

MEDIA RELEASE | Q1 FY 2015-16 results – CUMI

Carborundum Universal's Consolidated Q1 Net Sales drop by 6%

Consolidated Operating PBT up by 35%

Chennai, 3 August 2015: The Board of Directors met today and approved the results for the quarter ended 30th June 2015.

Consolidated Q1 financial performance

Consolidated net sales dropped by 6% to Rs.487 crores from Rs.516 crores, on a quarter on quarter basis. PBT increased by 35% from Rs.42 crores to Rs.57 crores in the current quarter. On a sequential basis, sales grew by 5% and PBT (excluding exceptional income) increased by 10%.

The profit after tax increased by 22% (i.e. Rs.33 crores compared to Rs.27 crores during corresponding quarter of last year).

The drop in sales on quarter on quarter basis was largely due to nil sales in Thukela Refractories as business is being re-located and adverse movement in Rouble currency. Sequentially sales however became better owing to strengthening of Rouble currency against Indian Rupee.

Profitability of Electro minerals and Abrasives businesses improved both on a sequential and quarter on quarter basis. Profitability of Ceramics improved on a sequential basis; however it was lower than corresponding quarter of last year. The Company's debt equity ratio continues to be healthy and is the lowest at 0.07 on a standalone basis and 0.29 on a consolidated basis.

Consolidated Segmental Operating Performance

Abrasives

Sales of the abrasives business on a consolidated remained flat at Rs. 212 cr as in corresponding quarter of last year. On a sequential basis, sales grew by 5% due to better performance in Russia.

Profit before interest and tax at Rs.19 cr has improved on a consolidated basis as against Rs.12 cr in corresponding quarter of last year.

Electro Minerals

At a consolidated level, the net sales came down to Rs. 179 cr from Rs. 202 cr in quarter 1 of last year. On a sequential basis sales were higher by Rs. 22 cr. Currency translation effect led to the variances in both the periods.

Profit before interest and tax at consolidated level increased from Rs. 26 cr to Rs. 32 cr on a quarter on quarter basis. This was largely due to better performance in India and lower losses in Thukela Refractories. On a sequential basis, the gain was 1%.

Ceramics

The ceramics segment recorded a sales of Rs. 112 cr, a 3% drop in sales on a quarter on quarter basis mainly due to Thukela Refractories business being re-located. On a sequential basis, there was a drop of 5%.

Refractories sales have improved on the back of higher volumes and price. Industrial ceramics registered lower sales.

Profit before interest and tax of the ceramics business at consolidated level at Rs. 17 cr recorded a drop of 4% on a quarter on quarter basis. On a sequential basis, it grew 10%.

About Murugappa Group

Founded in 1900, the INR 269 Billion 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., Parry Sugar 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, 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, 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 32,000 employees. For more details, visit www.murugappa.com

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