

Carborundum Universal's Consolidated Full Year Net Sales down by 1% Consolidated Operating PBT drop by 53%

Chennai, 29 April 2013: The Board of Directors met today and approved the results for the Quarter and Year ended 31st March 2013.

Consolidated Full year and Q4 Financial performance

Consolidated net sales for the full year, dropped by 1% to Rs.1942 crores from Rs.1969 crores. For the Quarter, sales dropped by 4% on a quarter on quarter basis. However, on a sequential basis, sales grew by 8%.

The drop in sales on quarter on quarter basis and Full year basis were largely due to lower performance by Electro minerals division. The division witnessed drop in volumes in silicon carbide business in Russia and India. South African subsidiary also reported lower sales. Sales also de grew for Abrasives both on quarter on quarter basis and Full year basis. Ceramics business, however, registered growth above 9% for both the periods.

On a sequential basis, all the segments registered topline growth.

Profitability of all businesses was under pressure. However, 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. 220 cr on capital expenditure in the year 2012-13.

PBIT (excluding exceptional income) dropped by 48.0% from Rs.345 crores to Rs.179 crores. Earnings before interest, depreciation and amortization (EBITDA) recorded a drop of 38% (i.e. from Rs.402 crores to Rs.250 crores) without considering exceptional income of last year.

Profit before tax and exceptional income was Rs.152 crores - a drop of 53% over the previous year amount of Rs.320 crores. The profit after tax dropped by 59% (i.e. Rs.90 crores compared to Rs.219 crores last year).

Consolidated Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis registered a drop of 3% on a full year basis. Sales for the year was Rs.809 crores (Rs.830 crores for the corresponding period of last year). Off-take from user industries in India and Russia continued to be muted.

Profit before interest and tax on a consolidated basis recorded a drop of 34% i.e. from Rs.124.8 crores to Rs.82.9 crores.

On a sequential basis, Profit before interest and tax on a consolidated basis were up by 4.5% from Rs.18.8 crores to Rs.19.6 crores.

Electro Minerals

The second largest business segment viz. Electro Minerals recorded a drop of 8% in sales (Rs.669 crores vs. Rs.727 crores). This was largely due to drop in volumes in silicon carbide business in Russia and India. South Africa business also witnessed volume drop.

Profit before interest and tax on a consolidated basis recorded a drop from a profit of Rs.139.9 crores to a profit of Rs. 23.7 crores, on a full year basis.

Ceramics

The ceramics segment recorded a 9% increase in sales on a consolidated basis (Rs.499 Crores vs. Rs.457 Crores).

Both the high alumina ceramics business and the super refractories businesses performed well during the year. The operations in Australia registered higher growth.

Profit before interest and tax of the ceramics business segment on a consolidated basis dropped by 12% i.e. from Rs.90 crores to Rs.79 crores.

On a sequential basis, Profits were up by 17.8% from Rs.13.4 crores to Rs.15.8 crores.

Corporate Events

The Board of Directors of the Company at its meeting held on April 29, 2013 has recommended final dividend of Re. 0.75/- per share to the shareholders of the Company. The Company has earlier paid an interim dividend of Re. 0.5 per share on February 5, 2013.

The consolidated audited financial results are enclosed.



About the Murugappa Group

Founded in 1900, the Rs. 22314 Crores (USD 4.4 billion) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including ten listed Companies actively 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., 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 FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013
UNDER CLAUSE 41 OF THE LISTING AGREEMENT

(Rs. in Lakhs)

