



# PRESS RELEASE

## Q1FY17

- Revenue at ₹ 3,194 Crore
- EBITDA at ₹ 973 Crore
- Net Profit at ₹ 305 Crore

### Aditya Birla Nuvo reports results for the quarter ended 30<sup>th</sup> June, 2016

Consolidated Results <sup>1</sup>	Quarter 1	
	2015-16 (Previous Year)	2016-17 (Current Year)
Revenue	3,188	3,194
EBITDA	727	973
Net Profit (Reported)	706	305
Exceptional Gain <sup>2</sup>	355	-
Net Profit (Like-to-Like)	351	305

Note 1: The Company has adopted Indian Accounting Standards (Ind AS) w.e.f. 1<sup>st</sup> April 2016. The financials for the quarter ended 30<sup>th</sup> June 2015 are also Ind AS compliant. The above financials have been reviewed by the Audit Committee and taken on record at the Board meeting of the Company held on 11<sup>th</sup> August 2016.

Note 2: Reported Net Profit for the quarter ended 30<sup>th</sup> June 2015 includes exceptional gain of ₹ 355 Crore pertaining to cessation of PFRL as subsidiary of ABNL.

**Mumbai, 11<sup>th</sup> Aug 2016:** Aditya Birla Nuvo Limited (ABNL) (BSE: 500303, NSE: ABIRLANUVO, Bloomberg: ABNL IN) has reported a consolidated revenue of ₹ 3,194 Crore. EBITDA surged by 34% to ₹ 973 Crore driven by its financial services businesses. Like-to-Like net profit at ₹ 305 Crore de-grew year-on-year due to reduction of ABNL's share in Idea's net profit by ₹ 148 Crore. Net profit of Idea Cellular declined from ₹ 855 Crore to ₹ 220 Crore due to rise in interest and amortisation costs pertaining to the spectrum acquired in the earlier years.

#### Highlights of the results:

##### Aditya Birla Financial Services

**Aditya Birla Financial Services** is one of the largest non-bank financial services players and ranks among the top 5 fund managers in India (excluding LIC). Its assets under management (AUM) rose by 13% to ₹ 196,545 Crore. Its revenue grew by 14% to ₹ 2,169 Crore, Earnings before tax by 21% to ₹ 286 Crore.

**Aditya Birla Finance Ltd. (ABFL)** ranks among the top 10 diversified private NBFCs in India. Its lending book has expanded by 44% to ₹ 26,267 Crore, ahead of the market. ABFL has created a well diversified portfolio. The quality of portfolio remains sound with gross NPA at 0.71% and net NPA at 0.29%. It reported a healthy average Return on Equity at 14.6% per annum and average Return on Asset at 1.96% per annum. Led by equity infusion and strong internal accruals, its net worth expanded year-on-year by 83% to ₹ 3,605 Crore.

**Aditya Birla Housing Finance Ltd.,** has extended its loan book from ₹ 453 Crore in June 2015 to ₹ 2,432 Crore in June 2016 and achieved 23% quarter-on-quarter growth. Net worth extended to ₹ 291 Crore led by capital infusion of ₹ 97 Crore during the quarter.

**Birla Sun Life Insurance** ranks 4<sup>th</sup> among private players in India with the new business premium market share at 8.4%. It remained the number 1 private life insurer in the Group segment with a 25.1% share. During the quarter, its individual new business premium rose by 21% driven by sound growth across the channels. BSLI has augmented its distribution strength with bancassurance tie up with the Development bank of Singapore and third party distribution tie ups with 6 corporate agents and brokers. BSLI reported its Embedded Value at ₹ 3,275 Crore as on 31<sup>st</sup> March 2016 and the Value of New Business margin at 15.2% for FY 2015-16.



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The quarterly average AUM (AAUM) of **Birla Sun Life Asset Management**, at ₹ 163,121 Crore, registered a 15% year-on-year growth. Its position as India's 4<sup>th</sup> largest asset management company stands strengthened with an improved market share of 10.36%. Strong focus on scaling up retail and high margin assets continued, with its domestic equity AAUM expanding by 26% to ₹ 34,969 Crore and PMS AAUM more than doubling to ₹ 1,493 Crore.

**Aditya Birla Insurance Brokers** enhanced its market share from 1.92% to 2.31% led by a 40% rise in premium placement while general insurance industry's premium increased by 17%.

Having received the FIPB approval, MMI Holdings Ltd., through its subsidiary, has infused ₹ 196 Core and acquired 49% stake in **Aditya Birla Health Insurance Co. Ltd. (ABHICL)**, the health insurance arm. On receiving the final approval from IRDAI to commence health insurance business in India, ABHICL has filed retail products with IRDAI. It is targeting to launch services in the second half of FY 2016-17.

**Aditya Birla Money MyUniverse**, India's number 1 online personal finance management portal, enjoys trust of more than 2.7 million registered users who are managing over ₹ 20,000 Crore through this portal.

