



Carborundum Universal Limited
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CIN No. L29224TN1954PLC000318

Carborundum Universal's Consolidated Q3 Net Sales down by 3.7%

Consolidated Operating PBT improved

Bengaluru, 29th Jan 2015: The Board of Directors met today and approved the results for the quarter ended 31st Dec 2014.

Consolidated Q3 financial performance

Consolidated net sales dropped by 3.7% to Rs.497 crores from Rs.516 crores, on a quarter on quarter basis. PBT (excluding exceptional income) increased by 89% from Rs.21 crores in last year similar quarter to Rs.39 crores in the current quarter.

On a sequential basis, net sales dropped by 8.1% but PBT gained by 32.2% respectively.

The drop in sales on quarter on quarter basis and sequential basis were largely impacted owing to the weak Rouble.

Profitability of all divisions improved compared to similar quarter last year. However on a sequential basis, there was pressure in Abrasives and Ceramics business.

Earnings before interest, depreciation and amortization (EBITDA) recorded an increase of 40.5% (i.e. from Rs.50 crores in corresponding quarter last year to Rs.71 crores current quarter).

Consolidated Segmental Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis was constant at Rs. 213 cr. On a sequential basis, this was a drop of 8%.

Profit before interest and tax on a consolidated basis recorded a gain of 47% i.e. from Rs.9 crores to Rs.13 crores, on a quarter on quarter basis. On a sequential basis, this was a drop of 32%.

Electro Minerals

At a consolidated level, the net sales for Q3 were lower at Rs. 172 crores versus Rs. 204 crores for the corresponding quarter last year. This was a drop of 16%. On a sequential basis, this was a drop of 12%. The drop was due to weak rouble.

Profit before interest and tax on a consolidated basis recorded an increase, from Rs. 15.8 crores to Rs. 17.9 cr, on a quarter on quarter basis. The business challenges in South African entities are being addressed.

Ceramics

The ceramics segment recorded an 11% increase in sales on a consolidated basis (Rs.124 crores vs. Rs.112 crores corresponding quarter last year). On a sequential basis, this was a drop of 1%.

Last year similar quarter the sales volumes from CUMI India were low owing to postponement in project orders. The situation has comparatively improved. Australian entity had a better performance.

Profit before interest and tax of the ceramics business on a consolidated basis recorded a gain from Rs.12 crores to Rs. 19 crores, on a quarter on quarter basis.

Interim Dividend

The Board of Directors of the Company at its meeting held on January 29, 2015 has recommended an interim dividend of Rs. 0.75/- per share (75%) 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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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014
UNDER CLAUSE 41 OF THE LISTING AGREEMENT

PART - I		(Rs. In Lakhs)					
S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		(Unaudited)			(Unaudited)		(Audited)
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
1	Income from Operations						
	a) Gross Sales / Income from Operations	52615	56997	54397	163727	165123	220570
	Less: Excise duty recovered	2943	2918	2806	8374	8240	11182
	Net Sales / Income from Operations	49672	54079	51591	155353	156883	209388
	b) Other Operating Income	651	716	458	1955	2014	3146
	Total Income from Operations (net)	50323	54795	52049	157308	158897	212534
2	Expenses						
	a) Cost of materials consumed	16188	15084	16218	49138	50140	67774
	b) Purchase of stock-in-trade	1000	4685	2964	6846	7813	8849
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	521	156	(1397)	(1591)	(2870)	(2116)
	d) Employee benefits expense	6988	7340	7051	21506	20857	28996
	e) Depreciation and amortisation expense	2492	2657	2204	7736	6404	9107
	f) Power & Fuel	6925	8466	8918	24312	25458	33622
	g) Other expenses	12981	13481	13566	38355	39137	50256
	Total expenses	47095	51869	49524	146302	146939	196488
3	Profit from operations before other income and finance costs (1-2)	3228	2926	2525	11006	11958	16046
4a	Other income	262	293	191	873	1202	1665
4b	Exchange gain/(loss) (net)	1073	465	100	1267	383	537
5	Profit before finance costs (3+4a+4b)	4563	3684	2816	13146	13543	18248
6	Finance costs	624	705	732	1987	2071	2818
7	Profit from ordinary activities before tax (5-6)	3939	2979	2084	11159	11472	15430
8	Tax expense	1582	1451	962	4387	4577	5919
9	Net Profit after tax (7-8)	2357	1528	1122	6772	6895	9511
10	Minority Interest	146	(179)	75	118	238	360
11	Net Profit after tax and minority interest (9-10)	2211	1707	1047	6654	6657	9151
12	Paid up Equity Share Capital (Face value - Re.1 per share)	1881	1879	1876	1881	1876	1878
13	Reserves excluding revaluation reserve						108478
14	Earnings per share (Rs.) not annualised						
	- Basic	1.18	0.91	0.56	3.54	3.55	4.88
	- Diluted	1.17	0.91	0.56	3.53	3.55	4.87

