



**Carborundum Universal Limited**  
**Regd.off :** 'Parry House', 43, Moore Street,  
Chennai - 600 001, India.  
Tel.: +91-44-3000 6161 Fax : +91-44-3000 6149  
Email : cumigeneral@cumi.murugappa.com  
Website : www.cumi.murugappa.com  
CIN No. : L29224TN1954PLC000318.

30<sup>th</sup> January 2020

BSE Limited,  
1st Floor, New Trading Ring  
Rotunda Building, P J Towers  
Dalal Street, Fort  
Mumbai 400 001

**Stock Code: 513375**

National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai 400 051

**Stock Code: CARBORUNIV-EQ**

**Total 14 pages (including covering letter)**

Dear Sirs,

**Sub: Intimation on the outcome of the Board Meeting held on 30<sup>th</sup> January 2020**

We refer to our letter dated 14<sup>th</sup> January 2020, intimating you of the convening of the meeting of the Board of Directors of our Company. In this regard, we wish to inform that the Board of Directors of our Company met today and approved the following:

**1. Unaudited Financial Results for the quarter/period ended 31<sup>st</sup> December 2019:**

Unaudited financial results for the quarter/period ended 31<sup>st</sup> December 2019 in Schedule III format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and pursuant to SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. In this connection, we enclose the following:

- Standalone financial results for the quarter/period ended 31<sup>st</sup> December 2019;
- Consolidated financial results for quarter/period ended 31<sup>st</sup> December 2019;
- Limited Review Report of M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors on the Standalone and Consolidated financial results for quarter/period ended 31<sup>st</sup> December 2019; and
- Press Release being made in this connection.

Pursuant to Regulation 47 of the Listing Regulations and the above mentioned SEBI circular, we would be publishing an extract of the consolidated financial results in the prescribed format in English and Tamil newspapers within the stipulated time. The detailed standalone financial results and consolidated financial results of the Company would be available on the website of the Company www.cumi-murugappa.com as well on the websites of Stock Exchanges.

**2. Interim Dividend:**

The Board of Directors decided to defer consideration of an interim dividend to a later date.



**murugappa**

We further wish to inform that the meeting of the Board of Directors of the Company commenced at 12 noon, and concluded at 2.00 p.m.

Kindly take the above information on record.

Thanking you

Yours faithfully,

**For Carborundum Universal Limited**



**Rekha Surendhiran  
Company Secretary**

Encl.: a.a.



