

Carborundum Universal's Consolidated Q2 Net Sales drop by 5 %

Consolidated Operating PBT up by 122 %

Chennai, 31st October 2015: The Board of Directors met today and approved the results for the quarter and six months ended 30th Sep 2015.

Consolidated Q2 financial performance

Consolidated net sales dropped by 5% to Rs.514 crores from Rs.541 crores, on a quarter on quarter basis. PBT increased by 122% from Rs.30 crores to Rs.66 crores in the current quarter. On a sequential basis, sales grew by 5% and PBT increased by 15%.

The profit after tax increased by 128% (i.e. Rs.39 crores compared to Rs.17 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 improvement in volumes in standalone business.

Abrasives division sales registered growth for both sequential and quarter on quarter basis. Sales in Electro minerals mirrored the movement in Rouble currency. Sales of Ceramics division had a de growth compared to corresponding quarter of last year, however had a marginal growth on a sequential basis.

Profitability of Electro minerals and Abrasives businesses improved, however Ceramics was under pressure.

The Company's debt equity ratio continues to be healthy at 0.11 on a standalone basis and 0.30 on a consolidated basis.

Consolidated Segmental Operating Performance

Abrasives

At a consolidated level, the net sales for the quarter were at Rs. 236 cr which was 2% higher than the similar period of last year. On a sequential basis, sales were higher by 11% with Q1 2015-16 sales at Rs. 212 cr. The growth was led by strong performance from CUMI standalone business.

Profit before interest and tax on a consolidated basis recorded an increase from 8.3% in quarter 2 of last year and from 8.9% in quarter 1 of current year to 10.8% in current quarter exhibiting a strong comeback in the margins.

Electro Minerals

At a consolidated level, the net sales for current quarter were at Rs. 178 cr versus Rs. 197 cr of the similar period in last year. The sales were lower owing to lower INR topline on account of weak rouble and closing of Thukela Refractories Isithebe operations. Standalone business grew by Rs. 19 cr on the back of a strong aluminas business.

Sequentially sales at a consolidated level remained flat.

However, profits grew significantly from Rs.3.3 cr in quarter 2 of last year and from Rs. 32 cr in Quarter 1 of this year to Rs. 39 cr in current quarter. The gain majorly arose due to closing down of loss making operations of TRI &Foskor and better performance of VAW.

Ceramics

At a consolidated level, the net sales for the quarter were at Rs. 113cr versus Rs. 125 cr for the corresponding quarter of last year. This is a drop of 9%. On a sequential basis, the sales grew marginally by about 1%.

Industrial ceramics and Super Refractories business registered lower sales owing to weak capex environment and postponement of projects from user industries.

Profits of Ceramics division were lower by Rs. 5 cr compared to corresponding quarter of last year, which majorly came from standalone due to lower volumes and price. Joint venture companies also had lower profit to report.

About the 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 GroupeChimiqueTunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, SociedadQuímica 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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