



MEDIA RELEASE | Q1 FY 2016-17 results – CUMI

Carborundum Universal Consolidated Q1 Gross Sales increase by 10% Consolidated PAT up by 21%

Chennai, 3 August 2016: The Board of Directors met today and approved the results for the quarter ended 30th June 2016.

Consolidated Q1 financial performance

Consolidated gross sales increased by 10% in the current quarter to Rs.526 crores from Rs.476 crores last year. Profit After Tax increased by 21% from Rs.33 crores to Rs.40 crores in the current quarter. On a sequential basis, Sales and PAT were flat.

The gain in sales was due to better performance from Abrasives and Ceramics businesses. Electro minerals business however had a nominal growth owing to adverse effect on translation of Rouble currency to Indian currency.

Profitability of Abrasives and Ceramics businesses improved compared to last year. For Electro minerals, profits were lower compared to last year.

The debt equity ratio remained healthy and was at its lowest at 0.09 on a standalone basis and 0.23 on a consolidated basis.

Consolidated Segmental Operating Performance

Abrasives

At a consolidated level, the gross sales for the current quarter were at Rs.247 cr which grew 15% over corresponding quarter last year. On a sequential basis, sales were higher by 4% with Quarter 4 2015-16 sales at Rs. 238 cr.

Majority of the growth came from India, across product categories.

Russian Abrasives facility delivered higher sales in the current quarter.

Profit before interest and tax on a consolidated basis recorded an increase of Rs.10 cr over last year. Compared to sequential quarter, profits were Rs.3 cr higher.

Electro Minerals

At a consolidated level, the gross sales for Quarter 1 were higher at Rs. 185cr versus Rs. 182 cr of Last Year. Sequentially sales dropped by 1%.

Profit before interest and tax at consolidated level decreased from Rs.32 cr in quarter 1 of last year to Rs.25 cr in current year.

Ceramics

Consolidated ceramics sales grew 17% over last year owing to higher sales from industrial ceramics division. Metallized Ceramics business did well. CUMI Australia also had a better quarter.

Profit before interest and tax of the ceramics business at consolidated level at Rs.16 cr recorded an increase of 50% on a quarter on quarter basis.

Ind AS

The company has adopted Ind AS accounting standards and comparative prior periods have been restated.

New Hydel Power Project

The Company has bid successfully for a Hydel Power Project and received the allotment from the Government of Kerala, under Small Hydro Promotion Scheme. The Board has approved an investment of Rs. 125 cr towards this Hydel Power project.

About Murugappa Group

Founded in 1900, the INR 295 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, Ladybird, 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 32,000 employees. For more details, visit www.murugappa.com

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