celebrating 75 glorious years of its existence. Incorporated in 1947, it started as a textiles manufacturer in India. Today, it has evolved into a leading diversified player with leadership presence across many sectors. It is a leading global producer of Viscose Staple Fibre and Viscose Filament Yarn, the largest Chlor-Alkali, Advanced Material, Linen Yarn and Fabrics producer in India. Through its subsidiaries, UltraTech Cement and Aditya Birla Capital, it is also India's largest cement producer and a leading diversified financial services player. At Grasim, there is an endeavour to create sustainable value for 23,500+ employees, 222,000+ shareholders, society, and customers. The company reported consolidated net revenue of ₹76,398 Cr. and EBITDA of ₹15,766 Cr. in FY 2021.
