

**CARBORUNDUM UNIVERSAL LIMITED**

Parry House, 43, Moore Street, Chennai 600 001, India.
Tel. : +91-44-42216789 Fax : +91-44-42216149 Grams : CUMI
Email : cumigeneral@cumi.murugappa.com
Website : www.cumi.murugappa.com

30th April 2011

9 pages (including this)

Mr. Bhushan Mokashi
DCS – CRD
Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

Fax No.022 22723121 / 22722037
22722041 / 2061 /
22723719 / 2039

Tel 022 – 2272 1233 / 34
Extn – 8247 / 8010 / 8014
Direct Tel:022-22721121/2375

Stock Code : 513375
By Speed Post Ack. Due

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

Fax No.022 26598237 / 38
022 26598347 / 48
Tel No.2659 8452 / 26598235 - 36
26598100

Stock Code : CARBORUNIV-EQ
By Speed Post Ack. Due

Dear Sirs,

Further to our letter enclosing a copy of the Audited Financial Results for the year ended 31st March 2011 we are now enclosing a copy of the Press Release together one more copy of the financial results. L Consolidated

Thanking you

Yours faithfully
For **Carborundum Universal Limited**


S.Dhanvanth Kumar
Company Secretary

Encl.:



Murugappa Group News Release

**Carborundum Universal's
FY 10 - 11 consolidated sales up by 25%
PAT up 68%**

Chennai, 30th April 2011: The Board of Directors met today and approved the results for the year ended 31st March 2011.

Full year financial performance

Consolidated Net Sales grew by 25% to Rs.1601 Crores from Rs 1280 Crores. All business segments registered growth rates in excess of 20%. The Abrasives business, grew by 27%, Electro minerals by 25% and Ceramics by 22%. About 44% of Company's total revenues are from international sales.

EBITDA grew by 27% from Rs.246 crores to Rs.312 crores. PBIT grew by 30% from Rs.202 Crores to Rs.262 Crores.

Profit before tax was Rs.258 Crores - an increase of 51% over the previous year figure of Rs.171 Crores. Consequently profit after tax grew by 68% to Rs.171 Crores (previous year Rs.102 Crores).

Consolidated Q 4 financial performance

Consolidated Net Sales grew by 23% to Rs.433 Crores from Rs.351 Crores. EBITDA grew by 31% from Rs.68 crores to Rs.90 crores. PBIT grew by 33% from Rs.58 Crores to Rs. 77 Crores.

Profit before tax was Rs.70 Crores - an increase of 35% over the previous year figure of Rs.51 Crores. Consequently profit after tax grew by 52% to Rs.49 Crores (previous year Rs.32 Crores).

FY 10-11 Operating Performance

Abrasives

Abrasives business, which is the largest business segment, registered a topline increase of 27% for the year. Both the Indian operations and the consolidated operations (including International operations) registered growth rates in excess of 20%. Sales was Rs.699 Crores (Rs.551 Crores for the corresponding period of last year). This growth was made possible by the continuing buoyancy in the Indian and Russian markets and the revival in the US and Canadian markets.

CUMI India registered a growth of 20% in sales. Off take was strong particularly in the direct customer segment with ballooning off take from all major user industries. The product mix was oriented towards generating sales from the more profitable segments of the market. The Company continued to leverage its established relationships with customers and application engineering skills particularly in the bonded abrasives segment of the business to ride the buoyancy in the markets. In coated abrasives, competition continues to be intense. Market



Murugappa Group News Release

share was sought to be retained through product differentiation and by having a comprehensive range of products in all tiers of the market.

Sterling Abrasives, which caters to certain select segments of the bonded abrasives market, registered a 32% growth in turnover. Wendt India, the joint venture which addresses the super abrasives market, registered a 45% growth in turnover both from its Indian and international operations.

In Russia, the recovery in the industrial sector helped the business to increase sales by 75%. Growth was driven by improved off-take from auto, auto component and steel industries.

The Chinese operations stabilised considerably since the de-merger which took place last year. The transition from a joint venture to independent operations slowed down the operations initially. The business has been stepping up sales, quarter on quarter. The business focused on catering to the thin wheel and combination stone requirement of the Indian and Russian markets apart from sales to some customers in Europe, Middle East and South America. The business also became an accredited vendor to large OEMs.

