Murugappa Group registers a robust growth of 12% in turnover; EBITDA of ₹ 5,190 Crores, a 12% growth; PAT grows by 18%; Market Capitalisation at Rs. 66,000 Crores

Chennai, 15th May 2019: Murugappa Group registers a growth of 12% in turnover at ₹ 36,893 Crores during 2018-19 (last year ₹ 33,079 Crores). Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) posted a growth of 12%, at ₹ 5,190 Crores (last year ₹ 4,618 Crores). Profit after Tax was ₹ 2,880 Crores (last year ₹ 2,432 Crores) registering a growth of 18%.

A: Company-wise Performance:

<table>
<thead>
<tr>
<th>Group Companies</th>
<th>Net Sales 2018-19</th>
<th>YoY Growth %</th>
<th>EBITDA 2018-19</th>
<th>YoY Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tube Investments of India Limited</td>
<td>5,464</td>
<td>15%</td>
<td>598</td>
<td>35%</td>
</tr>
<tr>
<td>Cholamandalam Investment and Finance Company Limited</td>
<td>7,109</td>
<td>28%</td>
<td>1,888</td>
<td>30%</td>
</tr>
<tr>
<td>Coromandel International Limited</td>
<td>13,159</td>
<td>19%</td>
<td>1,481</td>
<td>13%</td>
</tr>
<tr>
<td>Carborundum Universal Limited</td>
<td>2,656</td>
<td>14%</td>
<td>465</td>
<td>10%</td>
</tr>
<tr>
<td>Cholamandalam MS General Insurance Company Limited</td>
<td>4,428</td>
<td>8%</td>
<td>309</td>
<td>-16%</td>
</tr>
<tr>
<td>E.I.D.-Parry (India) Limited</td>
<td>3,283</td>
<td>-28%</td>
<td>198</td>
<td>-51%</td>
</tr>
<tr>
<td>Other Businesses</td>
<td>794</td>
<td>9%</td>
<td>251</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>36,893</td>
<td>12%</td>
<td>5,190</td>
<td>12%</td>
</tr>
</tbody>
</table>

Note: Previous year’s numbers have been re-grouped / re-stated, wherever necessary

B: Market Capitalisation

Market Capitalization of the listed companies of the group aggregates to Rs. 66,000 Crores as of 31st Mar 2019.

C: Major Initiatives

1. **Cholamandalam Investments** announced its plan to launch its housing finance subsidiary, subject to the approval from National Housing Board.

2. **Shanthi Gears Limited** bought back 50 Lakh equity shares at a price of Rs 140 per share.

3. **Coromandel International** in association with IIT Bombay and Monash University, Australia set up the IIT MONASH Academy.
4. **Carborundum Universal** has initiated capacity expansion of coated maker plant at Sriperumbudur.

5. **Tube Investments** has commissioned new plants for Tubes at Rajpura & undertaken capacity expansion in Metal Forming business.

6. **EID Parry** has successfully commissioned back-end refinery at Haliyal.

7. **Chola MS** renewed its bancassurance tie-up with IndusInd Bank Ltd. for a further period of five years, for the third consecutive time.

8. **TI Financial Holdings Limited** rechristened as Cholamandalam Financial Holdings Limited.

9. **Coromandel International’s** capacity expansion of Phosphoric Acid Plant at Vizag is on track.

**D: Capital Expenditure**

Aggregate capital expenditure programmes towards expansion / debottlenecking / modernising / digital infrastructure facilities across group companies were over ₹ 750 Crores during the year.

**E: Sector highlights for 2018-19**

**Financial Services Businesses**

**Cholamandalam Investment and Finance Company Limited (CIFCL)**

CIFCL’s Assets under Management (AUM) registered a growth of 26% to ₹ 54,279 Crores during FY 2018-19. The aggregate disbursements for FY 2018-19 is at ₹ 30,451 Crores, a growth of 21% led by its Vehicle Finance business division, which registered a 21% growth over previous year. Home Equity disbursements also grew by 21% in FY2018-19.

