



## **Carborundum Universal's Consolidated Full Year Net Sales up by 7.8%**

### **Consolidated Operating PBT up by 1.6%**

**Chennai, 30<sup>th</sup> April 2014:** The Board of Directors met today and approved the results for the Quarter and the Year ended 31<sup>st</sup> March 2014.

#### **Consolidated Full year and Q4 Financial performance**

**Consolidated net sales for the full year, increased by 7.8% to Rs. 2094 crores from Rs.1942 crores.** For the Quarter, sales increased by 9.7% on a quarter on quarter basis and 1.8% on a sequential basis.

The increase in sales on Quarter on Quarter basis and Full year basis were largely due to better performance by Electro minerals division. The division witnessed better volumes in silicon carbide business in Russia and Zirconia business in South Africa. Abrasives division also registered growth for both the periods. Ceramics segment, however de grew in sales due to postponement of projects in domestic market during most parts of the year. However, sequentially the division has registered a good growth.

Profitability of Abrasives and Ceramics business came under pressure on a full year basis. However, Electro minerals business' profit margin improved on the back of higher volumes.

The company managed its working capital well and repaid loans to improve standalone debt equity, which is at its lowest. The company, at consolidated level, spent Rs. 94 cr on capital expenditure in the year 2013-14.

PBIT increased by 1.9% from Rs. 179 crores to Rs.182 crores. **Profit before tax was Rs.154 crores – an increase of 1.6% over the previous year amount of Rs.152 crores.** The profit after tax increased by 1.9% (i.e. Rs.92 crores compared to Rs.90 crores last year).

#### **Consolidated Segmental Operating Performance**

##### **Abrasives**

Sales of the abrasives business on a consolidated basis registered an increase of 6.2% on a full year basis. Sales for the year was Rs.860 crores (Rs.809 crores for the corresponding period of last year).

However, Profit before interest and tax on a consolidated basis recorded a drop of 27.5% i.e. from Rs.83.0 crores to Rs.60.1 crores. The division witnessed an increase in cost push which had an adverse impact on the profits.

##### **Electro Minerals**



At a consolidated level, the net sales were higher at Rs. 810 crores versus Rs. 669 crores for the corresponding year last year. This was a growth of 21.1%.

Profit before interest and tax on a consolidated basis recorded an increase, from Rs.23.7 crores to Rs. 80.7 crores, on a full year basis. This was largely due to volume gain in both Russian and South African subsidiaries from a lower base in the corresponding year.

### **Ceramics**

The ceramics segment recorded a 5.7% drop in sales on a full year consolidated basis (Rs.470.7 crores vs. Rs.499.1 crores last year). Refractories sales were lower owing to delayed project orders from user industries. Alumina Ceramics business from India, had challenges from market due to project postponements. However in the current quarter the business has delivered good growth both on a quarter on quarter basis and sequential basis. Australian entity registered lower sale.

Profit before interest and tax of the ceramics business on a consolidated basis recorded a drop from Rs.78.9 crores to Rs. 58.9 crores, on a full year basis.

### **Final Dividend**

The Board of Directors of the Company at its meeting held on April 30<sup>th</sup>, 2014 has recommended a final dividend of Rs. 0.5/- per share (50% on face value of Re.1) to the shareholders of the Company. The Company had earlier paid an interim dividend of Rs. 0.75/- per share.

### **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](http://www.murugappa.com)



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