

**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.

28th October 2016

Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

Stock Code: 513375
Through BSE Listing Centre

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

Total 16 pages (including covering letter)

Dear Sirs,

Sub: Intimation on the outcome of the Board Meeting held on 28th October 2016

We refer to our letter dated 6th October 2016, 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/half year ended 30th September 2016:

Unaudited financial results for the quarter/half year ended 30th September 2016 in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and pursuant to the SEBI Circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016. In this connection, we enclose the following:

- a. Standalone financial results for the quarter/half year ended 30.09.2016
- b. Consolidated financial results for the quarter/half year ended 30.09.2016
- c. Press Release being made in this connection and
- d. Limited Review Report of M/s Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors on the Standalone and Consolidated financial results for the quarter/half year ended 30.09.2016.

Pursuant to Regulation 47 of the Listing Regulations and 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. However, 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 and the websites of the Stock Exchanges.

2. Appointment of Mr. M A M Arunachalam as an Additional Director (Promoter Director) of the Company with effect from 28th October 2016. The disclosure pursuant to Regulation 30(6) of the Listing Regulations is enclosed.



murugappa

3. Amendment of Articles of Association of the Company by replacing the existing Articles in entirety with new articles in alignment with the provisions of the Companies Act, 2013 subject to the approval of the shareholders through postal ballot.
4. Approval of an **Employee Stock Option Plan 2016** (ESOP 2016) for grant of employee stock options to eligible employees pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 subject to the approval of the shareholders through postal ballot.

We further wish to inform that the meeting of the Board of Directors of the Company commenced at 12:00 PM and concluded at 02:10 P.M.

Kindly take the information on record.

Thanking you,

Yours faithfully
For Carborundum Universal Limited



Rekha Surendhiran
Company Secretary



Encl: a.a

Annexure

Mr. M A M Arunachalam (also referred as Mr. Arun Murugappan) is 49 years of age and is an MBA graduate from the University of Chicago. He is the Managing Director of Parry Enterprises India Limited. A fourth generation member of the Murugappa family, Mr. M A M Arunachalam drives the business development and strategic initiatives for the Company by identifying opportunities for its divisions - General Marketing Division (GMD), Parry Travels and Tuflex India. He is also on the Board of Coromandel Engineering Company Limited.

Mr. M A M Arunachalam is not related to any Director of the Company (definition of relative as per Section 2(77) of the Companies Act, 2013 and Regulation 2(zd) of Listing Regulations.

This information is provided pursuant to Regulation 30 of the Listing Regulations.





CARBORUNDUM UNIVERSAL LIMITED

CIN No: L29224TN1954PLC000318

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



STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

(Rs.in Lakhs)							
S.No.	Particulars	Quarter ended			Six months ended		Year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		(Unaudited)
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
1	Income from Operations						
	a) Gross Sales / Income from Operations (inclusive of excise duty)	38046	35714	34878	73760	65394	137588
	b) Other Operating Income	426	302	404	728	840	1829
	Total Income from Operations	38472	36016	35282	74488	66234	139417
2	Expenses						
	a) Cost of materials consumed	13226	12681	12660	25907	23851	48861
	b) Purchase of stock-in-trade	2509	1788	1477	4297	2939	7611
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(323)	(14)	527	(337)	(444)	(696)
	d) Excise duty on sales	2943	2541	2566	5484	4871	10235
	e) Employee benefits expense	3859	3782	3732	7641	7104	14202
	f) Depreciation and amortisation expense	1681	1642	1533	3323	3033	6207
	g) Power & Fuel	3048	3084	2817	6132	5839	11752
	h) Other expenses	7538	7066	6595	14604	12846	27672
	Total expenses	34481	32570	31907	67051	60039	125844
3	Profit from operations before other income, finance costs and exceptional items(1-2)	3991	3446	3375	7437	6195	13573
4a	Other income	190	561	2206	751	2917	3840
4b	Exchange gain/(loss) (net)	(97)	49	89	(48)	168	153
5	Profit before finance costs (3+4a+4b)	4084	4056	5670	8140	9280	17566
6	Finance costs	247	221	197	468	354	890
7	Profit from ordinary activities before tax (5-6)	3837	3835	5473	7672	8926	16676
8	Tax expense	1236	1183	1449	2419	2504	5105
9	Net Profit after tax (7-8)	2601	2652	4024	5253	6422	11571
10	Other comprehensive income [OCI]	(524)	(114)	(608)	(638)	362	377
11	Total Comprehensive income [9 +10]	2077	2538	3416	4615	6784	11948
12	Paid up Equity Share Capital (Face value - Re.1 per share)	1886	1884	1883	1886	1883	1884
13	Reserves excluding revaluation reserve						93707
14	Earnings per share (Rs.) not annualised						
	- Basic	1.38	1.41	2.14	2.79	3.41	6.15
	- Diluted	1.38	1.40	2.13	2.78	3.40	6.13



