

**Carborundum Universal Limited**

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30th October 2013

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Total 04 pages (including covering letter)

Dear Sirs,

Further to our letter enclosing a copy of the Unaudited Financial Results for the quarter ended 30th September 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**

K Srinivasan
Managing Director

Encl:a.a



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Carborundum Universal's Consolidated Q2 Net Sales up by 6%

Consolidated PBIT down by 13%

Chennai, 30th October 2013: The Board of Directors met today and approved the results for the quarter ended 30th Sep 2013.

Consolidated Q2 financial performance

Consolidated net sales grew up by 6% to Rs.552 crores from Rs.522 crores, on a quarter on quarter basis. PBIT (excluding exceptional income) dropped by 13% from Rs.62 crores in last quarter similar period, to Rs.54 crores in the current quarter.

On a sequential basis, net sales grew by 10% and PBIT (excluding exceptional income) remained near same.

Sales growth was driven by the performance of both the Indian and Overseas operations. Margins came under pressure owing to rising input costs, strong dollar and a challenging customer market. The Electro minerals business segment recorded growth rate of 17%. The Abrasives business grew at 7% and Ceramics business de-grew by 7%. On a sequential basis, Electrominerals, Abrasives and Ceramics grew at 11%, 9% and 11% respectively.

Profitability of Electro minerals business improved on a quarter on quarter basis. For the other segments, profitability came under pressure. On a sequential basis, only Abrasives registered a growth in profit.

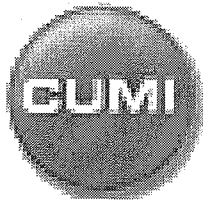
Earnings before interest, depreciation and amortisation (EBITDA) recorded a drop of 5% (i.e. from Rs.79 crores to Rs.75 crores) without considering exceptional income of last year.

Profit before tax and exceptional income was Rs.47 crores – a drop of 15% over the previous year amount of Rs.55 crores. The profit after tax dropped by 16% (i.e. Rs.28 crores compared to Rs.34 crores last year). On a sequential basis, Profit before tax and exceptional income, dropped by 1% and profit after tax grew by 3%.

Consolidated Segmental Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis registered an increase of 7%. Sales for the quarter was Rs.225 crores (Rs.210 crores for the corresponding period of last year). On a sequential basis, that was a growth of 9%.



Profit before interest and tax on a consolidated basis recorded a drop of 5% i.e. from Rs.23.3 crores to Rs.22.0 crores, on a quarter on quarter basis. On a sequential basis, that was an increase of 9%. The growth came by way of getting higher share of business from customers.

Electro Minerals

At a consolidated level, the net sales for Q2 were higher at Rs. 216 crores versus Rs. 185 crores for the corresponding quarter last year, which is a growth of 17%. On a sequential basis, the business grew by 11%.

Profit before interest and tax on a consolidated basis grew by 21% i.e. from Rs.18.6 crores to Rs.22.4 crores, on a quarter on quarter basis. This was largely due to increased Aluminas business in India and better captive power generation. On a sequential basis, the profits dropped by 13%.

Ceramics

The ceramics segment recorded a 7% drop in sales on a consolidated basis (Rs.124 crores vs. Rs.133 crores last year). On a sequential basis, the business grew by 11%.

Alumina Ceramics, particularly Metalized, did well compared to sequential quarter in registering higher sales. Refractory business focused on Repairs Maintenance orders to register higher sales.

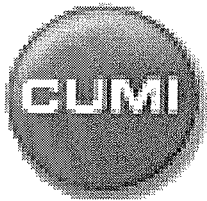
Profit before interest and tax of the ceramics business segment on a consolidated basis dropped by 41% i.e. from Rs.25.0 crores to Rs.14.8 crores. Profits came under pressure due to subdued market conditions in Refractory business In India, ceramic Tile business and competitive pressures in Australia.