CARBORUNDUM UNIVERSAL LIMITED  
CIN : L29224TN1954PLC000318

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



STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

S.No.	Particulars	Quarter ended			Nine months ended		(Rs.in Lakhs)
		Unaudited			Unaudited		Audited
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
1	<b>Income</b>						
	a) Gross Sales / Income from Operations	40853	43392	45795	126675	130430	175191
	b) Other Operating Income	642	613	618	1891	1788	3031
	<b>Revenue from Operations</b>	<b>41495</b>	<b>44005</b>	<b>46413</b>	<b>128566</b>	<b>132218</b>	<b>178222</b>
	Other income	394	353	(28)	2546	1927	2692
	<b>Total Income</b>	<b>41889</b>	<b>44358</b>	<b>46385</b>	<b>131112</b>	<b>134145</b>	<b>180914</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	14902	16616	18945	48468	52280	69904
	b) Purchase of stock-in-trade	1230	2154	2200	5132	5917	7952
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	829	(727)	(512)	(649)	(1805)	(2654)
	d) Employee benefits expense	5266	5274	4310	15487	13821	18212
	e) Finance costs	2	1	6	3	17	94
	f) Depreciation and amortisation expense	1655	1700	1890	5079	5769	7540
	g) Power and fuel	4288	4542	5339	13525	14642	19290
	h) Other expenses	8756	9443	8891	27569	25948	35785
	<b>Total expenses</b>	<b>36928</b>	<b>39003</b>	<b>41069</b>	<b>114614</b>	<b>116589</b>	<b>156123</b>
3	<b>Profit before tax (1)-(2)</b>	<b>4961</b>	<b>5355</b>	<b>5316</b>	<b>16498</b>	<b>17556</b>	<b>24791</b>
4	<b>Tax expense</b>						
	Current tax	1318	1036	1946	4195	6322	8670
	Deferred tax	(389)	(32)	(134)	(588)	(450)	(488)
	<b>Total tax expense</b>	<b>929</b>	<b>1004</b>	<b>1812</b>	<b>3607</b>	<b>5872</b>	<b>8182</b>
5	<b>Profit for the period (3)-(4)</b>	<b>4032</b>	<b>4351</b>	<b>3504</b>	<b>12891</b>	<b>11684</b>	<b>16609</b>
6	<b>Other comprehensive income [OCI]</b>						
	<b>Items that will not be reclassified to profit or loss</b>						
	(a) Remeasurements of the defined benefit plans	-	-	-	-	-	248
	(b) Equity instruments through other comprehensive income	(30)	(145)	(197)	(353)	(596)	(578)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	<b>Other comprehensive income - Total</b>	<b>(30)</b>	<b>(145)</b>	<b>(197)</b>	<b>(353)</b>	<b>(596)</b>	<b>(330)</b>
7	<b>Total Comprehensive income [ 5 + 6 ]</b>	<b>4002</b>	<b>4206</b>	<b>3307</b>	<b>12538</b>	<b>11088</b>	<b>16279</b>
8	Paid up Equity Share Capital (Face value - Re.1 per share)	1893	1893	1891	1893	1891	1892
9	Reserves excluding revaluation reserve						125559
10	Earnings per share (Rs.) on S.no. 5 Net Profit after tax (not annualised)						
	- Basic	2.13	2.30	1.85	6.81	6.18	8.80
	- Diluted	2.13	2.30	1.85	6.80	6.17	8.77





CARBORUNDUM UNIVERSAL LIMITED  
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STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

STANDALONE UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lakhs)

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		Unaudited			Unaudited		Audited
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
<b>1</b>	<b>Segment Revenue</b>						
	Abrasives	21712	21008	24651	64094	69008	92090
	Ceramics	11913	14673	12462	40408	36386	49849
	Electrominerals	9737	10776	12139	30977	34133	45344
	<b>Total</b>	<b>43362</b>	<b>46457</b>	<b>49252</b>	<b>135479</b>	<b>139527</b>	<b>187283</b>
	Less: Inter-Segment Revenue	2509	3065	3457	8804	9097	12092
	Gross Sales / Income from operations	<b>40853</b>	<b>43392</b>	<b>45795</b>	<b>126675</b>	<b>130430</b>	<b>175191</b>
<b>2</b>	<b>Segment Results</b>						
	(Profit (+) / Loss (-) before Finance costs and tax)						
	Abrasives	3064	2820	3602	8665	9883	12973
	Ceramics	2133	3017	1977	7639	6225	8174
	Electrominerals	623	585	972	1527	3006	4443
	<b>Total</b>	<b>5820</b>	<b>6422</b>	<b>6551</b>	<b>17831</b>	<b>19114</b>	<b>25590</b>
	Less: (i) Finance costs	2	1	6	3	17	94
	(ii) Other unallocable expenses / (income) net	857	1066	1229	1330	1541	705
	<b>Total profit before tax</b>	<b>4961</b>	<b>5355</b>	<b>5316</b>	<b>16498</b>	<b>17556</b>	<b>24791</b>
	Less : Tax expense	929	1004	1812	3607	5872	8182
	<b>Net profit after tax</b>	<b>4032</b>	<b>4351</b>	<b>3504</b>	<b>12891</b>	<b>11684</b>	<b>16609</b>
<b>3a</b>	<b>Segmental assets</b>						
	Abrasives	45999	48987	47337	45999	47337	45477
	Ceramics	38642	39352	36656	38642	36656	36206
	Electrominerals	31587	31514	36118	31587	36118	34005
	Unallocable	45671	37531	32990	45671	32990	36890
		<b>161899</b>	<b>157384</b>	<b>153101</b>	<b>161899</b>	<b>153101</b>	<b>152578</b>
<b>3b</b>	<b>Segmental liabilities</b>						
	Abrasives	9671	9306	10508	9671	10508	11065
	Ceramics	6041	5789	5477	6041	5477	4711
	Electrominerals	4440	4006	7385	4440	7385	5072
	Unallocable	3682	4358	4147	3682	4147	4042
		<b>23834</b>	<b>23459</b>	<b>27517</b>	<b>23834</b>	<b>27517</b>	<b>24890</b>