M.M. Murugappa



CARBORUNDUM UNIVERSAL LIMITED
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STANDALONE UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lakhs)

S.No.	Particulars	Quarter ended			Six months ended		Year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		(Unaudited)
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
1	Segment Revenue						
	Abrasives	21501	20847	20176	42348	37505	78435
	Ceramics	10160	9193	8082	19353	15988	33830
	Electrominerals	8751	7973	8465	16724	15614	32992
	Total	40412	38013	36723	78425	69107	145257
	Less: Inter-Segment Revenue	2366	2299	1845	4665	3713	7669
	Gross Sales / Income from operations	38046	35714	34878	73760	65394	137588
2	Segment Results						
	(Profit (+) / Loss (-) before Finance costs and tax)						
	Abrasives	2592	2519	2521	5111	4477	9375
	Ceramics	1352	1143	725	2495	1620	3975
	Electrominerals	803	610	1066	1413	1828	3337
	Total	4747	4272	4312	9019	7925	16687
	Less: (i) Finance costs	247	221	197	468	354	890
	(ii) Other unallocable expenses / (income) net	663	216	(1358)	879	(1355)	(879)
	Total Profit before Tax	3837	3835	5473	7672	8926	16676
	Less : Tax expense	1236	1183	1449	2419	2504	5105
	Net Profit after tax	2601	2652	4024	5253	6422	11571
3a	Segmental assets						
	Abrasives	43003	42624	40580	43003	40580	40089
	Ceramics	32103	32112	29281	32103	29281	31216
	Electrominerals	30043	29366	27314	30043	27314	28241
	Unallocable	31712	26800	26788	31712	26788	27471
	Total	136861	130902	123963	136861	123963	127017
3b	Segmental liabilities						
	Abrasives	9102	9669	7589	9102	7589	7080
	Ceramics	3497	3470	2928	3497	2928	3672
	Electrominerals	4931	4981	4708	4931	4708	4238
	Unallocable	5083	5721	5476	5083	5476	5298
	Total	22613	23841	20701	22613	20701	20288
3c	Segmental Capital Employed (Segment Assets - Segment Liabilities)						
	Abrasives	33901	32955	32991	33901	32991	33009
	Ceramics	28606	28642	26353	28606	26353	27544
	Electrominerals	25112	24385	22606	25112	22606	24003
	Unallocable	26629	21079	21312	26629	21312	22173
	Total	114248	107061	103262	114248	103262	106729



M. Murugappa

[Signature]



CARBORUNDUM UNIVERSAL LIMITED

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STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	As at 30.09.2016	As at 31.03.2016
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	35367	36544
(b) Capital work-in-progress	10038	8354
(c) Other Intangible assets	860	990
(d) Financial Assets		
(i) Investments	25075	25583
(ii) Other Financial Assets	973	919
(e) Other non-current assets	812	1375
	73125	73765
Current assets		
(a) Inventories	23759	22524
(b) Financial Assets		
(i) Current Investment	5447	-
(ii) Trade receivables	26213	25322
iii) Bank balances other than (iii) above	530	703
iv) Other Financial assets	113	141
(iv) Other Financial Assets	1296	1032
(c) Other current assets	6378	3530
	63736	53252
Total	136861	127017
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	1886	1884
(b) Other Equity	98758	93937
	100644	95821
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	180	2595
(b) Provisions	508	436
(c) Deferred tax liabilities (Net)	3576	3788
	4264	6819
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	8366	3255
(ii) Trade payables	12671	10330
(iii) Other financial liabilities	9342	9538
(b) Provisions	316	249
(c) Other current liabilities	1258	1005
	31953	24377
Total	136861	127017



M M Murugappa

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STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016**Notes :**