Due to effective credit management and collections, CIFCL’s overall Gross Non-Performing Assets (GNPA) has reduced to 2.7% in FY 2018-19 from 3.4% in previous year. Profit after tax for FY 2018-19 stood at ₹ 1,197 Crores registering a growth of 30% year-on-year.

Capital adequacy Ratio (CAR) was at 17.56% against the regulatory requirement of 15%. Tier I capital is at 12.57 % against regulatory requirement of 10%.

The company operates from 900 branches across India. The Company transitioned from IGAAP to INDAS during FY2018-19.
Cholamandalam MS General Insurance Company Limited (Chola MS)

Chola MS’s Gross Written Premium recorded a growth of 8% during FY 2018-19 to ₹ 4,428 Crores. Combined Ratio (CoR) has deteriorated to 104.6% in FY 2018-19 from 100.79% in the previous year. Profit after tax was ₹ 179 Crores in FY 2018-19 as against ₹ 243 Crores in the previous year.

Retail has been the dominant growth strategy with Motor, Health and Crop insurance contributing more than 80% of the premiums with a good mix across Metros and Non-Metros.

Investment income during the year was ₹ 538 Crores; Investment book size as of end March 2019 stood at ₹ 7,596 Crores.

The company operates from 90 branches across India.

Engineering Businesses

Carborundum Universal Limited (CUMI)

CUMI reported an increase in consolidated net sales by 14% to ₹ 2,656 Crores in FY 2018-19 driven by better performance from all the segments. On a consolidated basis, profit after tax including share of profits from Joint Ventures and Associates increased to ₹ 248 Crores in FY2018-19 from ₹ 220 Crores in the previous year.

Abrasives
The division registered 10% growth in net sales. The net sales for FY 2018-19 were ₹ 1,124 Crores compared to ₹ 1,018 Crores in the previous year. The Indian operations delivered steady growth supported by higher volumes.

The profit before interest and tax (PBIT) for the year FY 2018-19 increased to ₹ 140 Crores from ₹ 132 Crores in the previous year due to increase in sales volume and product mix.

Electro minerals
The division registered 15% growth in net sales. The net sales for FY 2018-19 were ₹ 1,019 Crores compared to ₹ 883 Crores in the previous year. The net sales of the Russian subsidiary grew by 11%; however profits were flat due to adverse impact of exchange fluctuation.

The profit before interest and tax (PBIT) increased marginally to ₹ 128 Crores in FY 2018-19 from ₹ 127 Crores in the previous year.

Ceramics
The division registered 20% growth in net sales. The net sales for FY 2018-19 were ₹ 604 Crores compared to ₹ 502 Crores in the previous year. The Indian operations as well as the overseas subsidiaries delivered good growth supported by higher volumes.
Profit before interest and tax (PBIT) increased to ₹ 108 Crores from ₹ 76 Crores, driven by higher volumes in both standalone and overseas operations.

**Tube Investments of India Limited (TII)**
For FY 2018-19, TII’s consolidated net sales was higher by 15% at ₹ 5,464 Crores as against Rs.4,760 Crores (net of taxes) in the previous year. Profit after tax for the year was ₹ 251 Crores as against ₹ 156 Crores in the previous year.

**Engineering**
The division has registered 26% growth in net sales during the year and Profit before interest and tax (PBIT) for the year was ₹ 254 Crores as against ₹ 175 Crores in the previous year registering a growth of 45%.

**Cycles and Accessories**
Net sales of the division for the year dropped by 5% mainly on account of lower institutional sales. Profit before interest and tax (PBIT) for the year was ₹ 14 Crores as against ₹ 0.57 Crores in the previous year.

**Metal Formed Products**
The division has registered a growth of 16% during the year and Profit before interest and tax (PBIT) for the year was ₹ 125 Crores as against ₹ 93 Crores in the previous year, registering a growth of 33%.