SI.No	Particulars	Quarter ended			Year ended	
		Audited (Refer Note No.6)	(Unaudited)		(Audited)	
		31.03.13	31.12.12	31.03.12	31.03.13	31.03.12
1	Income from operations					
	a) Gross Sales / Income from operations	50447	46816	52342	204240	205740
	Less: Excise duty recovered	2603	2438	2637	10003	8887
	Net Sales / Income from operations	47844	44378	49705	194237	196853
	b) Other operating income	1253	523	340	2903	2647
	Total Income from operations (net)	49097	44901	50045	197140	199500
2	Expenses					
	a) Cost of materials consumed	15676	11516	17160	60691	63287
	b) Purchase of stock in trade	2275	2115	1783	8395	7665
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-trade	124	3383	(2574)	2186	(6449)
	d) Employee benefits expense	7583	6406	7360	26273	23436
	e) Depreciation and amortization expense	2022	1769	1398	7109	5693
	f) Power & fuel	7341	6676	7254	28499	26048
	g) Other expenses	10827	11082	10499	47017	46440
	Total expenses	45848	42947	42880	180170	166120
3	Profit from Operations before Other Income, finance costs (1-2) and exceptional items	3249	1954	7165	16970	33380
4 a	Other Income	514	359	492	1304	1116
b	Exchange Gain / (Loss)	(460)	(186)	(116)	(360)	31
5	Profit before finance costs and exceptional items (3+4a+4b)	3303	2127	7541	17914	34527
6	Finance costs	658	743	585	2721	2500
7	Profit after finance costs but before exceptional items (5-6)	2645	1384	6956	15193	32027
8	Exceptional items (Refer Note No.4)	-	-	68	-	243
9	Profit from ordinary activities before tax (7+8)	2645	1384	7024	15193	32270
10	Tax expense	1753	785	1470	6193	9079
11	Net Profit from ordinary activities after tax (9-10)	892	599	5554	9000	23191
12	Share of Profit from Associate	-	-	-	-	112
13	Minority Interest	309	213	(150)	(23)	(1373)
14	Net Profit after tax, minority interest and share of profit from associate (11+12+13)	1201	812	5404	8977	21930
15	Paid up Equity Share Capital (Face value- Re.1 per share)	1875	1874	1874	1875	1874
16	Reserves excluding revaluation reserve				103790	92571
17	Earnings per share (Rs.) not annualised					
	- Basic	0.64	0.43	2.89	4.79	11.71
	- Diluted	0.64	0.43	2.88	4.78	11.67

M. M. Murugappa





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CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013
UNDER CLAUSE 41 OF THE LISTING AGREEMENT

Sl.No	Particulars	Quarter ended			Year ended	
		31.03.13	31.12.12	31.03.12	31.03.13	31.03.12
A	PARTICULARS OF SHAREHOLDINGS					
1	Public shareholding					
	- Number of Shares	108297724	108338608	108503826	108297724	108503826
	- Percentage of shareholding	57.77%	57.79%	57.90%	57.77%	57.90%
2	Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered					
	- Number of shares	1407800	1407800	1752800	1407800	1752800
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	1.78%	1.78%	2.22%	1.78%	2.22%
	- Percentage of shares (as a % of the total share capital of the company)	0.75%	0.75%	0.94%	0.75%	0.94%
	b) Non-encumbered					
	- Number of shares	77762820	77721936	77138936	77762820	77138936
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	98.22%	98.22%	97.78%	98.22%	97.78%
	- Percentage of shares (as a % of the total share capital of the company)	41.48%	41.46%	41.16%	41.48%	41.16%

B	INVESTOR COMPLAINTS	Quarter ended
		31.03.2013
	Pending at the beginning of the quarter	-
	Received during the quarter	-
	Disposed off during the quarter	-
	Remaining unsolved 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)

Sl.no	Particulars	Quarter ended			Year ended	
		Audited (Refer Note No.6)	(Unaudited)		(Audited)	
		31.03.13	31.12.12	31.03.12	31.03.13	31.03.12
1	Segment Revenue					
	Abrasives	19988	19747	22408	80929	83042
	Ceramics	12828	11925	11690	49913	45647
	Electrominerals	16742	13234	17550	66879	72728
	Others	912	947	832	3886	3161
	Total	50470	45853	52480	201607	204578
	Less: Inter-Segment Revenue	2626	1475	2775	7370	7725
	Net Sales/Income from operations	47844	44378	49705	194237	196853
2	Segment Results (Profit (+) / Loss (-) before finance costs and tax)					
	Abrasives	1962	1878	3237	8295	12484
	Ceramics	1580	1341	1743	7891	8979
	Electrominerals	(713)	(785)	1920	2371	13987
	Others	76	272	38	973	701
	Total	2905	2706	6938	19530	36151
	Less: (i) Finance costs	658	743	585	2721	2500
	(ii) Other un-allocable expenses / (income) net	(398)	579	(603)	1616	1624
	Add: Exceptional Items (Refer Note No.4)	-	-	68	-	243
	Total Profit before Tax	2645	1384	7024	15193	32270
3	Capital Employed (Segment Assets - Segment Liabilities)					
	Abrasives	53934	57570	46061	53934	46061
	Ceramics	37382	40827	35885	37382	35885
	Electrominerals	53350	55760	49454	53350	49454
	Others (including unallocable)	12122	11121	10970	12122	10970
	Total	156788	165278	142370	156788	142370