- 1 In compliance to the Ministry of Corporate Affairs (MCA) notification dated February 16, 2015, announcing the Companies (Indian Accounting Standards) Rules 2015, the Company has prepared its financial statements adopting IND AS with effect from April 1, 2016. Based on SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016, the Company has presented the results for the previous periods / year under Ind AS. Consequent to transition to Ind-AS, the reconciliation of net profits and reserves reconciliation are provided below for the previous periods presented, in accordance with the requirements of paragraph 32 of Ind AS 101 - First time Adoption of Ind AS:

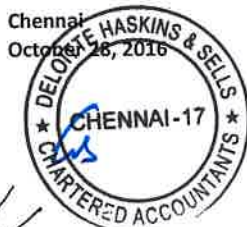
Particulars	(Rs. in Lakhs)		
	Quarter ended	Six months ended	Year ended
	30.09.2015		31.03.2016
Profit after tax as per IGAAP reported earlier	3970	6451	11628
Add: Ind AS adjustments during the period:			
Impact on valuation of employee benefits	(15)	(29)	(57)
Impact of merger of Cellaris Refractories Limited	69	-	-
Net profit after tax under Ind AS	4024	6422	11571

Reserves (including revaluation) Reconciliation	Year ended 31.03.2016
Reserves as per IGAAP as of 31st March 2016	92817
Add: Ind AS adjustments during the period:	
Fair value of Financial assets	1120
Reserves (Other equity) as per Ind AS as of 31st March 2016	93937

- 2 Other Comprehensive Income mainly comprise of the impact on movement in fair valuation of non-current investments in equity.
- 3 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on October 28, 2016. The Statutory auditors of the Company have carried out a limited review of the above financial results.
- 4 During the current quarter, the Company has allotted 170,760 equity shares pursuant to exercise of Employee Stock Options.
- 5 The Company has opted to publish the Consolidated financial results. Standalone financial results are available at the website of the Company : www.cumi.murugappa.com and Stock exchanges : www.bseindia.com & www.nseindia.com.

For Carborundum Universal Limited

M.M. Murugappan
M.M. Murugappan
Chairman





CARBORUNDUM UNIVERSAL LIMITED

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

(Rs. in Lakhs)						
S.No	Particulars	Quarter ended			Six months ended	Year ended
		(Unaudited)			(Unaudited)	(Unaudited)
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015
1	Income from Operations					
	a) Gross Sales / Income from Operations (inclusive of excise duty)	54407	52579	50605	106986	98209
	b) Other Operating Income	677	633	643	1310	1461
	Total Income from Operations	55084	53212	51248	108296	99670
2	Expenses					
	a) Cost of materials consumed	15164	15706	14197	30870	26657
	b) Purchase of stock-in-trade	3821	1861	2297	5682	4782
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(108)	(125)	677	(233)	155
	d) Excise duty on Sales	3109	2663	2712	5772	5135
	e) Employee benefits expense	6711	6741	6580	13452	12953
	f) Depreciation and amortisation expense	2394	2339	2156	4733	4320
	g) Power & Fuel	5835	5917	5911	11752	13032
	h) Other expenses	12212	12083	11708	24295	22666
	Total expenses	49138	47185	46238	96323	89700
3	Profit from operations before other income and finance costs (1-2)	5946	6027	5010	11973	9970
4a	Other income	1076	402	419	1478	655
4b	Exchange gain/(loss) (net)	(310)	(260)	1245	(570)	1527
5	Profit before finance costs (3+4a+4b)	6712	6169	6674	12881	12152
6	Finance costs	522	470	663	992	1189
7	Profit from Ordinary activities before tax (5-6)	6190	5699	6011	11889	10963
8	Tax expense	1929	1837	2264	3766	4103
9	Net Profit after tax (7-8)	4261	3862	3747	8123	6860
10	Add : Share of profit from associate and Joint Ventures	539	448	465	987	967
11	Non controlling interests	132	301	239	433	540
12	Net Profit after tax and Non controlling interests (9+10-11)	4668	4009	3973	8677	7287
13	Add : Other Comprehensive income	(145)	1864	(4332)	1719	(1920)
14	Total Comprehensive income (12+13)	4523	5873	(359)	10396	5367
15	Paid up Equity Share Capital (Face value - Re.1 per share)	1886	1884	1883	1886	1883
16	Reserves excluding revaluation surplus					117082
17	Earnings per share (Rs.) not annualised					
	- Basic	2.48	2.13	2.11	4.61	3.87
	- Diluted	2.47	2.13	2.11	4.59	3.86