**Shanthi Gears Limited**
Shanthi Gears Ltd., a subsidiary company of TII operating in the Gears Business, registered a net sales growth of 14%. Profit before interest and tax (PBIT) for the year was at ₹ 42 Crores as against ₹ 33 Crores in the previous year.

**Agri-businesses**

**Coromandel International Limited (CIL)**
CIL registered a growth of 19% and consolidated net sales stood at ₹ 13,159 Crores. The business has made an all-round progress by improving its customer engagement, branding capabilities and furthering its operational efficiencies. During the year, the Company has introduced ten new products in nutrient and crop protection businesses. The Integrated Nutrient Structure continued to support the channel and farmer activation initiatives, improving the Company’s market share in its key operating states.

Consolidated Profit after tax for the year ended March 2019 is ₹ 721 Crores as against previous year of ₹ 691 Crores.
E.I.D.-Parry (India) Limited (EID)

EID reported a consolidated net sales, excluding the Coromandel International Limited, of ₹ 3,283 Crores in FY 2018-19, registering a de-growth of 28%. The performance of the company has been impacted due to depressed sugar prices on account of huge domestic sugar production compared to the previous sugar season.

Profit after tax (PAT) for the year 2018-19 was ₹ 79 Crores against ₹ 28 Crores in the previous year.

Other Businesses

This business group predominantly consists of Plantations, Floor Covering / Home Textiles, Technical Textiles / Shade Nets, Construction and Risk services. The net sales of this business group were recorded at ₹ 794 Crores registering a growth of 9%. Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) were recorded at ₹ 251 Crores registering a growth of 16%.

F. HR Updates

- Cholamandalam Investment and Finance Company partnered with PeopleStrong, a HR solutions and technology company to create a unified recruitment to retirement experience for all its users - employees, recruiters, candidates and businesses at over 800 locations across the country.

- A unique 72-day wellness programme cum contest, Fitness, Health and Happiness, began in 2014 with 722 participants. In the last 5 years, over 17,000 employees from across the Group have benefitted from this programme.

- The annual Group-wide best practices sharing session, Pride of Murugappa, was conducted between August and December 2018. This year, 2346 entries were received. A panel of high-calibre external jury members evaluated the presentations and shortlisted 33 winning projects.

- The Group has introduced financial wellness programs for all its employees to educate them and their families on financial management and the best way to use available financial tools.

- A Group-wide Road Safety Campaign was launched in 2018. The campaign covered major locations across the Group with the objective of inculcating a culture of safety ‘At and Away’ from the workplace.

- Sales Force Learning Academy (SFLA) was launched by Coromandel International in collaboration with NAARM (National Academy of Agri Research Management) to build the capabilities of the Sales and Marketing teams at the frontline and middle management levels.

G. Corporate Social Responsibility

- As part of the on-going corporate social responsibility initiatives, the Group has continued its contribution to various projects through the AMM Foundation and Shri AMM Murugappa Chettiar Research Centre (MCRC).
• In its fifth year, the AMM Murugappa Chettiar Centenary Scholarships (full fee), the Foundation is supporting 182 Murugappa scholars. These scholars are pursuing Medical (24), Engineering (101), Arts and Science & Commerce (43) and Agriculture (14) courses.

• The Foundation has supported the education of 70 most deserving economically backward students through the AMM Murugappa Chettiar Centenary Scholarship (General).

• The educational institutions (schools and polytechnic college) run by the AMM Foundation cater to the educational needs of around 10,000 students, of which over 7,000 belong to marginalised communities.

• The two Mobile Science Vans of AMM Foundation have facilitated science education in 40 government and government-aided schools in Sivagangai and Pudukkottai district. The AMM Foundation has also launched the Murugappa Science Centre at Pallathur, to develop science education in both the districts.

