Consolidated Sales increased by 4%, Consolidated PAT remains flat

Chennai, 25th October 2019: The Board of Directors met today and approved the results for the Quarter and Six months ended 30th Sep 2019.

Financial performance

Consolidated sales for the quarter, increased by 4 percent to Rs.678 crores from Rs.651 crores in the corresponding quarter of last year, driven by better performance in the Ceramic segment. At standalone level, sales remains flat.

Consolidated segmental profitability for the Quarter improved for the Ceramics businesses, but de-grew for Abrasives and Electro Minerals.

The Company, at a consolidated level, spent Rs.72 cr on capital expenditure for the first half year. The debt equity ratio on a consolidated basis improved to 0.04 as of September 2019 from 0.06 as of June 2019.

On a consolidated basis, profit after tax and non-controlling interest for the quarter remained almost flat at Rs.64.5 cr (corresponding period LY Rs.64.8 cr). Compared to Q1 of current year, the profit after tax and non-controlling interest grew by 22%.

Consolidated Segmental Operating Performance

Abrasives

Segment Revenue for the Quarter at a consolidated level was Rs.259 cr compared to Rs.283 cr in the corresponding period of last year resulting in de-growth of 8%. The de-growth is mainly due to the domestic Abrasives segment, which continues to be impacted by the slowdown in key user industries.

The sequential consolidated revenue growth was flat.

Profit before interest and tax decreased to Rs.30 cr from Rs.38 cr due to lower volumes.

Electro Minerals

Segment Revenue at a consolidated level for the quarter was higher at Rs.267 cr versus Rs.245 cr of corresponding period of last year. Russian subsidiary Volzhsky Abrasives Works registered good growth.

Profit before interest and tax decreased to Rs.27 cr from Rs.29 cr due to lower volumes in domestic Electro Minerals segment and higher input prices in Volzhsky Abrasives Works.
Ceramics

Consolidated revenue increased to Rs.171 cr from Rs.144 cr resulting in a growth of 19% on the back of strong performance in standalone business, CUMI Australia Pty Limited and CUMI Middle East.

Profit before interest and tax increased to Rs.36 cr from Rs.27 cr on the back drop of higher volumes and better product mix.

About the Murugappa Group:
Founded in 1900, the INR 369 Billion (36,893 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 Financial Holdings 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., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bioproducts and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Quimica 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 50,000 employees.

For further information, please contact

Gopi Kannan S  
Murugappa Group  
+91 95000 11238  
gopikannan@corp.murugappa.com

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