M.M. Murugappa



CARBORUNDUM UNIVERSAL LIMITED

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CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lakhs)

		Quarter ended			Six months ended		Year ended
		(Unaudited)			(Unaudited)		(Unaudited)
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
1	Segment Revenue						
	Abrasives	25248	24670	23767	49918	45174	92172
	Ceramics	12106	11082	9911	23188	19409	40853
	Electrominerals	18531	18477	18224	37008	36464	74865
	Others	1743	1454	1228	3197	2379	5148
	Total	57628	55683	53130	113311	103426	213038
	Less: Inter-Segment Revenue	3221	3104	2525	6325	5217	10594
	Gross Sales / Income from operations	54407	52579	50605	106986	98209	202444
2	Segment Results						
	(Profit before Finance costs and tax)						
	Abrasives	2986	2688	2357	5674	4089	8325
	Ceramics	1705	1613	1053	3318	2129	5009
	Electrominerals	2422	2450	3919	4872	7124	12696
	Others	312	219	92	531	189	539
	Total	7425	6970	7421	14395	13531	26569
	Less: (i) Finance costs	522	470	663	992	1189	2272
	(ii) Other unallocable expenses / (income) net	713	801	747	1514	1379	2227
	Profit before tax	6190	5699	6011	11889	10963	22070
	Less : Tax expense	1929	1837	2264	3766	4103	8141
	Add : Share of profit from Associate & Joint ventures	539	448	465	987	967	1576
	Less : Non controlling interests	132	301	239	433	540	1165
	Profit after tax , share of profit from Associate/Joint venture and Non controlling interests	4668	4009	3973	8677	7287	14340
3	Segmental assets						
	Abrasives	61978	61801	61489	61978	61489	57954
	Ceramics	40851	40292	37023	40851	37023	39714
	Electrominerals	59680	61311	53102	59680	53102	56961
	Others (including un-allocable)	38936	35845	32968	38936	32968	32111
	Total Segmental assets	201445	199249	184582	201445	184582	186740
4	Segmental liabilities						
	Abrasives	12098	14081	10295	12098	10295	10757
	Ceramics	4018	4389	3586	4018	3586	4134
	Electrominerals	7402	7541	7427	7402	7427	6699
	Others (including un-allocable)	8954	12017	8640	8954	8640	7736
	Total Segmental liabilities	32472	38028	29948	32472	29948	29326
5	Capital employed						
	Abrasives	49880	47720	51194	49880	51194	47197
	Ceramics	36833	35903	33437	36833	33437	35580
	Electrominerals	52278	53770	45675	52278	45675	50262
	Others (including un-allocable)	29982	23828	24328	29982	24328	24375
	Total	168973	161221	154634	168973	154634	157414



H.M. Murugappa



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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

Statement of Assets and Liabilities

(Rs. in Lakhs)

	Unaudited	
	30.09.2016	31.03.2016
Non-current assets		
a) Property, plant and equipments	52519	52709
b) Capital work-in progress	12182	10008
c) Goodwill	12191	12145
d) Other Intangible assets	914	1059
e) Financial assets		
i) Investments	13257	12903
ii) Other Financial assets	1069	1013
f) Deferred tax assets	953	757
g) Other non-current assets	1792	2513
	94877	93107
Current assets		
a) Inventories	39985	37043
b) Financial assets		
i) Other Investments	6121	174
ii) Trade receivables	37792	36748
iii) Cash and Cash equivalents	13959	11043
iv) Bank balances other than (iii) above	113	141
v) Other Financial assets	1345	1184
c) Other current assets	7252	4496
d) Asset classified as held for sale	-	2803
	106567	93632
Total	201444	186739
EQUITY AND LIABILITIES		
Shareholder's Funds		
a) Share Capital	1886	1884
b) Other equity	127942	117313
Equity attributable to owners of the Company	129828	119197
c) Non controlling interests	6228	6238
Total equity	136056	125435
Liabilities		
Non-current liabilities		
a) Financial liabilities		
Long-term Borrowings	1326	3848
b) Long term provisions	745	654
c) Deferred tax liabilities (net)	4806	4834
	6877	9336
Current liabilities		
a) Financial liabilities		
i) Short-term Borrowings	26170	22703
ii) Trade payables	15939	13391
iii) Other financial liabilities	12412	12746
b) Short- term provisions	1688	1417
c) Other current liabilities	2302	1711
	58511	51968
Total	201444	186739



