

Headline: GCPL Q1 net up 79.88% at INR 405 crore

Description: The jump in net profit was driven by strong domestic market performance

Date: July 30, 2018

Publication: The Economic Times

Author: PTI

Link: <https://economictimes.indiatimes.com/markets/stocks/earnings/gcpl-q1-net-up-79-88-at-rs-405-04-crore/articleshow/65197250.cms>

Homegrown FMCG major Godrej Consumer Products LtdNSE 0.21 % (GCPL) today reported 79.88 per cent jump in consolidated net profit at Rs 405.04 crore in the first quarter ended June 30, 2018, driven by strong domestic market performance.

The company had posted a consolidated net profit of Rs 225.17 crore in the corresponding period last fiscal, GCPL said in a BSE filing.

Consolidated total revenue from operations during the quarter under review stood at Rs 2,476.02 crore. It was at Rs 2,271.24 crore in the year-ago period.

The two figures are not comparable as sales for the June 2018 quarter is net of GST, whereas in the year-ago period it was is gross of excise duty.

The company said its board has declared an interim dividend for the year 2018-19 at the rate of Rs 2 per share. It has also approved issue of bonus shares in the ratio of 1:2 i.e. one bonus equity share of Re 1 each for every two fully paid-up equity share.

GCPL Executive Chairperson Nisaba Godrej said, "We have had a good start to fiscal year 2019 with profitable, ahead of the market growth across most geographies and categories."

During the quarter, GCPL said its India sales increased by 14 per cent to Rs 1,279 crore while the international business saw 9 per cent growth in sales at Rs 1,191 crore.

In India, GCPL said its household insecticides posted 17 per cent increase in volume sales, the highest in the last seven quarters, while soaps saw 10 per cent rise and hair colours 12 per cent increase in sales volume.

"In our international business, we saw a recovery in Indonesia, while our performance in Africa was relatively soft," she added.

On the outlook, Godrej said consumer demand is improving and the company expects this recovery to sustain going forward.

"In India, while we expect both urban and rural growth to improve, rural growth will outpace urban growth on the back of remonetisation, the settling down of the GST implementation and the government's efforts to stimulate the rural economy," she said.

Godrej said GCPL is accelerating the pace of innovation with differentiated and unique products and FY19 will be its most active in terms of new launches.

"Alongside this, we continue to manage our costs prudently and make competitive brand investments for sustainable future growth," she said.