



**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.

31<sup>st</sup> July 2019

BSE Limited,  
1<sup>st</sup> 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, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai 400 051

**Stock Code: CARBORUNIV-EQ**

**Total 15 pages (including covering letter)**

Dear Sirs,

**Sub: Intimation on the outcome of the Board Meeting held on 31<sup>st</sup> July 2019**

We refer to our letter dated 15<sup>th</sup> July 2019, 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 at Chennai and approved the following:

**1. Unaudited Financial Results for the quarter ended 30<sup>th</sup> June 2019:**

Unaudited financial results for the quarter ended 30<sup>th</sup> June 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 ended 30<sup>th</sup> June 2019;
- Consolidated financial results for quarter ended 30<sup>th</sup> June 2019;
- Limited Review Report of M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors on the Standalone and Consolidated financial results for quarter ended 30<sup>th</sup> June 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](http://www.cumi-murugappa.com) as well on the websites of Stock Exchanges.

**2. Changes in Board composition**

- The Board has appointed Mrs. Soundara Kumar (DIN: 01974515) as an Additional Director of the Company in the capacity of an Independent Woman Director of the Company with effect from 3<sup>rd</sup> August 2019 subject to the approval of the shareholders.

Ms. Soundara Kumar holds a bachelor's degree in Science (Mathematics) from the University of Madras and is a Certified Associate of the Indian Institute of Banking and Finance (CAIIB). She joined State Bank of India as a Direct Recruit Officer and served for more than 39 years both in



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India and overseas including as the Managing Director of State Bank of Indore from 2008 to 2010. She retired as Deputy Managing Director, Stressed Asset Management Group of State Bank of India. She is currently on the Boards of Ramco Systems Limited, Sundaram Trustee Company Limited, Orchid Pharma Limited, Tamil Nadu Newsprint & Papers Limited, Rajapalayam Mills Limited, Shanti Gears Limited, Sundaram BNP Paribas Fund Services Limited and Bank of Baroda.

Mrs. Soundara Kumar is not related to any of the Directors of the Company. Mrs. Soundara Kumar is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

- Mr. T L Palani Kumar who was appointed as an Independent Director at the 60<sup>th</sup> Annual General Meeting held on 1<sup>st</sup> August 2014 for a term of five years would be retiring from the Board at the closing hours of 31<sup>st</sup> July 2019.
- Mrs. Bharati Rao who was appointed as an Independent Director at the 61<sup>st</sup> Annual General Meeting held on 3<sup>rd</sup> August 2015 for a term of four years would be retiring from the Board at the closing hours of 2<sup>nd</sup> August 2019.

We further wish to inform that the meeting of the Board of Directors of the Company commenced at 11:30 a.m. and concluded at 01:35 P.M.

Kindly take the above information on record.

Thanking you

Yours faithfully,

**For Carborundum Universal Limited**

**Rekha Surenthiran**  
**Company Secretary**

Encl.: a.a.



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**CARBORUNDUM UNIVERSAL LIMITED**  
CIN : L29224TN1954PLC000318

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



**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019**

(Rs.in Lakhs)

