Press Release **Mumbai, 13th June 2020**

Grasim Industries Limited today announced its audited financial results for the quarter and year ended 31st March, 2020

CONSOLIDATED FINANCIAL RESULTS **₹ Cr.**

Q4 FY19	Q4FY20		FY20	FY19
22,431	**19,902**	Revenue	**77,625**	77,200
3,999	**3,243**	EBITDA	**13,846**	13,404
1,144	**1,506**	PAT	**4,425**	1,693

Consolidated Revenue and EBITDA for the FY20 stood at ₹77,625 Cr. and ₹13,846 Cr. respectively. Consolidated PAT at ₹4,425 Cr. recorded a growth of 161% YoY aided by write back of deferred tax liabilities and lower exceptional charge in the current year.

Consolidated Revenue and EBITDA for the Q4FY20 stood at ₹19,902 Cr. and ₹3,243 Cr. respectively. Consolidated PAT for the Q4FY20 at ₹1,506 Cr. recorded a growth of 32% YoY.

On a standalone basis, Revenue and EBITDA for FY20 declined on account of general economic slowdown and start of the lock down in major economies of the world during the month of March 2020.

Despite the economic slowdown, the company generated net cash flow from operations of ₹3,519 Cr. on standalone basis in FY20 (before meeting its capex spend of over ₹2,800 Cr.) on the back of efficient operations and working capital management during the year. On standalone basis the company continues to maintain a comfortable liquidity position with Liquid investments of ₹2,093 Cr. as at 31st March, 2020.

Viscose Business

For the full year, the Viscose business delivered the highest ever sales volume of 554KT of VSF recording a growth of 2.4%, despite a decline of 18% YoY in the month of March'20 on account of nationwide lock down. Production and sales volume of VSF business were sustained at 131KT and 136KT respectively during Q4FY20 despite the lock down.

The Net Revenue for the viscose segment (including VFY) stood at ₹2,102 Cr. and EBITDA for the quarter stood at ₹261 Cr.

The VSF sales were impacted during the last 10 days of the Q4FY20 due to lock down. The domestic grey VSF prices softened sequentially in Q4FY20 in line with global prices but the overall performance improved QoQ on the back of better cost management, higher speciality sales and lower input cost.

Our Liva brand for VSF products continues to grow its reach in the domestic market, partnering with over 40 retail brands. It is now available at over 3,600 outlets.

During the year, the Company successfully commissioned it's 3rd generation lyocell fiber plant of 45 TPD capacity and has achieved full capacity utilization. The company markets this specialty fiber under its' brand name - 'Excel' Fiber.

Chemical Business

For the full year, Chemicals business registered a sales volume of 991KT of caustic soda. The Caustic Soda production and sales volume for Q4FY20 stood at 250KT and 252KT respectively, the operational and sales performance was impacted by COVID-19 related lock down and global prices.

The Net Revenue for Q4FY20 stood at ₹1,290 Cr. and EBITDA stood at ₹104 Cr. Global caustic soda prices further softened during the quarter. The domestic realisation was impacted by weak industry demand, surge in imports and ramping up of new capacities.

The slowdown in end user industry demand has impacted the sale of Chlorine and its value-added derivatives. As part of the strategy, the share of EBITDA from Chlorine Derivatives and Epoxy resins improved sequentially from 33% to 40% of Chemical business.

Sustainability

Sustainability is a journey undertaken today for a better tomorrow. The VSF, Chemicals, Fertilizer and Insulator business made a deep commitment to their sustainability initiatives by taking ambitious Goals and Targets, which are captured in the Grasim sustainability report(https://www.grasim.com/Upload/PDF/grasim-sustainability-report-2018-19.pdf).

The VSF business has taken the target to reduce sulphur emission by 70% at all VSF plants by FY22. The company also intends to reduce water intensity by 50% in its manufacturing operations by FY25 (baseline year FY15) and cut LTIFR below 90% (baseline year FY15) by FY25.

The Chemicals, Fertilizer and Insulator business have also taken ambitious targets. These include reducing LTIFR below 80% by 2025 (over the base year of FY17), decreasing specific freshwater consumption by 30% by FY25 (baseline year FY17) and cutting GHG emission of the main product by 30% by 2030 (baseline year FY17).

Capex Plan

The Company has been in the process of executing total capex plan of ~₹7,800 Cr. (at standalone level) for raising capacities in both the VSF and Chemical businesses, apart from ongoing modernisation capex at various plants. The capex plans are currently being reviewed, in the context of the current economic environment.

Dividend

The Board of Directors of Grasim has recommended a dividend of ₹4 per share. The total outflow on account of the dividend would be ₹263 Cr. In terms of the provisions of the Finance Act, 2020, dividend shall be taxed in the hands of shareholders at applicable rates of tax and the Company shall withhold tax at source appropriately.

