

**Carborundum Universal Limited**

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31st January 2014

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Mumbai 400 001

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Stock Code : CARBORUNIV-EQ
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Total 8 pages (including covering letter)

Dear Sirs,

Further to our letter enclosing a copy of the Unaudited Financial Results for the quarter ended 31st December 2013, we are now enclosing a copy of the Press Release together with one more copy of the consolidated financial results.

Thanking you

Yours faithfully
For Carborundum Universal Limited \

M C Gokul
Asst. Company Secretary

Encl:a.a

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Carborundum Universal's Consolidated Q3 Net Sales up by 16.3%

Consolidated Operating PBT up by 50.6%

Chennai, 31st Jan 2014: The Board of Directors met today and approved the results for the quarter ended 31st Dec 2013.

Consolidated Q3 financial performance

Consolidated net sales increased by 16.3% to Rs.516 crores from Rs.444 crores, on a quarter on quarter basis. PBT (excluding exceptional income) increased by 50.6% from Rs.13.8 crores in last year corresponding period to Rs.20.8 crores in the current quarter.

On a sequential basis, both net sales and PBT dropped by 6.6% and 55.3% respectively.

The increase in sales on quarter on quarter basis was largely due to better performance by Electro minerals division. The division witnessed increase in volumes in silicon carbide business in Russia. South African subsidiary also reported higher volumes. Ceramics segment, however, grew in sales due to postponement of projects in domestic market. On a sequential basis, all the divisions registered lower sales.

Profitability of all divisions were under pressure, except Electro minerals division, which did well on a quarter on quarter basis. The company, by utilizing better cash flow was able to reduce the debt, thus improving both the standalone and consolidated debt equity.

Earnings before interest, depreciation and amortization (EBITDA) recorded an increase of 28.9% (i.e. from Rs.39 crores in corresponding quarter last year to Rs.50.2 crores current quarter).

Consolidated Segmental Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis registered an increase of 7.8%. Sales for the quarter was Rs.212.9 crores (Rs.197.5 crores for the corresponding period of last year). On a sequential basis, there was a drop of 5.6%.

Profit before interest and tax on a consolidated basis recorded a drop of 52.3% i.e. from Rs.18.8 crores to Rs.9 crores, on a quarter on quarter basis. On a sequential basis, there was a drop of 59.4%.

The current sluggish industrial environment had an adverse impact resulting in lower sales.

Electro Minerals

At a consolidated level, the net sales for Q3 were higher at Rs. 204.4 crores versus Rs. 132.3 crores for the corresponding quarter last year. This resulted in a growth of 54.5%. However on a sequential basis, there was a drop of 5.4%.

Profit before interest and tax on a consolidated basis recorded an increase, from a loss of Rs.7.9 crores to a gain of Rs. 15.8 crores, on a quarter on quarter basis. This was largely due to volume gain in both Russian and South African subsidiaries from a lower base in the corresponding quarter.

Ceramics

The ceramics segment recorded a 6.5% drop in sales on a consolidated basis (Rs.111.5 crores vs. Rs.119.3 crores last year corresponding period). On a sequential basis, this resulted in a drop of 10%.

Alumina Ceramics business from India, had challenges from market due to project postponements. Refractories sales were lower owing to delayed project orders from user industries. Australian entity registered a growth sequentially but volumes were lower compared to corresponding quarter last year.

Profit before interest and tax of the ceramics business on a consolidated basis recorded a drop from Rs.13.4 crores to Rs. 11.6 crores, on a quarter on quarter basis.

Interim Dividend

The Board of Directors of the Company at its meeting held on January 31, 2014 has recommended an interim dividend of Rs. 0.75/- per share (75% on face value of Re.1) to the shareholders of the Company.

About the Murugappa Group

Founded in 1900, the INR 225 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including eleven 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., Sabero Organics Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Cycles, Sugar, Farm Inputs, Fertilizers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies like Groupe Chimique Tunisien, FOSKOR, Mitsui Sumitomo, Morgan Crucible and Sociedad Química y Minera de Chile (SQM). The Group has a wide geographical presence spanning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Chola, Gromor and Paramfos are from the Murugappa stable. The organization 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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CARBORUNDUM UNIVERSAL LIMITED
Registered Office: 'PARRY HOUSE', No.43, Moore Street, Chennai - 600 001



**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**

Part - I

Sl.no	Particulars	Quarter ended			Nine months ended		(Rs. in Lakhs)
		(Unaudited)			(Unaudited)		Year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	(Audited) 31.03.2013
1	Income from Operations						
	a) Gross Sales / Income from operations	54397	58115	46816	165123	153793	204240
	Less: Excise duty recovered	2806	2875	2438	8240	7400	10003
	Net Sales / Income from operations	51591	55240	44378	156883	146393	194237
	b) Other operating income	458	836	523	2014	1650	2903
	Total Income from operations (net)	52049	56076	44901	158897	148043	197140
2	Expenses						
	a) Cost of materials consumed	16218	17509	11516	50140	45015	60691
	b) Purchase of stock-in-trade	2964	3100	2115	7813	6120	8395
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1397)	(419)	3383	(2870)	2061	2186
	d) Employee benefits expense	7051	7106	6406	20857	18691	26273
	e) Depreciation and amortisation expense	2204	2174	1769	6404	5087	7109
	f) Power & Fuel	8918	8716	6676	25458	21158	28499
	g) Other expenses	13566	12848	11082	39137	36190	47017
	Total expenses	49524	51034	42947	146939	134322	180170
3	Profit from Operations before Other Income, finance costs and exceptional items (1-2)	2525	5042	1954	11958	13721	16970
4a	Other Income	191	196	359	1202	790	1304
4b	Exchange gain / (loss) (net)	100	127	(186)	383	100	(360)
5	Profit before finance costs and exceptional items (3+4a+4b)	2816	5365	2127	13543	14611	17914
6	Finance costs	732	699	743	2071	2063	2721
7	Profit after finance costs but before exceptional items (5-6)	2084	4666	1384	11472	12548	15193
8	Exceptional Items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	2084	4666	1384	11472	12548	15193
10	Tax expense	962	1771	785	4577	4440	6193
11	Net Profit from ordinary activities after tax (9-10)	1122	2895	599	6895	8108	9000
12	Minority Interest	(75)	(49)	213	(238)	(332)	(23)
13	Net Profit after tax and minority interest (11+12)	1047	2846	812	6657	7776	8977
14	Paid up Equity Share Capital (Face value- Re.1 per share)	1876	1876	1874	1876	1874	1875
15	Reserves excluding revaluation reserve						103790
16	Earnings per share (Rs.) not annualised						
	- Basic	0.56	1.52	0.43	3.55	4.15	4.79
	- Diluted	0.56	1.52	0.43	3.55	4.14	4.78