M H Murugappa



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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

Notes :

- In compliance to the Ministry of Corporate Affairs (MCA) notification dated February 16, 2015, announcing the Companies (Indian Accounting Standards) Rules 2015, the Company has prepared its financial statements adopting Ind AS with effect from April 1, 2016. Based on SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016, the Company has opted to present the results for the previous periods / year under Ind AS. Consequent to transition to Ind-AS, the reconciliation of net profits and reserves are provided below for the previous periods presented, in accordance with the requirements of paragraph 32 of Ind AS 101 - First time Adoption of Ind AS.

Particulars	(Rs.in Lakhs)		
	Quarter ended	Six months ended	Year ended
	30.09.2015		31.03.2016
Net Profit after tax and non-controlling interest as per IGAAP reported earlier	3899	7224	14279
Impact on valuation of employee benefit	(12)	(24)	(44)
Share of Joint ventures/associate - Adjustments net of tax	65	53	83
Recognition of Deferred tax on unrealised profit on stock	38	86	106
Recognition of Deferred tax on undistributed profit of associate	(17)	(52)	(84)
Net Profit after tax and non-controlling interest as per Ind AS	3973	7287	14340

(Rs.in Lakhs)	
Reserves (including revaluation) reconciliation	31.03.2016
Reserves as per IGAAP as of 31st March 2016	116705
Fair valuation of Non-current investment	1120
Recognition of Hedging reserve	(1)
Recognition of Deferred tax on unrealised profit on stock	172
Recognition of Deferred tax on undistributed profit of associate	(847)
Share of Joint ventures/associate - Adjustments net of tax	164
Reserves (Other equity) as per Ind AS as of 31st March 2016	117313

- Other Comprehensive Income mainly comprise of the impact on movement in fair valuation of non-current investments in equity and foreign currency translation on consolidation of overseas subsidiaries.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings, held on October 28, 2016 and has been subjected to limited review by the Statutory Auditors of the Company
- During the current quarter, the Company has allotted 170,760 equity shares pursuant to exercise of Employee Stock Options.

5 Summary of Key Standalone Financial Results of Carborundum Universal Limited is as follows:

Particulars	Quarter ended			Six months ended		Year ended
	(Unaudited)			(Unaudited)		(Audited)
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
Total Income from operations	38472	36016	35282	74488	66234	139417
Profit before Tax	3837	3835	5473	7672	8926	16676
Net Profit After Tax	2601	2652	4024	5253	6422	11571
Total Comprehensive income	2077	2538	3416	4615	6784	11948

- The Company has opted to publish the Consolidated financial results. Standalone financial results are available at the website of the Company: www.cumi.murugappa.com and Stock Exchanges: www.bseindia.com & www.nseindia.com

for Carborundum Universal Limited

M.M. Murugappa
M.M. Murugappa
Chairman



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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

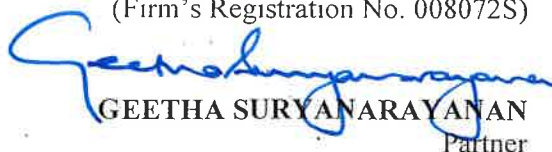
TO THE BOARD OF DIRECTORS OF CARBORUNDUM UNIVERSAL LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Carborundum Universal Limited** ("the Company"), for the quarter and six months ended September 30, 2016 and Standalone Unaudited Balance Sheet as at September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the 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.

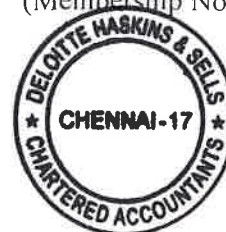
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)


GEETHA SURYANARAYANAN
Partner

(Membership No. 29519)

Chennai, October 28, 2016



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF CARBORUNDUM UNIVERSAL LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Carborundum Universal Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its share of the profit of its jointly controlled entities and of an associate along with its wholly owned subsidiaries ("the Associate") for the quarter and six months ended September 30, 2016 and the Consolidated Unaudited Balance Sheet as at September 30, 2016 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Parent's Management and approved by the 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.