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**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019**

**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 30, 2020 and were subjected to a limited review by the Statutory Auditors of the Company.
- 2 During the current quarter, the Company has allotted 5,500 equity shares pursuant to exercise of Employee Stock Options.
- 3 The Company has adopted Ind AS 116 "Leases" with effect from April 01, 2019. The effect on adoption of Ind AS 116 is not material on the financial results and no adjustments have been made to the comparative figures.
- 4 The Company opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws ( Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income tax for the Nine months ended December 31, 2019 and remeasured its Deferred Tax asset basis at the rate prescribed in the said section. The deferred tax impact of this change has been recognised in the Statement of Profit and Loss for the Nine months ended December 31, 2019 on proportionate basis.
- 5 The step down subsidiary M/s.Foskor Zirconia Pty Limited, South Africa [FZL] has incurred a loss of Rs.1676 Lakhs for the period ended December 31,2019, out of this Rs.855 Lakhs has been considered in the Group consolidated financials, being share of the Parent. The Board of FZL is monitoring the business performance and will initiate suitable measures in due course. No adjustments are necessary to these financial statements in this regard.
- 6 The standalone and consolidated financial results are available on the website of the Company : [www.cumi-murugappa.com](http://www.cumi-murugappa.com) and Stock exchanges : [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

Bengaluru  
January 30, 2020

For Carborundum Universal Limited

*M.M. Murugappa*

M.M.Murugappan  
Chairman





## CARBORUNDUM UNIVERSAL LIMITED

CIN : L29224TN1954PLC000318

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



## CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs. in Lakhs)

S.No	Particulars	Quarter ended			Nine months ended		Year ended
		Unaudited			Unaudited		Audited
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
1	<b>Income</b>						
	a) Gross sales / Income from operations	64221	67755	68336	198334	196003	265561
	b) Other Operating income	714	670	950	2166	2675	3329
	<b>Revenue from operations</b>	<b>64935</b>	<b>68425</b>	<b>69286</b>	<b>200500</b>	<b>198678</b>	<b>268890</b>
	Other income	440	628	664	1558	2585	2730
	<b>Total income</b>	<b>65375</b>	<b>69053</b>	<b>69950</b>	<b>202058</b>	<b>201263</b>	<b>271620</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	20056	22146	23866	64565	65080	87257
	b) Purchase of stock-in-trade	1780	3078	2927	7394	8003	10913
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	689	(824)	(1085)	(1199)	(2062)	(2674)
	d) Employee benefits expense	8859	9172	7908	26435	24605	32732
	e) Finance costs	124	153	187	470	584	848
	f) Depreciation and amortisation expense	2662	2633	2699	7935	8234	10827
	g) Power and fuel	8996	9369	10178	27915	28068	37861
	h) Other expenses	14908	15041	15172	45776	43084	58972
	<b>Total expenses</b>	<b>58074</b>	<b>60768</b>	<b>61852</b>	<b>179291</b>	<b>175596</b>	<b>236736</b>