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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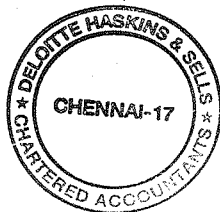
**CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2013 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**

Part - I

(Rs. in Lakhs)

Sl.no	Particulars	Quarter ended			Half year ended		Year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		(Audited)
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1	Income from Operations						
	a) Gross Sales / Income from operations	58115	52611	54775	110726	106977	204240
	Less: Excise duty recovered	2875	2559	2556	5434	4962	10003
	Net Sales / Income from operations	55240	50052	52219	105292	102015	194237
	b) Other operating income	836	720	615	1556	1127	2903
	Total Income from operations (net)	56076	50772	52834	106848	103142	197140
2	Expenses						
	a) Cost of materials consumed	17509	16413	15402	33922	33499	60691
	b) Purchase of stock-in-trade	3100	1749	2348	4849	4005	8395
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(419)	(1054)	1324	(1473)	(1322)	2186
	d) Employee benefits expense	7106	6700	6267	13806	12285	26273
	e) Depreciation and amortisation expense	2174	2026	1708	4200	3318	7109
	f) Power & Fuel	8716	7824	7691	16540	14482	28499
	g) Other expenses	12848	12723	12047	25571	25108	47017
	Total expenses	51034	46381	46787	97415	91375	180170
3	Profit from Operations before Other Income, finance costs and exceptional items (1-2)	5042	4391	6047	9433	11767	16970
4a	Other Income	196	815	159	1011	431	1304
4b	Exchange gain / (loss) (net)	127	156	(8)	283	286	(360)
5	Profit before finance costs and exceptional items (3+4a+4b)	5365	5362	6198	10727	12484	17914
6	Finance costs	699	640	711	1339	1320	2721
7	Profit after finance costs but before exceptional items (5-6)	4666	4722	5487	9388	11164	15193
8	Exceptional Items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	4666	4722	5487	9388	11164	15193
10	Tax expense	1771	1844	1820	3615	3655	6193
11	Net Profit from ordinary activities after tax (9-10)	2895	2878	3667	5773	7509	9000
12	Minority Interest	(49)	(114)	(292)	(163)	(545)	(23)
13	Net Profit after tax, minority interest and share of profit from associate (11+12)	2846	2764	3375	5610	6964	8977
14	Paid up Equity Share Capital (Face value- Re.1 per share)	1876	1875	1874	1876	1874	1875
15	Reserves excluding revaluation reserve						103790
16	Earnings per share (Rs.) not annualised						
	- Basic	1.52	1.47	1.80	2.99	3.72	4.79
	- Diluted	1.52	1.47	1.80	2.99	3.70	4.78

M. Murugappa



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

**CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2013 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**

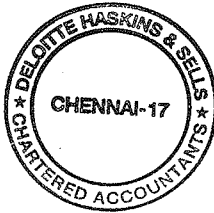
Part - II

Select information for the quarter and six months ended September 30, 2013

Sl.no	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of Shares	108407862	108318870	108531258	108407862	108531258	108297724
	- Percentage of shareholding	57.79%	57.77%	57.91%	57.79%	57.91%	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	77762820	77483936	77768220	77483936	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%	41.48%	41.34%	41.46%	41.34%	41.48%

	Particulars	Quarter ended 30.09.2013
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	-

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CARBORUNDUM UNIVERSAL LIMITED
Registered Office: 'PARRY HOUSE', No.43, Moore Street, Chennai - 600 001
CONSOLIDATED SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
UNDER CLAUSE 41 OF THE LISTING AGREEMENT



(Rs. in Lakhs)

