



Carborundum Universal Limited

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Tel. : +91-44-30006199 Fax : +91-44-30006149 Grams : 'CUMI'
Email : cumigeneral@cumi.murugappa.com
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7th August 2012

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Total 9 pages (including covering letter)

Dear Sirs,

Further to our letter enclosing the unaudited financial results, we are enclosing the press release and the consolidated financials for the quarter ended 30.06.2012

Thanking you

Yours faithfully
For **Carborundum Universal Limited**


S. Dhanvanth Kumar
Company Secretary

Encl:a.a



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Carborundum Universal's Consolidated Q1 Net Sales up by 6%

Consolidated Operating PBT down by 29%

Chennai, 7th August 2012: The Board of Directors met today and approved the results for the quarter ended 30th June 2012.

Consolidated Q1 financial performance

Consolidated net sales grew up by 6% to Rs.498 crores from Rs.469 crores, on a quarter on quarter basis. PBIT (excluding exceptional income) dropped by 28% from Rs.87 crores to Rs.63 crores. Sales growth was driven by the performance of both the Indian and Overseas operations and favorable exchange. Margins came under pressure owing to rising input costs, strong dollar and a challenging customer market. The Ceramics business segments recorded growth rates in excess of 15%. The Abrasives business grew at 4% and Electro minerals business had a flat sales.

Profitability of both Abrasives and Electrominerals came under pressure. The Ceramics business witnessed an increase in profit.

Earnings before interest, depreciation and amortisation (EBITDA) recorded a drop of 22% (i.e. from Rs.101 crores to Rs.79 crores) without considering exceptional income of last year.

Profit before tax and exceptional income was Rs.57 crores – a drop of 29% over the previous year amount of Rs.80 crores. The profit after tax dropped by 31% (i.e. Rs.36 crores compared to Rs.52 crores last year)

Consolidated Segmental Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis registered an increase of 4%. Sales for the quarter was Rs.202 crores (Rs.195 crores for the corresponding period of last year).

Profit before interest and tax on a consolidated basis recorded a drop of 33% i.e. from Rs.32 crores to Rs.21.4 crores, on a quarter on quarter basis.

The moderate growth trends in India had an adverse impact on the market sentiments, thereby resulting in low off take by the channels.



Electro Minerals

At a consolidated level, the net sales for Q1 were flat at Rs. 184 cr versus Rs. 183 cr for the corresponding quarter last year. On a sequential basis, this is a growth of 5%.

Profit before interest and tax on a consolidated basis recorded a drop of 44% i.e. from Rs.36 crores to Rs.20.1 crores, on a quarter on quarter basis. On a sequential basis, this is a growth of 5%.

Foskor Zirconia registered drop in sales and profit on account of uncertain market condition in the refractory industry.

Ceramics

The ceramics segment recorded a 17% increase in sales on a consolidated basis (Rs.118 Crores vs. Rs.101 Crores last year).

Alumina Ceramics, particularly Metalized, did well compared to Sequential quarter in registering higher sales. On the back of steady export sales, refractory division did well. The operations in Australia registered higher growth.

Profit before interest and tax of the ceramics business segment on a consolidated basis increased by 11% i.e. from Rs.22.3 crores to Rs.24.7 crores.

Corporate Events

In August 2012, CUMI International Ltd, a wholly owned subsidiary of the Company has acquired the entire share capital of M/s. RHI Isithebe, South Africa.

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 eight 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, Cargill, Mitsui Sumitomo, Morgan Crucible and Sociedad Quimica 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

For further details please contact:

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AUDITORS' REPORT

To the Board of Directors of Carborundum Universal Limited on Limited Review of Unaudited Consolidated Financial Results for the quarter ended June 30, 2012

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results ("the Statement") of Carborundum Universal Limited ("the Company"), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute "the Group") for the quarter ended June 30, 2012. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.
3. The Statement includes the results of the following entities.

Subsidiaries (Direct holding and holding through Subsidiaries)

- i CUMI America Inc.
- ii CUMI Australia Pty Ltd.
- iii CUMI Canada Inc.
- iv CUMI Middle East FZE.
- v Volzhsky Abrasive Works.
- vi Foskar Zirconia (Pty) Limited.
- vii CUMI International Ltd.
- viii Net Access (India) Ltd.
- ix Sterling Abrasives Ltd.
- x Southern Energy Development Corporation Ltd.
- xi Cellaris Refractories India Limited.
- xii CUMI Abrasives & Ceramics Company Limited.