#### **Telecom (Idea Cellular)**

**Idea Cellular** ranks 3<sup>rd</sup> in India with an improved revenue market share of 19.3% up from 18.2% a year ago. Having a base of 183 million active subscribers, Idea is the 6<sup>th</sup> largest cellular operator in the world in terms of subscribers, based on operations in a single country. Idea's consolidated revenue grew by 8% to ₹ 9,487 Crore and EBITDA is marginally up at ₹ 3,074 Crore. To capitalise on the data opportunity, Idea is aggressively expanding its 3G and 4G footprints. On the back of quarterly cash profit generation of over ₹ 2,500 Crore, Idea is competitively well positioned to support its growth plans.

#### **Divisions (Jaya Shree, Indo-Gulf Fertilisers, Indian Rayon and Aditya Birla Insulators)**

ABNL's divisions are India's leading manufacturers of linen, urea, viscose filament yarn (VFY) and insulators. Their combined revenue at ₹ 1,230 Crore was lower year-on-year by 17% due to pass through of reduction in natural gas prices in the Agri business coupled with lower volumes in Linen segment and Insulators business. EBITDA at ₹ 189 Crore was lower year-on-year by 7%. Return on average Capital Employed remained healthy at 22% per annum.

Volume growth and improved realisation in Viscose Filament Yarn and Caustic Soda segments, enabled **Indian Rayon** to attain its highest ever quarterly EBITDA at ₹ 74 Crore, up by 22%. **Indo-Gulf fertilizers** reported a 11% decline in its EBITDA at ₹ 54 Crore due to subdued demand of agri inputs because of delayed monsoon. Consequent to a muted demand, the EBITDA of **Jaya Shree** textiles de-grew by 25% to ₹ 41 Crore while EBITDA of **Aditya Birla Insulators** declined by 27% to ₹ 19 Crore.

#### **New Ventures**

**Payments Bank:** Having received the in-principle approval from RBI for setting up a Payments Bank as a promoter, ABNL has incorporated '**Aditya Birla Idea Payments Bank Ltd.**' in a 51:49 JV with Idea Cellular in February 2016. The JV is in the process of appointing senior management team, selecting the right IT system and defining innovative products and cost efficient processes. It is planning to launch services by the first half of calendar year 2017, after requisite approvals from RBI are in place.



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**Solar Power:** The Power Purchase Agreement for 60 MW Solar Power Projects, won under Aditya Birla Solar Limited (ABSL) in March 2016 in the three talukas of Karnataka, has been signed in June 2016. ABSL is in the process of negotiation with technology suppliers, land owners, equipment suppliers and EPC contractors. The commissioning of the plants is targeted by the end of FY2016-17.

### Standalone Balance Sheet

The proceeds of ₹ 1,664 Crore from the sale of 23% stake in Birla Sun Life Insurance and realisation of fertilisers subsidy of ₹ 512 Crore has led to reduction in the Standalone Net Debt from ₹ 3,930 Crore in March 2016 to ₹ 2,192 Crore in June 2016. Net Debt to EBITDA stood at 2.5 times and Net Debt to Equity at 0.22 times. In July 2016, ABNL has further realised fertilisers subsidy of ₹ 286 Crore.

### Going Forward

For 2016-17, ABNL has planned capex of about ₹ 325 Crore for its divisions, including ₹ 191 Crore and ₹ 40 Crore towards the expansion of Linen Yarn and VFY capacities respectively. Besides, there will be a capital requirement to the tune of about ₹ 750 Crore in the Financial Services businesses and equity requirement of about ₹ 150 Crore for ABNL's 51% share in the new ventures viz., Solar Power, Payments Bank and Health Insurance.

### Composite Scheme of Arrangement

The Boards of Directors of ABNL have approved a Composite Scheme of Arrangement between the Company, its wholly owned subsidiary Aditya Birla Financial Services Ltd. (ABFSL) and Grasim Industries Ltd. (Grasim) and their respective shareholders and creditors under Sections 391-394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013 ('Scheme'). Aimed at creating one of the India's largest and well-diversified companies, with a combination of cash generating and high growth businesses, the Scheme provides for merger of ABNL with Grasim and post said merger, demerger of financial services business from amalgamated Grasim into ABFSL and consequent listing of the equity shares of ABFSL. The Scheme will be subject to requisite approvals inter-alia from the shareholders, the creditors, the respective Hon'ble High courts and the regulatory authorities.

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### About Aditya Birla Nuvo Ltd.

**Aditya Birla Nuvo** is a USD 3.6 billion conglomerate with leadership position across its businesses. Its Financial Services business (including NBFC, Housing Finance, Life Insurance, Asset Management, Health Insurance, General Insurance Advisory, Private Equity, Broking, Wealth Management and Online Money Management) ranks among the top 5 fund managers in India. Its Telecom venture, Idea Cellular, ranks among the top 3 cellular operators in India. It is a leading player in Linen, Agri, Rayon and Insulators businesses. ABNL has recently ventured into the Solar Power businesses. It has also received an in-principle approval from RBI to set up a Payments Bank in joint venture with Idea Cellular.

Aditya Birla Nuvo is a part of the **Aditya Birla Group**, a USD 41 billion Indian multinational. The Aditya Birla Group is in the league of Fortune 500. Anchored by an extraordinary force of over 120,000 employees, belonging to 42 nationalities, the Aditya Birla Group operates in 36 countries across the globe. Over 50 per cent of its revenues flow from its overseas operations.

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