S.No.	Particulars	Quarter ended		Year ended	
		Unaudited	Audited	Unaudited	Audited
			(Refer note no: 3)		
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
<b>1</b>	<b>Income</b>				
	a) Gross Sales / Income from Operations	42430	44761	41003	175191
	b) Other Operating Income	636	1243	541	3031
	<b>Revenue from Operations</b>	<b>43066</b>	<b>46004</b>	<b>41544</b>	<b>178222</b>
	Other income	1799	765	956	2692
	<b>Total Income</b>	<b>44865</b>	<b>46769</b>	<b>42500</b>	<b>180914</b>
<b>2</b>	<b>Expenses</b>				
	a) Cost of materials consumed	16950	17624	15945	69904
	b) Purchase of stock-in-trade	1748	2035	1855	7952
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(751)	(849)	(735)	(2654)
	d) Employee benefits expense	4947	4391	4762	18212
	e) Finance costs	-	77	6	94
	f) Depreciation and amortisation expense	1724	1771	1967	7540
	g) Power and fuel	4695	4648	4449	19290
	h) Other expenses	9370	9837	8388	35785
	<b>Total expenses</b>	<b>38683</b>	<b>39534</b>	<b>36637</b>	<b>156123</b>
<b>3</b>	<b>Profit before tax (1)-(2)</b>	<b>6182</b>	<b>7235</b>	<b>5863</b>	<b>24791</b>
<b>4</b>	<b>Tax expense</b>				
	Current tax	1841	2348	2035	8670
	Deferred tax	(167)	(38)	(92)	(488)
	<b>Total tax expense</b>	<b>1674</b>	<b>2310</b>	<b>1943</b>	<b>8182</b>
<b>5</b>	<b>Profit for the period (3)-(4)</b>	<b>4508</b>	<b>4925</b>	<b>3920</b>	<b>16609</b>
<b>6</b>	<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	-	248
	(b) Equity instruments through other comprehensive income	(178)	18	(167)	(578)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	<b>Other comprehensive income - Total</b>	<b>(178)</b>	<b>266</b>	<b>(167)</b>	<b>(330)</b>
<b>7</b>	<b>Total Comprehensive income [ 5 + 6 ]</b>	<b>4330</b>	<b>5191</b>	<b>3753</b>	<b>16279</b>
<b>8</b>	Paid up Equity Share Capital (Face value - Re.1 per share)	1892	1892	1890	1892
<b>9</b>	Reserves excluding revaluation reserve				125559
<b>10</b>	Earnings per share (Rs.) on S.no. 5 Net Profit after tax (not annualised)				
	- Basic	2.38	2.61	2.07	8.80
	- Diluted	2.38	2.60	2.07	8.77



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**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019****STANDALONE UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

(Rs. in Lakhs)

S.No.	Particulars	Quarter ended			Year ended
		Unaudited	Audited	Unaudited	Audited
			(Refer note no: 3)		
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
1	<b>Segment Revenue</b>				
	Abrasives	21374	23082	21265	92090
	Ceramics	13822	13463	11830	49849
	Electrominerals	10464	11211	10707	45344
	<b>Total</b>	<b>45660</b>	<b>47756</b>	<b>43802</b>	<b>187283</b>
	<b>Less: Inter-Segment Revenue</b>	3230	2995	2799	12092
	Gross Sales / Income from operations	<b>42430</b>	<b>44761</b>	<b>41003</b>	<b>175191</b>
2	<b>Segment Results</b>				
	<b>(Profit (+) / Loss (-) before Finance costs and tax)</b>				
	Abrasives	2781	3090	2872	12973
	Ceramics	2489	1949	2091	8174
	Electrominerals	319	1437	1060	4443
	<b>Total</b>	<b>5589</b>	<b>6476</b>	<b>6023</b>	<b>25590</b>
	Less: (i) Finance costs	-	77	6	94
	(ii) Other unallocable expenses / (income) net	(593)	(836)	154	705
	<b>Total profit before tax</b>	<b>6182</b>	<b>7235</b>	<b>5863</b>	<b>24791</b>
	Less : Tax expense	1674	2310	1943	8182
	<b>Net profit after tax</b>	<b>4508</b>	<b>4925</b>	<b>3920</b>	<b>16609</b>
3a	<b>Segmental assets</b>				
	Abrasives	47232	45477	46470	45477
	Ceramics	37248	36206	35335	36206
	Electrominerals	33962	34005	31443	34005
	Unallocable	37537	36890	35455	36890
	<b>Total</b>	<b>155979</b>	<b>152578</b>	<b>148703</b>	<b>152578</b>
3b	<b>Segmental liabilities</b>				
	Abrasives	10309	11065	10039	11065
	Ceramics	5117	4711	5293	4711
	Electrominerals	4301	5072	6736	5072
	Unallocable	4073	4042	5821	4042
	<b>Total</b>	<b>23800</b>	<b>24890</b>	<b>27889</b>	<b>24890</b>





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**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 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 July 31, 2019 and were subjected to a limited review by the Statutory Auditors of the Company.
- 2 During the current quarter, the Company has allotted 2,224 equity shares pursuant to exercise of Employee Stock Options.
- 3 The figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter ended December 31, 2018.
- 4 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.
- 5 The step down subsidiary M/s.Foskor Zirconia Pty Limited, South Africa [FZL] has incurred a loss of Rs.820 Lakhs for the Quarter ended June 30,2019, out of this Rs.418 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).