Joint ventures

- xiii Wendt (India) Ltd.
- xiv Murugappa Morgan Thermal Ceramics Limited.
- xv Ciria India Ltd

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Deloitte Haskins & Sells

4. The Statement reflects the Group's share of,

(i) revenues of Rs. 19,651 lacs and profit after tax of Rs. 503 lacs for the quarter ended June 30, 2012 respectively relating to subsidiaries and

(ii) revenues of Rs. 2,023 lacs and profit after tax of Rs. 324 lacs for the quarter ended June 30, 2012 respectively relating to joint ventures (xiv) and (xv) above,

whose results have been reviewed by other auditors. Accordingly, our assurance on the Statement in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of such other auditors which have been furnished to us.

5. Based on our review and read with our comments in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings and the number of shares as well as the percentage of shares pledged/encumbered in respect of the aggregate amount of promoter and promoter group in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints from the details furnished by the Management.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.008072S)

B. Ramaratnam

B. Ramaratnam
Partner
(Membership No.21209)

Place: Chennai

Date: August 07, 2012

(Rs. In Lakhs)

Sl.no	Particulars	Quarter ended			Year ended
		(Unaudited)			(Audited)
		30.06.12	31.03.12	30.06.11	31.03.12
1	Income from operations				
	a) Gross Sales / Income from operations	52202	52342	48948	205740
	Less: Excise duty recovered	2406	2637	2053	8887
	Net Sales / Income from operations	49796	49705	46895	196853
	b) Other operating income	512	340	477	2647
	Total Income from operations (net)	50308	50045	47372	199500
2	Expenses				
	a) Cost of materials consumed	18097	17160	14530	63287
	b) Purchase of stock in trade	1657	1783	1926	7665
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-trade	(2646)	(2574)	(345)	(6449)
	d) Employee benefits expense	6017	7360	5038	23436
	e) Depreciation and amortization expense	1610	1398	1404	5693
	f) Power & fuel	6790	7254	6184	26048
	g) Other expenses	13311	10615	10239	46560
	Total expenses	44836	42996	38976	166240
3.	Profit from Operations before Other Income, finance costs and exceptional items (1-2)	5472	7049	8396	33260
4	Other Income	814	492	281	1267
5	Profit before finance costs and exceptional items (3+4)	6286	7541	8677	34527
6	Finance costs	609	585	658	2500
7	Profit after finance costs but before exceptional items (5-6)	5677	6956	8019	32027
8	Exceptional Items (Refer Note No.5)	-	68	-	243
9	Profit from ordinary activities before tax (7+8)	5677	7024	8019	32270
10	Tax expense	1835	1470	2465	9079
11	Net Profit from ordinary activities after tax (9-10)	3842	5554	5554	23191
12	Share of Profit / (Loss) from Associate	-	-	82	112
13	Minority Interest	(253)	(150)	(409)	(1373)
14	Net Profit after tax, minority interest and share of profit from associate (11+12+13)	3589	5404	5227	21930
15	Paid up Equity Share Capital (Face value- Re.1 per share)	1874	1874	1874	1874
16	Reserves excluding revaluation reserve				92571
17	Face value per share (Re.)	1	1	1	1
18	Earnings per share (Rs.) not annualised (Refer Note No.6)				
	- Basic	1.92	2.89	2.79	11.71
	- Diluted	1.91	2.88	2.79	11.67

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CARBORUNDUM UNIVERSAL LIMITED

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

**CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 30th JUNE 2012 UNDER
CLAUSE 41 OF THE LISTING AGREEMENT**



Sl.no	Particulars	Quarter ended			Year ended
		30.06.12	31.03.12	30.06.11	31.03.12
A	PARTICULARS OF SHAREHOLDING				
1	Public shareholding				
	- Number of Shares	108511442	108503826	54125311	108503826
	- Percentage of shareholding	57.90%	57.90%	57.85%	57.90%
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- No of shares	1752800	1752800	876400	1752800
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	2.22%	2.22%	2.22%	2.22%
	- 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	77138936	77138936	38565988	77138936
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	97.78%	97.78%	97.78%	97.78%
	- Percentage of shares (as a % of the total share capital of the company)	41.16%	41.16%	41.21%	41.16%