3	<b>Profit from operations before share of profit of equity accounted investees and income tax [1]-[2]</b>	<b>7301</b>	<b>8285</b>	<b>8098</b>	<b>22767</b>	<b>25667</b>	<b>34884</b>
4(a)	Share of profit of associate (net of tax)	88	200	217	431	614	615
4(b)	Share of profit of joint ventures (net of tax)	556	280	236	1283	1113	1379
5	<b>Profit before tax [3]+[4(a)]+[4(b)]</b>	<b>7945</b>	<b>8765</b>	<b>8551</b>	<b>24481</b>	<b>27394</b>	<b>36878</b>
6	<b>Tax expense</b>						
	Current tax	2126	1895	2729	6706	9313	12331
	Deferred tax	(317)	39	(36)	(332)	(579)	(213)
	<b>Total tax</b>	<b>1809</b>	<b>1934</b>	<b>2693</b>	<b>6374</b>	<b>8734</b>	<b>12118</b>
7	<b>Net profit after tax (5-6)</b>	<b>6136</b>	<b>6831</b>	<b>5858</b>	<b>18107</b>	<b>18660</b>	<b>24760</b>
	Profit for the period attributable to :						
7(a)	- Owners of the Company	6282	6450	5809	18009	18579	24768
7(b)	- Non-controlling interest	(146)	381	49	98	81	(8)
8	<b>Add : Other comprehensive income / (loss)</b>						
	<b>A.Items that will not be reclassified to profit or loss</b>						
	(a) Remeasurements of the defined benefit plans	1	1	1	2	1	250
	(b) Equity instruments through other comprehensive income	(30)	(145)	(197)	(353)	(596)	(578)
	(c) Share of Joint ventures/associate - Adjustments net of tax - Remeasurements of the defined benefit plans	(10)	(18)	(6)	(28)	(18)	(54)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	<b>Total</b>	<b>(39)</b>	<b>(162)</b>	<b>(202)</b>	<b>(379)</b>	<b>(613)</b>	<b>(382)</b>
	<b>B.Items that may be reclassified to profit or loss</b>						
	(a) Exchange differences in translating the financial statements of foreign operations	2818	(45)	(4001)	4148	(4764)	(3111)
	(b) Valuation of cash flow hedges	(4)	(31)	81	(32)	4	30
	(c) Share of Joint ventures/associate - Adjustments net of tax	21	25	(29)	86	41	46
	Income tax relating to items that may be reclassified to profit or loss	1	9	(22)	9	(1)	(9)
	<b>Total</b>	<b>2836</b>	<b>(42)</b>	<b>(3971)</b>	<b>4211</b>	<b>(4720)</b>	<b>(3044)</b>
8	<b>Other comprehensive income / (loss) - A+B</b>	<b>2797</b>	<b>(204)</b>	<b>(4173)</b>	<b>3832</b>	<b>(5333)</b>	<b>(3426)</b>
	<b>Other comprehensive income for the period attributable to :</b>						
8(a)	- Owners of the Company	2798	(195)	(4197)	3841	(5335)	(3439)
8(b)	- Non-controlling interest	(1)	(9)	24	(9)	2	13
9	<b>Total comprehensive income (7+8)</b>	<b>8933</b>	<b>6627</b>	<b>1685</b>	<b>21939</b>	<b>13327</b>	<b>21334</b>
	<b>Total comprehensive income for the period attributable to :</b>						
9(a)	- Owners of the Company	9080	6255	1612	21850	13244	21329
9(b)	- Non-controlling interest	(147)	372	73	89	83	5
10	Paid up equity share capital (Face value - Re.1 per share)	1893	1893	1891	1893	1891	1892
11	Reserves excluding revaluation surplus						170281
12	Earnings per share (Rs.) on S.no.7(a) Net Profit after tax and non-controlling interests (not annualised)						
	- Basic	3.32	3.41	3.07	9.52	9.83	13.10
	- Diluted	3.32	3.40	3.07	9.50	9.80	13.07





## CARBORUNDUM UNIVERSAL LIMITED

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## CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

