Carborundum Universal's Consolidated Full Year Operating PBT up by 6.2%.

Chennai, 1st May 2015: The Board of Directors met today and approved the results for the Quarter and the Year ended 31st March 2015.

Consolidated Full year and Q4 Financial performance

Consolidated net sales for the full year, decreased by 3.6% to Rs. 2019 crores from Rs. 2094 crores. For the quarter, sales decreased by 11.4% on a quarter on quarter basis and 6.4% on a sequential basis.

The decrease in sales on full year basis were largely due to sales drop witnessed in electro mineral division on the back of adverse impact on translation of Rouble. Abrasives division had a flat sales. Ceramics segment, however grew due to commencement of the projects postponed in 13-14.

On a full year basis, Profitability of all the divisions business improved from last years' levels.

The company, at consolidated level, spent Rs. 80 cr on capital expenditure in the year 2014-15. The company managed its working capital well and repaid loans to improve debt equity. The Company's debt equity ratio continues to be healthy and is the lowest in the last decade at 0.1 on a standalone basis and 0.31 on a consolidated basis.

During the quarter, the Company in standalone books had an exceptional profit from sales of land and building to the extent of Rs. 86.9 cr. The entire money was used to repay the loans at consolidated level. The Company also had exceptional loss owing to restructuring of South African, Chinese entities and impairment provisions, resulting in a net exceptional income of Rs. 56.5 cr.

PBT (excluding exceptional income) increased by 6.2% from Rs. 154 crores to Rs.164 crores. PBT (including exceptional income) was Rs.220 crores – an increase of 42.8% over the previous year amount of Rs.154 crores. The profit after tax increased by 44.9% (i.e. Rs.133 crores compared to Rs.92 crores last year).

Consolidated Segmental Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis was near flat on a full year basis at Rs. 859 cr (last year's sales were Rs. 860 cr). Volzhsky Abrasives Works recorded a drop in sales which was further accentuated on translation. Chinese entity also had a lower sales. Indian entities including Wendt, Sterling Abrasives and CUMI Abrasives however registered a good growth.

Consequently, Profit before interest and tax on a consolidated basis increased from Rs. 60 cr to Rs. 62 cr due to better performance from Indian entities.

Electro Minerals

At a consolidated level, the net sales had a de growth from Rs. 810 cr to Rs. 727 cr. The drop majorly came from the Rouble translation loss and shrinking of South African operations. During the year, the Company took a decision to wind down the fusion plant operations of Thukela Refractory Isithebe Pty Ltd and shift the plant to India. The bubble zirconia sales in Foskor Zirconia Limited were impacted owing to continued production related challenges. Hence, the company has decided to shift the Bubble Zirconia facility from South Africa to Edapally, India and integrate the operation with India Electro mineral business.

Profit before interest and tax on a consolidated basis, however dropped only marginally from Rs. 81 cr to Rs. 79 cr resulting in PBIT margin improvement from 10% to 10.9% on a full year basis. This was largely owing to better performance in Volzhsky Abrasives works due to higher exports on the back of a weak Rouble.

Ceramics

The ceramics segment recorded a 2% increase in sales on a full year consolidated basis (Rs. 482 crores vs. Rs.471 crores last year).

Industrial Ceramics division was able to execute good orders for Wear Ceramics with resumptions of some of the postponed projects from 13-14, especially in Power sector. The business in Lined Equipments' from Australia market continued to be good. Off take of Metallized cylinders also grew. The growth in Industrial ceramics were offset by lower sales in refractories business in India. Joint venture entities MMTCL and Ciria registered good sales.

Profit before interest and tax of the ceramics business on a consolidated basis increased by 20% from Rs. 59 cr to Rs. 71 cr due to cost leverage obtained from improvement in plant utilization on higher sales.

Final Dividend

The Board of Directors of the Company at its meeting held on 1st May, 2015 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. 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 nine 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 6 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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