• Over the past year, the hospitals run by the AMM Foundation have reached out to over 8 lakh people through their outpatient services, and 12,000 beneficiaries through the in-patient facilities. The renovation and expansion of the facilities at Sir Ivan Stedeford Hospital are underway. The renovation of the OP block and the new OT block has been initiated and will be completed in 2020.

• Through its Mobile Health Van service in Haliyal (North Karnataka), Sarigam (Gujarat) and Deckiajuli (Assam), the AMM Foundation has reached out to over 40,000 patients. A fourth Mobile Health Van was deployed at Uttarakhand in January 2019.

During the year, the Group companies continued to drive development initiatives in the area of education, healthcare, sanitation, skill development, environment & sustainability, infrastructure development and community building primarily catering to communities around the plant / office locations.

• Chola launched 3 projects aimed at increasing the reach of healthcare and improving quality of life in rural areas:
  o Project Raahi – To provide quality and accessible primary eye care services to occupational drivers across the country. This initiative covered over 31,000 truckers and involved the distribution of 14,000 spectacles.
  o Swachh Marathwada - To provide safe drinking water to the villages in the fluoride-affected zones of Maharashtra through Any Time Water plants (ATWs). This has led to improved health of the community and reduction in medical bills incurred. It has also provided employment opportunity to 59 rural youth as machine operators cum accountants.
    ▪ 59 villages received Community driven ATWs
    ▪ 30 ATWs with a capacity of 1,000 litres per hour (LPH)
    ▪ 29 ATWs with a capacity of 500 LPH have been installed in Nanded and Lathur
  o Swachh Odisha – To improve the health of people by introducing safe WASH practices in their daily lives. The 800 beneficiaries of this initiative were provided with uninterrupted water supply to the toilets through alternate sources of energy by means of solar system and were also made aware of safe toilet practices.

• TII’s Medical Outreach Centre at Tiruttani, is the only outpatient centre available in that area. It has served over 1,700 people during the year. TII’s Mobile Medical Unit, run in partnership with Helpage India, assisted over 23,000 residents of Tirunindravur, Nemilicherry, Thirumulaivoyil, Manjakaranai, Ekadu, Veppampattu, Putlur & Perangavor
- Coromandel’s Girl Child Education Scheme, launched in 2015 has assisted over 3,000 female students since its inception across 857 schools in 45 districts. This initiative is aimed at helping female students in classes 9 and 10 to continue their education. This year, over a 1,000 female students have benefitted from this scheme. This scheme has been recognised through an award at the National CSR summit for its contribution towards girl child education.
- Chola MS has constructed a new Neonatal Step-Down Ward 1 & 2 in the existing premises of the Government General Hospital – Kakinada, Andhra Pradesh, to cater to the medical care of infants (0-28 days). The initiative would benefit around 4,000 infants per annum.
- Discovery Channel featured Kakinada unit for its environment conscious manufacturing process and the Bird Paradise within the unit.
- Chola MS added the first floor to a hostel facility they constructed for tribal girls at Bharno Village, Gumla District, Jharkhand, providing accommodation for another 22 students. The hostel facility provides safe & hygienic living conditions for the young tribal girls giving them an excellent opportunity to continue their education in the neighbouring government school.
- CUMI’s Centre for skill development at Hosur, Edapally & Ranipet currently training 260 under privileged students.
- TII’s Basic Training Centre at Avadi currently training 137 under privileged students.

H. Brand initiatives

The Group’s increased focus on digital platforms yielded notable results both in terms of following on the social media pages as well in increased brand awareness among the millennial audiences in relevant markets. The multi-lingual ‘Many Brands, One Group’ campaign, continued to be the anchor campaign targeting core audiences.