## CONSOLIDATED UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lakhs)

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		Unaudited			Unaudited		Audited
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
<b>1</b>	<b>Segment revenue</b>						
	Abrasives	26339	25949	29946	78225	84468	112435
	Ceramics	15245	17110	14913	48884	43800	60440
	Electrominerals	24357	26653	26389	77425	74830	101854
	Others	1690	1972	1401	5372	4946	6386
	<b>Total</b>	<b>67631</b>	<b>71684</b>	<b>72649</b>	<b>209906</b>	<b>208044</b>	<b>281115</b>
	Less: Inter-segment revenue	3410	3929	4313	11572	12041	15554
	Gross Sales / Income from operations	<b>64221</b>	<b>67755</b>	<b>68336</b>	<b>198334</b>	<b>196003</b>	<b>265561</b>
<b>2</b>	<b>Segment results</b>						
	<b>(Profit (+) / Loss (-) before Finance costs and tax)</b>						
	Abrasives	3137	3034	3849	8998	10811	14015
	Ceramics	2967	3641	2776	9588	8396	10816
	Electrominerals	2019	2732	2786	7193	9134	12791
	Others	335	129	21	668	557	502
	<b>Total</b>	<b>8458</b>	<b>9536</b>	<b>9432</b>	<b>26447</b>	<b>28898</b>	<b>38124</b>
	Less: (i) Finance costs	124	153	187	470	584	848
	(ii) Other unallocable expenses / (income) net	1033	1098	1147	3210	2647	2392
	<b>Profit before tax</b>	<b>7301</b>	<b>8285</b>	<b>8098</b>	<b>22767</b>	<b>25667</b>	<b>34884</b>
	Less : Tax expense	1809	1934	2693	6374	8734	12118
	Add : Share of profit from associate and joint ventures	644	480	453	1714	1727	1994
	Less : Non-controlling interests	(146)	381	49	98	81	(8)
	<b>Profit after tax , share of profit from associate/joint ventures and non-controlling interests</b>	<b>6282</b>	<b>6450</b>	<b>5809</b>	<b>18009</b>	<b>18579</b>	<b>24768</b>
<b>3a</b>	<b>Segmental assets</b>						
	Abrasives	66368	69179	67568	66368	67568	65528
	Ceramics	49603	47897	45360	49603	45360	45728
	Electrominerals	74519	71139	69825	74519	69825	70797
	Others (including un-allocable)	51016	42759	38291	51016	38291	41150
	<b>Total segmental assets</b>	<b>241506</b>	<b>230974</b>	<b>221044</b>	<b>241506</b>	<b>221044</b>	<b>223203</b>
<b>3b</b>	<b>Segmental liabilities</b>						
	Abrasives	11786	11448	13403	11786	13403	13712
	Ceramics	7088	6230	5775	7088	5775	5228
	Electrominerals	12032	10918	12365	12032	12365	10178
	Others (including un-allocable)	14003	14844	16613	14003	16613	16444
	<b>Total segmental liabilities</b>	<b>44909</b>	<b>43440</b>	<b>48156</b>	<b>44909</b>	<b>48156</b>	<b>45562</b>

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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on January 30, 2020 and were subjected to a limited review by the Statutory Auditors of the Company.
- During the current quarter, the Company has allotted 5,500 equity shares pursuant to exercise of Employee Stock Options.
- Summary of key standalone financial results of Carborundum Universal Limited is as follows:

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited			Unaudited		Audited
Revenue from operations	41495	44005	46413	128566	132218	178222
Profit before tax	4961	5355	5316	16498	17556	24791
Net profit after tax	4032	4351	3504	12891	11684	16609
Total comprehensive income	4002	4206	3307	12538	11088	16279

- The Group has adopted Ind AS 116 "Leases" with effect from April 01, 2019. The cumulative impact on adoption of Ind AS 116 is recognised on the date of initial application and no adjustments have been made to the comparative figures.
- The Group opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised Provision for Income tax for the Nine months ended December 31, 2019 and remeasured its Deferred Tax asset basis at the rate prescribed in the said section. The deferred tax impact of this change has been recognised in the Statement of Profit and Loss for the Nine months ended December 31, 2019 on proportionate basis.
- The step down subsidiary M/s.Foskor Zirconia Pty Limited, South Africa [FZL] has incurred a loss of Rs.1676 Lakhs for the period ended December 31,2019, out of this Rs.855 Lakhs has been considered in the Group consolidated financials, being share of the Parent. The Board of FZL is monitoring the business performance and will initiate suitable measures in due course. No adjustments are necessary to these financial statements in this regard.
- The standalone and consolidated financial results are available on the website of the Company : [www.cumi-murugappa.com](http://www.cumi-murugappa.com) and Stock exchanges : [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

