



Carborundum Universal's Consolidated Full Year Net Sales up by 14% PAT up by 15%

Chennai, 26th April 2019: The Board of Directors met today and approved the results for the Quarter and the Year ended 31st March 2019.

Financial performance

Consolidated sales for the full year, increased by 14 percent to Rs.2656 crores from Rs.2330 crores (excluding excise duty), driven by better performance from all the segments. At a standalone level, the growth was at 13 per cent from Rs.1551 crores to Rs.1752 crores.

Full year consolidated segmental profitability improved for Abrasives and Ceramics businesses on the back of higher sales volume.

The company, at consolidated level, spent Rs.97 crores on capital expenditure. The gross debt equity ratio for the Company, is almost nil at a standalone level and 0.06 at a consolidated level. Cash and cash equivalents (net of borrowings) at the consolidated level stands at Rs.95 crores.

On a consolidated basis, profit before tax increased by 14% from Rs.322 crores to Rs.369 crores. Profit after tax (net of non-controlling interest) including share profits from Joint ventures and Associate was at Rs.248 crores (previous year Rs.216 crores).

Consolidated Segmental Operating Performance

Abrasives

For the full year, net sales were Rs.1124 crores compared to last years' sales of Rs.1018 crores resulting in a growth of 10%. The Indian operations delivered steady growth on back of higher volumes.

The Profit before interest and tax increased from Rs.132 crores to Rs.140 crores due to increase in sales volume and product mix.

Electro Minerals

For the full year, net sales Rs.1019 crores, compared to last years' sales of Rs.883 crores resulting in a growth of 15%.

The profit before interest and tax marginally increased from Rs.127 crores to Rs. 128 crores. The net sales of Russian subsidiary grew by 11%, but the profits were almost same due to the adverse impact of Exchange fluctuation.



The hydel power operations at Maniyar, Kerala has resumed during the beginning of the current quarter.

The step down subsidiary M/s. Foskor Zirconia Pty Limited, South Africa [FZL] has incurred a loss of Rs.24.70 crores for the financial year 2018-19, out of this Rs.12.60 crores has been considered in the Group consolidated financials being the share of the Parent. The Board of FZL is monitoring the business performance and will initiate suitable measures in due course. No adjustments are necessary to be made in the financial statements in this regard.

Ceramics

For the full year, net sales was higher by 20 percent from Rs.502 crores to Rs.604 crores. The Indian operations as well as the overseas subsidiaries delivered good growth on the back of higher volumes.

Profit before interest and tax substantially increased from Rs.76 crores to Rs.108 crores, driven by higher volumes in both standalone and overseas operations.

Final Dividend

The Board of Directors of the Company at its meeting held on 26th April, 2019 has recommended a final dividend of Rs.1.25/- per share (125% on face value of Re.1) to the shareholders of the Company. The Company had earlier paid an interim dividend of Re.1.50/- per share.

Other updates

The Nomination and Remuneration Committee had considered and recommended the candidature of Mr. N Ananthaseshan, President – Abrasives as a successor to Mr. K Srinivasan, Managing Director who would be retiring from the services of the Company effective 22nd November 2019. Accordingly, the Board at its meeting held today considered and approved the appointment of Mr. N Ananthaseshan as an Additional Director of the Company who shall hold office up to the Annual General Meeting to be held on 31st July 2019 and also as a Managing Director (Designate) with immediate effect subject to approval of shareholders. Mr. Ananthaseshan will take over charge as the Managing Director with effect from 23rd November 2019 after the completion of tenure of Mr. K Srinivasan.



About Murugappa Group

Founded in 1900, the INR 329 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., Shanthi Gears Ltd., Tube Investments of India Ltd., TI 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.

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