Sl.no	Particulars	Quarter ended			Half year ended		Year ended
		(Unaudited) 30.09.2013	(Unaudited) 30.06.2013	(Unaudited) 30.09.2012	(Unaudited) 30.09.2013 30.09.2012		(Audited) 31.03.2013
1	Segment Revenue						
	Abrasives	22545	20606	20982	43151	41194	80929
	Ceramics	12397	11145	13324	23542	25160	49913
	Electrominerals	21618	19499	18549	41117	36903	66879
	Others	940	940	1021	1880	2028	3886
	Total	57500	52190	53876	109690	105285	201607
	Less: Inter-Segment Revenue	2260	2138	1657	4398	3270	7370
	Net Sales/Income from operations	55240	50052	52219	105292	102015	194237
2	Segment Results						
	(Profit (+) / Loss (-) before finance costs and tax)						
	Abrasives	2202	2029	2326	4231	4456	8295
	Ceramics	1476	1526	2499	3002	4970	7891
	Electrominerals	2239	2587	1856	4826	3869	2371
	Others	148	132	321	280	624	973
	Total	6065	6274	7002	12339	13919	19530
	Less: (i) Finance Costs	699	640	711	1339	1320	2721
	(ii) Other un-allocable expenditure / (income) net	700	912	804	1612	1435	1616
	Total Profit before Tax	4666	4722	5487	9388	11164	15193
3	Capital Employed (Segment Assets - Segment Liabilities)						
	Abrasives	62642	63120	57116	62642	57116	53934
	Ceramics	43200	40825	40304	43200	40304	37382
	Electrominerals	55090	50661	55710	55090	55710	53350
	Others (including un-allocable)	9923	8087	9482	9923	9482	12122
	Total	170855	162693	162612	170855	162612	156788

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Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	(Unaudited)	(Audited)
	As at 30.09.2013	As at 31.03.2013
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	1876	1875
Reserves and surplus	113007	104041
Total Shareholder's funds	114883	105916
Minority Interest	7050	7380
Non current liabilities		
Long term borrowings	19806	19750
Deferred tax liabilities (net)	6070	5808
Total non-current liabilities	25876	25558
Current liabilities		
Short term borrowings	26549	16028
Trade payables	21691	17600
Other current liabilities	10555	15556
Short term provisions	2311	3052
Total current liabilities	61106	52236
Total	208915	191090
ASSETS		
Non current assets		
Fixed assets	86032	82729
Goodwill on consolidation	11528	10016
Deferred tax asset (net)	984	781
Non current investments	121	122
Long-term loans and advances	2332	2367
Total non current assets	100997	96015
Current assets		
Current investments	3355	2434
Inventories	45612	40259
Trade receivables	42965	36013
Cash and cash equivalents	7689	8555
Short-term loans and advances	8297	7814
Total current assets	107918	95075
Total	208915	191090

M M Murugesan



**CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 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 October 30, 2013 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 During the current quarter, the Company has allotted 94392 equity shares pursuant to exercise of Employee Stock Options.
- 3 Figures for the previous periods have been regrouped and reclassified where considered necessary.

- 4 Summary of Key Standalone Financial Results of Carborundum Universal Limited is as follows: (Rs. In Lakhs)

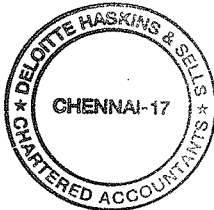
Particulars	Half year ended		Year ended
	30.09.2013	30.09.2012	31.03.2013
Total Income from operations	57756	56092	110089
Profit before Tax and Exceptional Items	6299	6389	10804
Add : Exceptional Items	-	-	-
Profit before Tax	6299	6389	10804
Net Profit After Tax	4379	4762	7454
Paid up Debt Capital	2500	5000	2500
Debenture Redemption Reserve	1250	1250	1250
Debt Service Coverage Ratio [DSCR] [Times]	2.65	2.58	2.16
Interest Service Coverage Ratio [ISCR] [Times]	15.40	12.21	10.45
Debt Equity ratio [DER] [Times]	0.19	0.30	0.19
DER = Loan funds/Networth			
DSCR= Profit Before finance costs, Exceptional item, Depreciation and Tax/ (Finance Costs+ Long term Debt Repayments made during the period)			
ISCR = Profit Before Finance Costs, Exceptional item, Depreciation and Tax / Finance Costs			

- 5 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
Chairman

Chennai
October 30, 2013



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