Sales of abrasives to the North American markets, through CUMI America and CUMI Canada witnessed a growth of 35%, with improved off take from various customer segments.

Despite increase in input costs, the overall profitability margins of the abrasives business improved to 14% due to improved price realization, better product mix and improvement in internal efficiencies.

Profit before interest and tax, increased by 85% i.e. from Rs. 52 Crores to Rs 96 Crores.

Electro Minerals

Electro minerals, the second largest business segment, registered a 25% growth in sales, with sales increasing from Rs.479 crores to Rs.598 crores.

Silicon carbide sales of Volzhsky Abrasive Works, Russia, recorded a jump of 21%. The revival in certain segments of the European markets helped to perk up demand, particularly from overseas customers. The business experienced steep increases in key input costs viz power and raw petroleum coke. Since the cost push could not be fully passed on there was an erosion in margins.

The electro minerals business of the Company in India did well registering a growth of 34%. All three major product groups viz. silicon carbide, brown fused alumina, white fused alumina did well recording higher sales. The market for fused minerals continues to be positive with all user industries doing well. The photovoltaic segment of the market also registered good off-take, with global installed capacity of solar power using photovoltaic technology witnessing an increase. Input cost increases lead to pressure on margins. In the domestic market, off take from all user industries viz. abrasives, refractories and engineering was strong.



Murugappa Group News Release

In South Africa, Foskor Zirconia Pty Ltd., made a comeback, with strong revival in the global steel and minerals markets. The Company's efforts to diversify its product range and also its customer base started yielding benefits.

Profit before interest and tax of the electro minerals business, was Rs.110 Crores. The increase in input costs which was witnessed in the first quarter continued to impact the businesses in India, Russia and South Africa during the year. However the business improved its overall profitability by leveraging the benefit of increased sales coupled with tight control on fixed costs.

Ceramics

The Ceramics business recorded a 22% increase in sales, from Rs.286 Crores to Rs.348 Crores.

Both the high alumina ceramics business and the super refractories businesses performed well during the quarter.

Sales of metalized cylinders and wear resistant liners continued to grow at a brisk pace with important new customers being added. Line balancing of the manufacturing facilities in India was undertaken by installation of certain additional equipment which has helped to increase the manufacturing capacity for metallised cylinders. In Australia, CUMI Australia registered lower sales due to intense competition, particularly on price and also the floods in Southern Australia which affected the operations of coal washeries. The business continued to maintain its leading position servicing customers with superior quality and an indepth understanding of customer needs. The subsidiaries in North America and South Africa continued to drive the Company's sales effort in these markets generating greater acceptance for its products.

Sales of Super Refractories increased by 31% compared to last year, driven by the strong off take for fired and monolithic super refractories in major user industries like carbon black, cement and steel industries. Anticorrosives sales were flat due to lower than anticipated project orders.

The Company's joint ventures, in the refractory business, viz. Murugappa Morgan Thermal Ceramics Ltd. and Ciria India Limited registering a combined growth of over 30% in turnover riding on the optimism in the Indian industries.

Profit before interest and tax of the Ceramics business segment was Rs.61 crores.

Corporate Events

With a view to rationalize the holding structure, the investments in the subsidiaries in USA, Canada and Middle East have been transferred from the parent Company to the wholly owned subsidiary in Cyprus.

The Board has recommended a final dividend of Rs.1 per equity share of Rs.2 each. It may be recalled that in February an interim dividend of Rs.1.50 has been paid, making a total of Rs.2.50 for the year.

The consolidated audited financial results are enclosed.



Murugappa Group News Release

About the Murugappa Group

Founded in 1900, the Rs. 13617 Crores (USD 3.03 billion) Murugappa Group is one of India's leading business conglomerates. The Group has 29 companies under its umbrella, of which seven are listed and actively traded in NSE & BSE. Headquartered in Chennai, the major companies of the Group include Carborundum Universal, Cholamandalam Investment and Finance Company Limited, Cholamandalam MS General Insurance Company Ltd, Coromandel International Ltd, Coromandel Engineering Company Ltd, EID Parry (India) Ltd, Parry Agro Industries 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, Construction, Bio-products and Nutraceuticals, the Group has forged strong joint venture alliances with leading international companies like Mitsui Sumitomo, Foscov, Cargill and Groupe Chimique Tunisien. The Group has a wide geographical presence spanning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, 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

For further details please contact:

V Ramesh Chief Financial Officer Carborundum Universal Ltd. 044 42216132 99400 57663	D Vijayalakshmi General Manager-Group Corporate Communications Ph – 044-25306535/ 9444029527 vijayalakshmid@corp.murugappa.com
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Hanmer MS&L

Senthamil/ Neha / Ritu Bagri

Mobile: 99404 99456/ 9840246513 / 9884173290

Senthamil@hanmermsl.com, nehadamani@hanmermsl.com,

ritu@hanmermsl.com



CARBORUNDUM UNIVERSAL LIMITED

Registered Office: 'PARRY HOUSE', No.43, Moore Street, Chennai - 600 001

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2011 UNDER CLAUSE 41 OF THE LISTING AGREEMENT



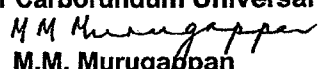
(Rs. in Lakhs)

Sl.no	Particulars	Quarter ended		Full Year	
		(Unaudited)		(Audited)	
		31.03.11	31.03.10	31.03.11	31.03.10
1	Gross Sales/Income from Operations	45582	36781	167585	133082
	Less: Excise duty recovered	2281	1643	7511	5107
	Net Sales/Income from Operations	43301	35138	160074	127975
2	Other Operating Income	141	1397	4351	2692
	Total Income (1+2)	43442	36535	164425	130667
3	Expenditure:				
	a) (Increase)/decrease in stock in trade & Work in progress	(1916)	(995)	(3656)	613
	b) Consumption of raw materials	11277	11962	47661	36994
	c) Purchase of traded goods	457	418	5360	3571
	d) Employees cost	9804	6162	24014	21023
	e) Power & Fuel	5745	5231	22312	16476
	f) Depreciation	1210	1014	5045	4448
	g) Other expenditure	9207	7253	37864	28114
	h) Total	35784	31045	138600	111239
4	Profit from Operations before Other Income, Interest & Exceptional Items	7658	5490	25825	19428
5	Other Income	82	336	339	728
6	Profit before Interest & Exceptional Items	7740	5826	26164	20156
7	Interest	729	643	2710	3083
8	Profit after Interest but before Exceptional Items	7011	5183	23454	17073
9	Exceptional Items (Refer Note no. 5)	-	-	2349	70
10	Profit from ordinary activities before tax	7011	5183	25803	17143
11	Tax expense	1743	1373	7417	5603
12	Net Profit from ordinary activities after tax	5268	3810	18386	11540
	Add: Share of Profit / (Loss) from Associate	183	210	(21)	29
	Less: Minority Interest	508	777	1286	1396
13	Net Profit after tax	4943	3243	17079	10173
14	Paid up Capital (Face value-Rs 2 per share)	1869	1867	1869	1867
15	Reserves excluding revaluation reserve			72420	57149
16	Basic & Diluted Earnings per share (Rs.) not annualised	5.29	3.47	18.27	10.90
17	Aggregate of public shareholding				
	- Number of Shares	54028605	53113577	54028605	53113577
	- Percentage of shareholding	57.80%	56.89%	57.80%	56.89%
18	Promoters and Promoter group Shareholding				
	a) Pledged/Encumbered				
	- No of shares	876400	876400	876400	876400
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	2.22%	2.18%	2.22%	2.18%
	- Percentage of shares (as a % of the total share capital of the company)	0.94%	0.94%	0.94%	0.94%
	b) Non-encumbered				
	- No of shares	38565988	39366255	38565988	39366255
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	97.78%	97.82%	97.78%	97.82%
	- Percentage of shares (as a % of the total share capital of the company)	41.26%	42.17%	41.26%	42.17%

CONSOLIDATED SEGMENTWISE REVENUE, RESULTS AND CAPITAL
murugappa EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT
(Rs.in lakhs)