M H Mungappa





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**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**

Part - II

Select information for the quarter and nine months ended December 31, 2013

Sl.no	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of Shares	108412862	108407862	108338608	108412862	108338608	108297724
	- Percentage of shareholding	57.79%	57.79%	57.79%	57.79%	57.79%	57.77%
2	Promoters and Promoter Group Shareholding						
a)	Pledged / Encumbered						
	- No of shares	1407800	1407800	1407800	1407800	1407800	1407800
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	1.78%	1.78%	1.78%	1.78%	1.78%	1.78%
	- Percentage of shares (as a % of the total share capital of the company)	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
b)	Non-encumbered						
	- No of shares	77768220	77768220	77721936	77768220	77721936	77762820
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	98.22%	98.22%	98.22%	98.22%	98.22%	98.22%
	- Percentage of shares (as a % of the total share capital of the company)	41.46%	41.46%	41.46%	41.46%	41.46%	41.48%

	Particulars	Quarter ended 31.12.2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	1
	Disposed off during the quarter	1
	Remaining unresolved at the end of the quarter	-

MM Mungappa





CARBORUNDUM UNIVERSAL LIMITED
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CONSOLIDATED UNAUDITED SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
UNDER CLAUSE 41 OF THE LISTING AGREEMENT



(Rs. in Lakhs)

Sl.no	Particulars	Quarter ended			Nine months ended		Year ended
		(Unaudited)			(Unaudited)		(Audited)
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
1	Segment Revenue						
	Abrasives	21289	22545	19747	64440	60941	80929
	Ceramics	11154	12397	11925	34696	37085	49913
	Electrominerals	20443	21618	13233	61560	50136	66879
	Others	828	940	948	2708	2976	3886
	Total	53714	57500	45853	163404	151138	201607
	Less: Inter-Segment Revenue	2123	2260	1475	6521	4745	7370
	Net Sales/Income from operations	51591	55240	44378	156883	146393	194237
2	Segment Results						
	(Profit (+) / Loss (-) before finance costs and tax)						
	Abrasives	895	2202	1877	5126	6333	8295
	Ceramics	1164	1476	1341	4166	6311	7891
	Electrominerals	1582	2239	-785	6408	3084	2371
	Others	26	148	273	306	897	973
	Total	3667	6065	2706	16006	16625	19530
	Less: (i) Finance Costs	732	699	743	2071	2063	2721
	(ii) Other un-allocable expenditure / (income) net	851	700	579	2463	2014	1616
	Add: Exceptional Items	-	-	-	-	-	-
	Total Profit before Tax	2084	4666	1384	11472	12548	15193
3	Capital Employed (Segment Assets - Segment Liabilities)						
	Abrasives	62755	62642	57570	62755	57570	53934
	Ceramics	41143	43200	40827	41143	40827	37382
	Electrominerals	54276	55090	55760	54276	55760	53350
	Others (including un-allocable)	9834	9923	11121	9834	11121	12122
	Total	168008	170855	165278	168008	165278	156788

M. H. Murugappa





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**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**

Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on January 31, 2014 and has been subjected to limited review by the Statutory Auditors of the Company. The limited review of the financial results of Subsidiaries and Joint Ventures for the quarter has been carried out by the Statutory Auditors of the respective Companies.
- 2 The Board of Directors have recommended an interim dividend of Re.0.75/- per share (on face value of Re.1/- each per share).
- 3 During the current quarter, the Company has allotted 5000 equity shares pursuant to exercise of Employee Stock Options.
- 4 Figures for the previous periods have been regrouped and reclassified where considered necessary.

5 Summary of Key Standalone Financial Results of Carborundum Universal Limited is as follows:

(Rs. in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	(Unaudited)			(Unaudited)		(Audited)
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
Total Income from operations (net)	26993	30395	25813	84749	81905	110089
Profit before Tax and Exceptional Items	1129	3116	1553	7428	7942	10804
Add : Exceptional Items	-	-	-	-	-	-
Profit before Tax	1129	3116	1553	7428	7942	10804
Net Profit After Tax	731	2115	1010	5110	5772	7454

- 6 The Company has opted to publish the Consolidated financial results. Standalone financial results are available at the website of the Company: www.cumi.murugappa.com and Stock Exchanges: www.bseindia.com & www.nseindia.com

For Carborundum Universal Limited

M.M. Murugappan

M.M. Murugappan
Chairman

Chennai
January 31, 2014