For Carborundum Universal Limited

*M.M. Murugappa*

M.M.Murugappan  
Chairman

Chennai  
July 31, 2019





## CARBORUNDUM UNIVERSAL LIMITED

CIN : L29224TN1954PLC000318

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



## CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

S.No	Particulars	(Rs. in Lakhs)			
		Quarter ended		Year ended	
		Unaudited	Audited	Unaudited	Audited
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
			(Refer Note no: 4)		
1	<b>Income</b>				
	a) Gross sales / Income from operations	66358	69558	62579	265561
	b) Other Operating income	782	654	855	3329
	<b>Revenue from operations</b>	<b>67140</b>	<b>70212</b>	<b>63434</b>	<b>268890</b>
	Other income	490	145	1048	2730
	<b>Total income</b>	<b>67630</b>	<b>70357</b>	<b>64482</b>	<b>271620</b>
2	<b>Expenses</b>				
	a) Cost of materials consumed	22363	22177	20033	87257
	b) Purchase of stock-in-trade	2536	2910	2488	10913
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1064)	(612)	(549)	(2674)
	d) Employee benefits expense	8404	8127	8263	32732
	e) Finance costs	193	264	190	848
	f) Depreciation and amortisation expense	2640	2593	2798	10827
	g) Power and fuel	9550	9793	8746	37861
	h) Other expenses	15827	15888	13707	58972
	<b>Total expenses</b>	<b>60449</b>	<b>61140</b>	<b>55676</b>	<b>236736</b>
3	<b>Profit from operations before share of profit of equity accounted investees and income tax [1]-[2]</b>	<b>7181</b>	<b>9217</b>	<b>8806</b>	<b>34884</b>
4(a)	Share of profit of associate (net of tax)	143	1	214	615
4(b)	Share of profit of joint ventures (net of tax)	447	266	437	1379
5	<b>Profit before tax [3]+[4(a)]+[4(b)]</b>	<b>7771</b>	<b>9484</b>	<b>9457</b>	<b>36878</b>
6	<b>Tax expense</b>				
	Current tax	2685	3018	3083	12331
	Deferred tax	(54)	366	(155)	(213)
	<b>Total tax</b>	<b>2631</b>	<b>3384</b>	<b>2928</b>	<b>12118</b>
7	<b>Net profit after tax (5-6)</b>	<b>5140</b>	<b>6100</b>	<b>6529</b>	<b>24760</b>
	Profit for the period attributable to :				
7(a)	- Owners of the Company	5277	6189	6286	24768
7(b)	- Non-controlling interest	(137)	(89)	243	(8)
8	Add : Other comprehensive income / (loss)				
	<b>A.Items that will not be reclassified to profit or loss</b>				
	(a) Remeasurements of the defined benefit plans	-	249	-	250
	(b) Equity instruments through other comprehensive income	(178)	18	(167)	(578)
	(c) Share of Joint ventures/associate - Adjustments net of tax - Remeasurements of the defined benefit plans	-	(36)	(1)	(54)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	<b>Total</b>	<b>(178)</b>	<b>231</b>	<b>(168)</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	1375	1653	(1764)	(3111)
	(b) Valuation of cash flow hedges	3	26	(40)	30
	(c) Share of Joint ventures/associate - Adjustments net of tax	40	5	(8)	46
	Income tax relating to items that may be reclassified to profit or loss	(1)	(8)	11	(9)
	<b>Total</b>	<b>1417</b>	<b>1676</b>	<b>(1801)</b>	<b>(3044)</b>
8	<b>Other comprehensive income / (loss) - A+B</b>	<b>1239</b>	<b>1907</b>	<b>(1969)</b>	<b>(3426)</b>
	<b>Other comprehensive income for the period attributable to :</b>				
8(a)	- Owners of the Company	1238	1896	(1958)	(3439)
8(b)	- Non-controlling interest	1	11	(11)	13
9	<b>Total comprehensive income (7+8)</b>	<b>6379</b>	<b>8007</b>	<b>4560</b>	<b>21334</b>
	<b>Total comprehensive income for the period attributable to :</b>				
9(a)	- Owners of the Company	6515	8085	4328	21329
9(b)	- Non-controlling interest	(136)	(78)	232	5
10	Paid up equity share capital (Face value - Re.1 per share)	1892	1892	1890	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	2.79	3.27	3.33	13.10
	- Diluted	2.78	3.27	3.32	13.07