I. Awards and Recognitions

Below is a compilation of some of the awards won by the Group companies in 2018:

**Cholamandalam Investment and Finance Company Limited**
- ‘Top performer mutual fund distributor category – Tamil Nadu’ by BSE
- One of the Top 26 Innovative Organisations in India at the CII Innovation Awards
- Best Corporate Award (Medium Companies Category) at the 2nd ICSI CSR Excellence Awards

**Cholamandalam MS General Insurance Company**
- Times Ascent ‘Dream Companies to work for in Private Insurance Sector’
- National Best Employer Award by World HRD Congress
- ‘Asia’s Most Trusted Company 2018’ by IBC Infomedia Pvt. Ltd. - International Brand Consulting Corporation, USA
- ‘Best General Insurance Company’ at ET Now Banking, Financial Services & Insurance Awards

**Carborundum Universal Limited (CUMI)**
- Gold Certificate of Merit in Manufacturing Excellence instituted by Frost & Sullivan for the Industrial Ceramics division
- Silver Shield under Category VIII – Manufacturing, for Excellence in Financial Reporting from the Institute of Chartered Accountants of India
• ‘Most Innovative Learning & Development Practices’ in the Private Sector category from the Indian Society of Training and Development (ISTD)
• HR Excellence award from Kerala Management Association
• ‘Economic Times Best Brands in Metal Cutting 2018’ in the Grinding Field for Wendt (India) Limited
• ‘Innovative Company’ - Grinding Wheels products at the CII Industrial Innovation Awards for Wendt (India) Limited

Coromandel International Limited
• ‘Best CSR Practices’ award from The Economic Times
• ‘Best Management Award’ from the Labor Department, Government of Andhra Pradesh for the Kakinada Unit
• ‘The Best Phosphoric Acid Plant’ award for the Vizag unit by Fertiliser Association of India
• Won six ‘Global Communicator Awards’ from the Academy of Interactive and Visual Arts, New York
• National Award for Best Private Organisation implementing CSR from the Public Relations Society of India (PRSI)
• The Bird Paradise within the Kakinada unit won an award in the Green & Environment Stewardship category of the National CSR summit.

EID Parry Limited
• ‘The Dream Company To Work For’ in Asia HR Leadership Awards 2018
• Award For ET NOW ‘s Best Corporate Social Responsibility Practices Award 2018
• ‘Energy Efficient unit’ from CII at National Energy Management Award for Kurumbur plant
• TPM Excellence Category ‘A’ – from Japan Institute of Plant Maintenance (JIPM) for Pudukkotai plant

Parry Agro Industries Limited
• ‘Family welfare runner-up award’ - Deckiajuli Tea Estate, from Indian Tea Association

Tube Investments of India Limited
• CII Design Excellence Award for TI Cycles’ Hercules Assassin
• ‘Green Vendor’ by Maruti Suzuki in Comprehensive Vendor Assessment (CVA) for TII’s Metal Forming Division
• ‘Best performer for vendor logistics excellence’ by Hyundai for TII’s Metal Forming Division
• ‘Strategic Global Supplier’ award by Showa Corporation, Thailand, for the 4th consecutive year for Tube Products of India
• 2nd prize under the category of ‘Largest Reduction in Accident Frequency Rate in Miscellaneous Industry for more than 5 Lac Man hours’ under the Punjab State Safety Awards for the Rajpura plant

Safe Harbor

Some of the statements in this news release that are not historical facts are forward looking statements. These forward looking statements include financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our businesses and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward looking statements. These risks include, but are not limited to, the level of the market demand for the products, the highly competitive
market for the types of the products that we offer, market condition that would cause customers to reduce their spending for the products, our ability to create, acquire and build new businesses and to grow existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and otherwise not specifically mentioned herein but those that are common to industry.

About Murugappa Group

Founded in 1900, the INR 329 Billion (32,893 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd., Cholamandalam Financial Holdings Ltd and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry’s, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 35,000 employees.

For more details, visit www.murugappa.com

For further information, please contact
Gopi Kannan S
Murugappa Group
+91 9500011238
gopikannan@corp.murugappa.com

Vinod Kumar
Ogilvy PR Worldwide
+91-9840126179
Vinod.kumar@ogilvy.com