Cement Subsidiary - UltraTech Cement Ltd

UltraTech's financial performance for FY20: Consolidated Revenue of ₹42,125 Cr., EBITDA of ₹9,930 Cr. an increase of 27% YoY and Normalised PAT of ₹3,703 Cr. an increase of 54%. The consolidated sales volume stood at ~82.33 MTPA.

For Q4FY20 the Consolidated Revenue was ₹10,746 Cr., EBITDA of ₹2,639 Cr. and Normalised PAT of ₹1,131 Cr. in Q4FY20. The consolidated sales volume stood at ~21.44 MTPA.

The acquired plants from Century ramped up production touching a capacity utilization of 80% in March-20. Brand integration is underway, 65% of sales from the acquired Century plants during the quarter were under the UltraTech brand, which is expected to reach more than 80% by Q3FY21. The operating margin also witnessed a remarkable improvement.

The Phase I of the Bara Grinding Unit having capacity of 2 mtpa has been commissioned, which was part of the 21.2 mtpa capacity acquired in June 2017.

UltraTech's consolidated Net Debt for FY20 witnessed a YoY reduction of ₹5,251 Cr. to ₹16,860 Cr. The Net Debt/EBITDA Indian operations stood at 1.55x (March-20).

UltraTech has recommended dividend of 130% at the rate of Rs.13 per equity share, aggregating to Rs. 375.21Cr.

Financial Services Subsidiary – Aditya Birla Capital Limited (ABCL)

Revenue and net profit after minority interest for FY20 stood at ₹16,792 Cr. and ₹920 Cr. For the fourth quarter, the company reported revenue of ₹4,845 Cr. and net profit after minority interest of ₹144 Cr.

The NBFC and HFC businesses continue to have diversified portfolios with a focus on growing select segments. Our strong focus is on quality of the book with reduced ticket sizes across the board.

In Life Insurance business (FY20), Total Gross premium was up 7% to ₹8,010 Cr. and Renewal premium was up 21% to ₹4,353 Cr., 13th month persistency was at 83%.

In the Health Insurance business, Gross written premium increased to ₹872 Cr. (FY20), up 76% YoY with retail mix at 72% vs. 65% in previous year.

COVID-19 Impact

Consequent to the national lockdown across country, all operations of the Company were suspended except at the fertilizer plant in Jagdishpur(U.P). Operations have since partially resumed across our businesses. Our plants are currently operating in the range of ~25 to over 100% capacity utilization. The Company has implemented comprehensive measures and SOPs across its plants to ensure safety against COVID-19 infection post resumption.

Beyond Business:
In a bid to support the vulnerable sections of the society and help in the nation's fight against the novel coronavirus pandemic, the Company with its manufacturing operations spread across nine Indian states and 22 manufacturing units, has taken a multi-pronged approach to combat Covid-19 at its plants and surrounding communities.

Grasim has donated over 2,00,000 masks and over 75,000 PPEs to frontline healthcare staff, through Central Government approved healthcare agencies. We have additionally distributed face masks to 1,06,000 villagers near our units.

Grasim has also been part of Aditya Birla Group's initiative in activating medical beds and other infrastructure at the Seven Hills Hospital in Mumbai, in partnership with BMC. In addition, Aditya Birla Hospitals at Nagda, Ujjain, Jagdishpur, Kharach and Ganjam have earmarked separate isolation wards for COVID-19 patients. The isolation wards are equipped with ventilators, facilities to pre-screen patients and conduct swab tests— benefitting 88,000 people so far.

Accolades

During FY20 Grasim won many prestigious National and International awards in the area of Business Performance, HR and Sustainability. A few of these are:

- #70 in World's Best Employers 2019: Asia 200, Best over a Billion 2019 in Forbes List
- #38 India's Most Respected Companies & #14 in most Women friendly & Growth plans list- BusinessWorld and TechSci Research survey
- Dun & Bradstreet Corporate Award 2019 for Top Company in the Indian Textiles sector
- "Winner - Environment Leadership Category, Manufacturing Sector" By Frost & Sullivan
- CII-ITC Sustainability Awards 2019: Excellence in Environment Management
- Golden Peacock Award for CSR in the Textile and Apparel sector

Outlook

In the near term, the demand of the Company's products will be impacted by the COVID-19 led general economic slowdown. The company has initiated various measures to reduce its fixed costs and conserve cash as part of its comprehensive Business Continuity Plan.

The Company with its strong financial, operational excellence and diverse product portfolio (Cement, Financial Services, Viscose and Chemicals) is well poised to withstand temporary disruptions and sustain leadership across its businesses.

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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.