Bengaluru  
January 30, 2020

For Carborundum Universal Limited

*M.M. Murugappan*

M.M. Murugappan  
Chairman





# Price Waterhouse Chartered Accountants LLP

## Independent Auditors' Report on Review of Interim Standalone Financial Results

To  
The Board of Directors  
Carborundum Universal Limited  
"Parry House", 6<sup>th</sup> floor,  
43, Moore Street,  
Chennai - 600 001

1. We have reviewed the unaudited financial results of Carborundum Universal Limited (the "Company") for the quarter ended December 31, 2019 and the year to date results for the period April 1, 2019 to December 31, 2019 which are included in the accompanying "Standalone unaudited financial results for the quarter and nine months ended December 31, 2019" (the "Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Listing Regulations, 2015") and SEBI circular dated July 5, 2016, which has been initialled by us for identification purposes. This Statement, which is the responsibility of the Company's Management has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS 34") "Interim financial reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India 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 in accordance with the Standard on Review Engagement (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 misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



**Subramanian Vivek**  
Partner

Membership Number: 100332  
UDIN: 20100332AAAAB8793

Place: Bengaluru  
Date: January 30, 2020

Price Waterhouse Chartered Accountants LLP, 8th Floor, Prestige Palladium Bayan, 129 - 140, Greams Road  
Chennai - 600 006, India  
T: +91 (44) 4228 5000, F: +91 (44) 4228 5100

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report on Review of Interim Consolidated Financial Results

To  
The Board of Directors  
Carborundum Universal Limited  
"Parry House", 6th Floor,  
43, Moore Street,  
Chennai - 600 001

1. We have reviewed the unaudited consolidated financial results of Carborundum Universal Limited (the "Parent") and its subsidiaries (the Parent and its subsidiaries together hereinafter referred to as the "Group"), its share of profit of its joint ventures and an associate company along with its wholly owned subsidiaries (the "Associate") for the quarter ended December 31, 2019 and the year to date results for the period April 1, 2019 to December 31, 2019 which are included in the accompanying "Consolidated unaudited financial results for the quarter and nine months ended December 31, 2019" (the "Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), as amended which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and approved by their Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. 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 misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

#### Subsidiaries:

- i. CUMI Abrasives and Ceramics Company Limited
- ii. CUMI America Inc
- iii. CUMI (Australia) Pty Limited
- iv. CUMI Europe s.r.o
- v. CUMI International Limited
- vi. CUMI Middle East FZE
- vii. Foskor Zirconia (Pty) Limited
- viii. Net Access India Limited

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- ix. Sterling Abrasives Limited
- x. Southern Energy Development Corporation Limited
- xi. Thukela Refractories Isithebe Pty Limited
- xii. Volzhsky Abrasives Works

Joint Ventures:

- xiii. Ciria India Limited
- xiv. Murugappa Morgan Thermal Ceramics Ltd

Associate:

- xv. Wendt (India) Limited and its wholly owned subsidiaries

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review/audit reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw your attention to the following paragraph on "Material Uncertainty regarding Going concern" included in the report on review of interim reporting package of Foskor Zirconia (Pty) Limited which is a subsidiary of CUMI International Limited, a subsidiary of the Parent, issued by an independent firm of Accountants based out of South Africa vide its report dated January 13, 2020 reproduced by us as under:

"We draw attention to the condensed income statement, which indicates that Foskor Zirconia (Pty) Ltd incurred a net loss of R 34,813,644 for the nine month period ended 31 December 2019. As of that date, the liabilities of the company exceeded its total assets by R 80,776,787. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on Foskor Zirconia (Pty) Ltd's ability to continue as a going concern. Our opinion is not modified in respect of this matter".

Our conclusion is not modified in respect of this matter.