Sl.no	Particulars	Quarter ended (Unaudited)		Full Year (Audited)	
		31.03.11	31.03.10	31.03.11	31.03.10
1	Segment Revenue				
	Abrasives	18530	16788	69901	55073
	Ceramics	9686	7622	34761	28571
	Electrominerals	16767	11940	59788	47891
	Others	741	650	2664	2412
	Total	45724	37000	167114	133947
	Less: Inter-Segment Revenue	2423	1862	7040	5972
	Net Sales/Income from operations	43301	35138	160074	127975
	2 Segment Results				
	(Profit (+) / Loss (-) before interest and tax)				
	Abrasives	2561	1400	9578	5170
	Ceramics	1635	1357	6114	5553
	Electrominerals	3100	2507	11016	10276
	Others	140	183	519	660
	Total	7436	5447	27227	21659
	Less: (i) Interest	729	643	2710	3083
	(ii) Other un-allocable expenditure / (income) net	(304)	(379)	1063	1503
	Add: Exceptional Income (Refer Note No. 5)	-	-	2349	70
	Total Profit before Tax	7011	5183	25803	17143
	3 Capital Employed (Segment Assets - Segment Liabilities)				
	Abrasives	44604	41204	44604	41204
	Ceramics	31135	28446	31135	28446
	Electrominerals	34387	26651	34387	26651
	Others (including unallocable)	11217	11793	11217	11793
	Total	121344	108094	121344	108094

Chennai
April 30, 2011

For Carborundum Universal Limited

M.M. Murugappan
Chairman



CARBORUNDUM UNIVERSAL LIMITED

Registered Office: 'PARRY HOUSE', No.43, Moore Street, Chennai - 600 001

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2011 UNDER CLAUSE 41 OF THE LISTING AGREEMENT



Notes:

1 Statement of Assets and Liabilities (Rs. in Lakhs)

	As at 31.03.2011	As at 31.03.2010
Shareholders' Funds		
Share Capital	1869	1867
Capital Reserve on Consolidation : Joint ventures	206	206
Reserves and Surplus	72479	57214
	74554	59287
Minority Interest	5943	4900
Loan Funds		
Secured Loans	21860	26887
Unsecured Loans	18835	16860
Long Term Lease Liability	152	160
	40847	43907
Deferred Tax Liability (Net)	4767	4494
Total	126111	112588
Fixed Assets (Net)	52922	48763
Capital work-in-progress (including capital advances)	2323	4393
	55245	53156
Goodwill on Consolidation	8323	8485
Investments	7490	7790
Current Assets, Loans & Advances		
Inventories	31077	23518
Sundry Debtors	32904	28003
Cash & Bank Balances	6979	4693
Loans & Advances	6838	6089
	77798	62303
Less: Current Liabilities & Provisions		
Current Liabilities	21712	17039
Provisions	1033	2107
	22745	19146
Net Current Assets	55053	43157
Total	126111	112588

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on 30th April 2011 and has been subjected to limited review by the Statutory Auditors of the Company. The limited review of the financial results of Subsidiaries, Joint Ventures and an Associate for the quarter has been carried out by the Statutory auditors of the respective Companies.
- The Board of directors have recommended a dividend of Re.1/- per share (on face value of Rs.2/- each per share).
- There were no investor services complaint pending at the beginning of the quarter. The Company had received 8 complaints during the quarter. No complaint was pending at the end of the quarter.

5 Exceptional items :

(Rs. in Lakhs)

	Quarter ended		Full year ended	
	31.03.11	31.03.10	31.03.11	31.03.10
Profit on sale of land and building		-	2349	70

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

(Rs. in Lakhs)

Particulars	Full year ended	
	31.03.11	31.03.10
Total Income	93626	75100
Profit Before Tax	16433	8417
Net Profit After Tax	12425	5801
Paid up Debt Capital	5000	5000
Debenture Redemption Reserve	938	625
Debt Service Coverage Ratio [DSCR] [Times]	3.65	2.39
Interest Service Coverage Ratio [ISCR] [Times]	9.85	6.03
Debt Equity ratio [DER] [Times]	0.42	0.66

DSCR = Profit Before Interest, Exceptional item, Depreciation and Tax /
(Interest + Long Term Debt Repayments made during the period)

ISCR = Profit Before Interest, Exceptional item, Depreciation and Tax / Interest

DER = Loan funds / Networth

- 7 During the current quarter, the Company has allotted 102761 equity shares pursuant to exercise of Employee Stock Options.
- 8 Figures for the previous periods have been regrouped and reclassified, wherever considered necessary.
- 9 The Company has opted to publish the Consolidated financial results from the current financial year. Standalone financial results are available at the website of the Company: www.cumi.murugappa.com and Stock Exchanges: www.bseindia.com, www.nseindia.com & www.madrasstockexchange.in

For Carborundum Universal Limited

Chennai
April 30, 2011

M M Murugappa
M M Murugappa
Chairman