	Particulars	Quarter ended 30.06.2012
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	1
	Disposed off during the quarter	1
	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	
		(Unaudited)		(Audited)	
		30.06.12	31.03.12	30.06.11	31.03.12
1	Segment Revenue				
	Abrasives	20212	22408	19507	83042
	Ceramics	11836	11690	10104	45647
	Electrominerals	18354	17550	18275	72728
	Others	1006	832	748	3161
	Total	51408	52480	48634	204578
	Less: Inter-Segment Revenue	1612	2775	1739	7725
	Net Sales/Income from operations	49796	49705	46895	196853
2	Segment Results				
	(Profit (+) / Loss (-) before interest and tax)				
	Abrasives	2138	3237	3204	12484
	Ceramics	2470	1743	2225	8979
	Electrominerals	2013	1920	3598	13987
	Others	305	38	236	701
	Total	6926	6938	9263	36151
	Less: (i) Interest	609	585	658	2500
	(ii) Other un-allocable expenditure / (income) net	640	(603)	586	1624
	Add: Exceptional Items (Refer Note No.5)	-	68	-	243
	Total Profit before Tax	5677	7024	8019	32270
3	Capital Employed (Segment Assets - Segment Liabilities)				
	Abrasives	55742	46061	39743	46061
	Ceramics	36384	35885	32627	35885
	Electrominerals	51705	49454	37498	49454
	Others (including unallocable)	5981	10970	16179	10970
	Total	149812	142370	126047	142370

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Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on August 7, 2012 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 7616 equity shares pursuant to exercise of Employee Stock Options. Further the Company has received share application money for 6600 shares under Employee Stock Options and the same were allotted during July 2012.
- 3 Figures for the previous periods have been regrouped and reclassified, wherever considered necessary.

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

Particulars	Quarter ended		Year ended	
	30.06.12	31.03.12	30.06.11	31.03.12
Total Income	27365	30027	26048	112537
Profit before Tax and Exceptional Items	3454	4075	4775	17440
Add : Exceptional Items	-	(1016)	-	1499
Profit before Tax	3454	3059	4775	18939
Net Profit After Tax	2610	2641	3497	14667

5 **Exceptional Items :**

Consolidated (Rs. In Lakhs)

	Quarter ended		Year ended	
	30.06.12	31.03.12	30.06.11	31.03.12
Profit on sale of land and building	-	106	-	106
Profit on sale of investments in Associate Company	-	(38)	-	137
Total Exceptional Income	-	68	-	243

Standalone

(Rs. In Lakhs)

	Quarter ended		Year ended	
	30.06.12	31.03.12	30.06.11	31.03.12
Profit on sale of land and building	-	106	-	106
Profit/(Loss) on sale of investments (net)	-	(1122)	-	1393
Total	-	(1016)	-	1499

During November 2011, the Company has divested its entire shareholding in M/s.Laserwords Pvt Ltd. Consequent to this sale, the entity ceases to be an Associate of the Company.

- 6 The Company has subdivided its equity shares of Rs.2 each into equity shares of Re.1 each on October 7, 2011. Hence earnings per share for the previous periods have been restated based on the face value per equity share of Re.1 for comparability. The number of shares as at June 30, 2011 disclosed under "Particulars of Shareholdings" is prior to sub-division of shares.
- 7 In August 2012, CUMI International Ltd, a wholly owned subsidiary of the Company has acquired the entire share capital of M/s. RHI isithebe, South Africa.
- 8 The Company has opted to publish the Consolidated financial results from the financial year 2010-11. Standalone financial results are available at the website of the Company: www.cumi.murugappa.com and Stock Exchanges: www.bseindia.com & www.nseindia.com
- 9 Figures for the quarter ended March 31, 2012 are the balancing figures between the annual audited figures and the published year-to-date figures upto the third quarter of the previous financial year.

For Carborundum Universal Limited

M.M. Murugappan
M.M. Murugappan
Chairman

Chennai
August 7, 2012