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**CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013
UNDER CLAUSE 41 OF THE LISTING AGREEMENT****Statement of Assets and Liabilities**

(Rs. in Lakhs)

	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	1875	1874
Capital reserve on consolidation : Joint ventures / Subsidiaries	5943	206
Reserves and surplus	98098	92622
Total Shareholder's funds	105916	94702
Minority Interest	7380	7746
Non current liabilities		
Long term borrowings	19750	20632
Deferred tax liabilities (net)	5808	5055
Total Non Current Liabilities	25558	25687
Current liabilities		
Short term borrowings	16028	13003
Trade payables	17600	16704
Other current liabilities	15556	15412
Short- term provisions	3052	2904
Total Current liabilities	52236	48023
TOTAL	191090	176158
ASSETS		
Non current assets		
Fixed assets	82729	65004
Goodwill on consolidation	10016	9435
Deferred tax assets (net)	781	154
Non current investments	122	123
Long -term loans and advances	2367	3186
Total Non current assets	96015	77902
Current assets		
Current investments	2434	3877
Inventories	40259	40861
Trade receivables	36013	36123
Cash and cash equivalents.	8555	11047
Short- term loans and advances	7814	6348
Total Current Assets	95075	98256
TOTAL	191090	176158

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**CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013
UNDER CLAUSE 41 OF THE LISTING AGREEMENT****Notes:**

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on April 29, 2013.
- The Board of Directors have recommended a final dividend of Re.0.75 per share (face value - Re.1 per share). An interim dividend of Re.0.50 per share was declared at the meeting of the Board of Directors held on February 5, 2013 and the same has been paid.
- Key Standalone Financial Results of Carborundum Universal Limited is as follows:

Particulars	Quarter ended			Year ended	
	31.03.13	31.12.12	31.03.12	31.03.13	31.03.12
Total Income from Operations	28184	25813	29718	110089	112537
Profit before Tax and Exceptional Items	2862	1553	4075	10804	17440
Exceptional Items	-	-	(1016)	-	1499
Profit before Tax	2862	1553	3059	10804	18939
Net Profit after Tax	1682	1010	2641	7454	14667
Paid up Debt Capital				2500	5000
Debenture Redemption Reserve				1250	1250
Debt Service Coverage Ratio [DSCR] [Times]				2.16	2.86
Interest Service Coverage Ratio [ISCR] [Times]				10.45	13.51
Debt Equity ratio [DER] [Times]				0.19	0.25
DER = Loan funds/Networth					
DSCR= Profit Before Finance costs, Exceptional items, Depreciation and Tax/(Finance costs+ Long term Debt Repayments made during the period)					
ISCR = Profit Before Finance costs, Exceptional items, Depreciation and Tax/ Finance costs					

4 Exceptional Items :Consolidated

	Quarter ended			Year ended	
	31.03.13	31.12.12	31.03.12	31.03.13	31.03.12
Profit on sale of land and building	-	-	106	-	106
Profit / (Loss) on sale of investments in Associate Company	-	-	(38)	-	137
Total Exceptional Income	-	-	68	-	243

Standalone

	Quarter ended			Year ended	
	31.03.13	31.12.12	31.03.12	31.03.13	31.03.12
Profit on sale of land and building	-	-	106	-	106
Profit / (Loss) on sale of investments (net)	-	-	(1122)	-	1393
Total	-	-	(1016)	-	1499

- The complete standalone financial results are available at the website of the Company: www.cumi.murugappa.com and Stock Exchanges: www.bseindia.com & www.nseindia.com
- The figures of the quarter ended March 31, 2013 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year
- Figures for the previous periods have been regrouped and reclassified, where considered necessary.

For Carborundum Universal Limited

Chennai
April 29, 2013M.M. Murugappan
Chairman