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 misstatement. A review is limited primarily to inquiries of Parent's 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.
3. The Statement includes the results of the following entities:

Subsidiaries

- i. CUMI America Inc.
- ii. CUMI (Australia) Pty Ltd
- iii. CUMI Middle East FZE
- iv. Volzhsky Abrasives Works
- v. Foskor Zirconia (Pty) Ltd
- vi. CUMI International Limited
- vii. Net Access India Ltd
- viii. Sterling Abrasives Ltd
- ix. Southern Energy Development Corporation Ltd
- x. CUMI Abrasives and Ceramics Company Limited
- xi. CUMI Europe s.r.o
- xii. Thukela Refractories Isithebe Pty Limited



Jointly Controlled Entities

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

Associate

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

4. We did not review the interim financial statements / information / results of the subsidiaries mentioned in para 3(i) to (xi) included in the consolidated financial results, whose interim financial statements / information / results reflect total assets of Rs. 86,122 lakhs as at September 30, 2016, total revenues of Rs. 19,746 and Rs. 39,419 lakhs for the quarter and six months ended September 30, 2016, respectively, and total profit after tax of Rs. 2,291 lakhs and Rs. 4,007 lakhs and total comprehensive income / (loss) of Rs. 4 lakhs and Rs.(1) lakhs for the quarter and six months ended September 30, 2016, respectively, as considered in the consolidated financial results.

The consolidated financial results also includes the Group's share of profit after tax of Rs. 405 lakhs and Rs. 712 lakhs for the quarter and six months ended September 30, 2016, respectively, as considered in the consolidated financial results, in respect of 2 jointly controlled entities, whose interim financial statements / information / results have not been reviewed by us.

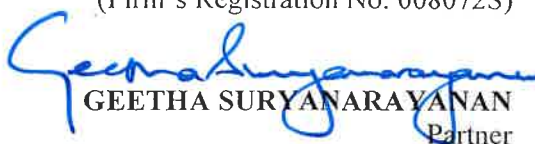
These interim financial statements / information / results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 008072S)


GEETHA SURYANARAYANAN
Partner

(Membership No. 29519)

Chennai, October 28, 2016





Carborundum Universal's Consolidated Q2 Sales increase by 8%

Consolidated PAT up by 17%

Chennai, 28th October 2016: The Board of Directors met today and approved the results for the quarter and six months ended 30th Sep 2016.

Consolidated Q2 financial performance

Consolidated sales increased by 8% in the current quarter to Rs.544 crores from Rs.506 crores in corresponding quarter of last year. Profit after tax increased by 17% from Rs.40 crores to Rs.47 crores in the current quarter. On a sequential quarter basis, sales grew by 3% and Profit after tax increased by 16%

The gain in sales was due to better performance from all segments.

Profitability of Abrasives and Ceramics businesses improved as compared to corresponding quarter of last year. Profits were lower in Electro mineral business.

The debt equity ratio remained healthy and was at 0.14 on a standalone basis and 0.25 on a consolidated basis.

Consolidated Segmental Operating Performance

Abrasives

At a consolidated level, the sales for the quarter were at Rs.252 cr which was 6% higher than the similar period last year. On a sequential basis, sales were higher by 2% with Quarter 1 2016-17 sales at Rs.247 cr.

Profit before interest and tax in Abrasives increased from 9.9% in quarter 2 last year to 10.9% in quarter 1 of this year to 11.8% in quarter 2 current year. The margins have improved on the back of higher sales in standalone business.

Electro Minerals

At a consolidated level, the sales for the quarter were higher at Rs.185 cr versus Rs.182 cr last year. Consolidated Sales remained same compared to Quarter 1 of 2016-17.

Profit before interest and tax at consolidated level decreased from Rs.39 cr in quarter 2 of last year to Rs.24 cr in current year. The drop was due to lower volumes and adverse foreign exchange restatement in Russian entity.



Ceramics

At a consolidated level, the sales for Q2 were at Rs.121 cr versus Rs.99 cr for the corresponding quarter last year. This is a growth of 22%. On a sequential basis, the sales grew by about 9%.

Industrial ceramics continued registering good sales on the back of higher volumes in ceramics products. Super Refractories business registered higher volumes in current year from a low base during last year period.

Profit before interest and tax of the ceramics business at consolidated level at Rs.17 cr recorded an increase of 62% compared to corresponding quarter last year.

About the Murugappa Group

Founded in 1900, the INR 295 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., Parry Sugar 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, Bio-products 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, Ladybird, 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 32,000 employees. For more details, visit www.murugappa.com

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