7. We did not review the financial results/statements of ten subsidiaries considered in the preparation of the statement and which constitutes total revenues of Rs. 27,800 lakhs and Rs. 88,338 lakhs, total net profit after tax of Rs. 1,853 lakhs and Rs. 10,206 lakhs and other comprehensive income of Rs. 485 lakhs and Rs. (2,223) lakhs, for the quarter and nine months ended December 31, 2019 respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 556 lakhs and Rs. 1,283 lakhs and other comprehensive income of Rs. (1) lakh and Rs. Nil for the quarter and nine months ended December 31, 2019, respectively, as considered in the consolidated unaudited financial results, in respect of two joint ventures, whose financial results have not been reviewed by us. These financial results/statements have been reviewed/audited by other auditors who have issued an unmodified conclusion/opinion, which have been furnished to us by the Parent's Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.



Out of the above, seven subsidiaries are located outside India whose financial results/statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed/audited by other auditors under generally accepted auditing standards applicable in their respective countries, which constitute total revenue of Rs. 23,992 lakhs and Rs. 76,592 lakhs, total net profit after tax of Rs. 1,426 Lakhs and Rs. 9,116 lakhs and other comprehensive income of Rs. Nil and Rs. Nil for the quarter and nine months ended December 31, 2019 respectively. The Parent's management has converted the financial results/ statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the balances of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion on the Statement is not modified in respect of the above matters.

8. The consolidated unaudited financial results includes the financial results of two subsidiaries which have not been reviewed/audited by their auditors, whose financial results reflect total revenue of Rs. Nil and Rs. Nil, total net loss after tax of Rs. Nil and Rs. 3 lakhs for the quarter and nine months ended December 31, 2019, respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



**Subramanian Vivek**  
Partner

Membership Number: 100332

UDIN: 20100332A4AAACH578

Place: Bengaluru  
Date: January 30, 2020

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## **Carborundum Universal's Q3 Consolidated Sales decreased by 6%, Consolidated PAT increased by 8%**

**Bengaluru, 30<sup>th</sup> January 2020** The Board of Directors met today and approved the results for the Quarter and Nine months ended 31<sup>st</sup> December 2019.

### **Financial performance**

Consolidated sales for the quarter, decreased by 6 percent to Rs.642 crores from Rs.683 crores in the corresponding quarter of last year, driven by lower volumes from Abrasives and Electro Minerals segments. At standalone level, sales dropped by 11 percent.

Consolidated segmental profitability for the Quarter improved for Ceramics businesses, but de-grew for Abrasives and Electro Minerals.

The Company, at a consolidated level, spent Rs.107 cr on capital expenditure during nine months period ended December 2019. The debt equity ratio on a consolidated basis was 0.04 as of December 2019. Cash and cash equivalents net of borrowings was Rs.243 Cr.

On a consolidated basis, profit after tax and non-controlling interest for the quarter grew by 8% to Rs.63 cr.

### **Interim Dividend**

The Board of Directors decided to defer consideration of an interim dividend to a later date.

### **Consolidated Segmental Operating Performance**

#### **Abrasives**

Segment Revenue for the quarter at a consolidated level was Rs.263 Cr compared to Rs.259 cr to the preceding quarter, thus resulting in a growth of 2%. The growth was due to better performance in Standalone business.

The consolidated revenue for the quarter de-grew by 12% in comparison to the corresponding period of last year.

Profit before interest and tax for the quarter decreased to Rs.31 cr from Rs.38 cr compared to corresponding period of last year, on the back of lower volumes.



### **Electro Minerals**

Segment revenue at a consolidated level were lower at Rs.244 cr versus Rs.264 cr of corresponding period of last year, resulting in a de-growth of 8%. Standalone Electro Minerals segment and Foskor Zirconia contributed largely to the Revenue drop.

Profit before interest and tax decreased to Rs.20 cr from Rs.28 cr mainly due to increased losses in Foskor Zirconia and decrease in profit of Standalone Electro mineral business.

### **Ceramics**

Consolidated revenues increased to Rs.152 cr from Rs.149 cr resulting in a growth of 2% on the back of better performances in CUMI America and CUMI Australia.

Profit before interest and tax increased to Rs.30 cr from Rs.28 cr on the back of product mix and better margins.

### **About the Murugappa Group**

Founded in 1900, the INR 369 Billion (36,893 Crores) 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 Financial Holdings 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., Shanthi Gears Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bioproducts and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 50,000 employees.

For further information, please contact

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