

**Carborundum Universal Limited**

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CIN No. : L29224TN1954PLC000318.

4th August 2016

The Manager
Listing Department
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
Through NEAPS

Dear Sir/Madam,

Re: Clarification sought on an announcement submitted to NSE on the outcome of the Board meeting held on 3rd August 2016

In clarification to your query dated 3rd August 2016 on our announcement of the decision of the Board to invest in a 21MW hydel power project in Keerithodu, Kerala, we wish to inform that the proposal does not directly relate to enhancement of commercial production or operations of the Company.

The announcement was made under Part C of schedule III to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to inform that the approval of the Board has been taken for setting up a Hydro Electric Project of a capacity of 21MW for captive consumption.

The estimated project duration is 36 months. The energy generated from the power plant to the Kerala Electricity grid is proposed to be used for captive consumption by the Company's Electrominerals division in Kerala. The operations of Electrominerals division are power intensive and also requires consistent power availability throughout the year. Hence, the investment proposal was considered for creating a sustainable growth for the Electrominerals division by ensuring power availability for its operations. The estimated project financing is proposed to be met from internal accruals as well as bank borrowings.

Kindly take the information on record.

Thanking you

Yours faithfully
For Carborundum Universal Limited


Rekha Surendhiran
Company Secretary



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