22



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UNDER CLAUSE 41 OF THE LISTING AGREEMENT

Select Information for the quarter and nine months ended December 31, 2014

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of Shares	108876176	108742788	108412862	108876176	108412862	108580198
	- Percentage of shareholding	57.90%	57.86%	57.79%	57.90%	57.79%	57.83%
2	Promoters and Promoter group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	1382800	1382800	1407800	1382800	1407800	1407800
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	1.75%	1.75%	1.78%	1.75%	1.78%	1.78%
	- Percentage of shares (as a % of the total share capital of the company)	0.74%	0.74%	0.75%	0.74%	0.75%	0.75%
	b) Non-encumbered						
	- Number of shares	77794920	77794920	77768220	77794920	77768220	77768220
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	98.25%	98.25%	98.22%	98.25%	98.22%	98.22%
	- Percentage of shares (as a % of the total share capital of the company)	41.36%	41.40%	41.46%	41.36%	41.46%	41.42%

S.No.	Particulars	Quarter ended
		31.12.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	-
	Disposed off during the quarter	-
	Remaining unresolved at the end of the quarter	-

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**CONSOLIDATED SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
UNDER CLAUSE 41 OF THE LISTING AGREEMENT**

(Rs. in Lakhs)

	Quarter ended			Nine months ended		Year ended
	(Unaudited)			(Unaudited)		(Audited)
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
1 Segment Revenue						
Abrasives	21308	23249	21289	65763	64440	85986
Ceramics	12391	12533	11154	36418	34696	47069
Electrominerals	17213	19664	20443	57088	61560	80986
Others	1130	1111	828	3086	2708	3644
Total	52042	56557	53714	162355	163404	217685
Less: Inter-Segment Revenue	2370	2478	2123	7002	6521	8297
Net Sales/Income from operations	49672	54079	51591	155353	156883	209388
2 Segment Results						
(Profit (+) / Loss (-) before Finance costs and tax)						
Abrasives	1317	1936	895	4483	5126	6011
Ceramics	1897	1946	1164	5563	4166	5885
Electrominerals	1794	325	1582	4759	6408	8067
Others	75	97	26	217	306	292
Total	5083	4304	3667	15022	16006	20255
Less: (i) Finance costs	624	705	732	1987	2071	2818
(ii) Other unallocable expenses / (income) net	520	620	851	1876	2463	2007
Total Profit before Tax	3939	2979	2084	11159	11472	15430
3 Capital Employed (Segment Assets - Segment Liabilities)						
Abrasives	57317	59845	62755	57317	62755	60592
Ceramics	37196	38527	41143	37196	41143	39360
Electrominerals	43431	47980	54276	43431	54276	50455
Others (including un-allocable)	17674	16695	9834	17674	9834	12811
Total	155618	163047	168008	155618	168008	163218

22

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**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014
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 29, 2015 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 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 1,33,388 equity shares pursuant to exercise of Employee Stock Options.
- 4 In October 2014, Cellaris Refractories India Limited has become a wholly owned subsidiary of the Company, consequent to the acquisition of the balance 49% stake from co-venturer.
- 5 In December 2014, CUMI International Ltd, a wholly owned subsidiary of the Company, has invested in the equity share capital of its newly formed wholly owned subsidiary M/s.CUMI Europe s.r.o , Czech Republic.
- 6 Due to challenging business conditions in both of its step down subsidiaries at South Africa, the Company is exploring options for alternate use/ relocation / disposal of assets. The consequential financial impact will be accounted as and when determined
- 7 In accordance with requirements of Companies Act 2013, the depreciation has been computed based on the useful life specified therein and the transitional provisions have also been applied. Consequently, the depreciation for the quarter and nine months ended is higher by Rs.158 Lakhs and Rs.557 Lakhs respectively.
- 8 Figures for the previous periods have been regrouped and reclassified where considered necessary.

- 9 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)
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
Total Income from operations (net)	28928	30798	26993	86954	84749	114860
Profit before Tax	2317	3041	1129	7538	7428	10241
Net Profit After Tax	1525	2188	731	5260	5110	7278

- 10 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

Bengaluru
January 29, 2015T L Palani Kumar
Director