**CARBORUNDUM UNIVERSAL LIMITED**

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**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019**

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

(Rs. in Lakhs)

S.No.	Particulars	Quarter ended		Year ended	
		Unaudited	Audited	Unaudited	Audited
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
<b>1</b>	<b>Segment revenue</b>				
	Abrasives	25937	27967	26220	112435
	Ceramics	16529	16640	14510	60440
	Electrominerals	26415	27024	23892	101854
	Others	1710	1440	1665	6386
	<b>Total</b>	<b>70591</b>	<b>73071</b>	<b>66287</b>	<b>281115</b>
	<b>Less: Inter-segment revenue</b>	4233	3513	3708	15554
	Gross Sales / Income from operations	<b>66358</b>	<b>69558</b>	<b>62579</b>	<b>265561</b>
<b>2</b>	<b>Segment results</b>				
	<b>(Profit (+) / Loss (-) before Finance costs and tax)</b>				
	Abrasives	2827	3204	3173	14015
	Ceramics	2980	2420	2906	10816
	Electrominerals	2442	3657	3498	12791
	Others	204	(55)	257	502
	<b>Total</b>	<b>8453</b>	<b>9226</b>	<b>9834</b>	<b>38124</b>
	Less: (i) Finance costs	193	264	190	848
	(ii) Other unallocable expenses / (income) net	1079	(255)	838	2392
	<b>Profit before tax</b>	<b>7181</b>	<b>9217</b>	<b>8806</b>	<b>34884</b>
	Less : Tax expense	2631	3384	2928	12118
	Add : Share of profit from associate and joint ventures	590	267	651	1994
	Less : Non-controlling interests	(137)	(89)	243	(8)
	<b>Profit after tax , share of profit from associate/joint ventures and non-controlling interests</b>	<b>5277</b>	<b>6189</b>	<b>6286</b>	<b>24768</b>
<b>3a</b>	<b>Segmental assets</b>				
	Abrasives	68175	65528	66171	65528
	Ceramics	46407	45728	44524	45728
	Electrominerals	73025	70797	67128	70797
	Others (including un-allocable)	44955	41150	39733	41150
	<b>Total segmental assets</b>	<b>232562</b>	<b>223203</b>	<b>217556</b>	<b>223203</b>
<b>3b</b>	<b>Segmental liabilities</b>				
	Abrasives	13127	13712	12751	13712
	Ceramics	5513	5228	6058	5228
	Electrominerals	10871	10178	9655	10178
	Others (including un-allocable)	19914	16444	22203	16444
	<b>Total segmental liabilities</b>	<b>49425</b>	<b>45562</b>	<b>50667</b>	<b>45562</b>



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CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 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 July 31, 2019 and were subjected to a limited review by the Statutory Auditors of the Company.
- 2 During the current quarter, the Company has allotted 2,224 equity shares pursuant to exercise of Employee Stock Options.
- 3 Summary of key standalone financial results of Carborundum Universal Limited is as follows:

Particulars	Quarter ended		Year ended	
	Unaudited	Audited	Unaudited	Audited
	(Refer Note no: 4)			
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
Revenue from operations	43066	46004	41544	178222
Profit before tax	6182	7235	5863	24791
Net profit after tax	4508	4925	3920	16609
Total comprehensive income	4330	5191	3753	16279

- 4 The figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter ended December 31,2018.
- 5 The Group 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.
- 6 The step down subsidiary M/s.Foskor Zirconia Pty Limited, South Africa [FZL] has incurred a loss of Rs.820 Lakhs for the Quarter ended June 30,2019, out of this Rs.418 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.
- 7 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).

Chennai  
July 31, 2019

For Carborundum Universal Limited

M.M. Murugappan  
Chairman



# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report on the Statement of 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 June 30, 2019 which are included in the accompanying "Standalone unaudited financial results for the quarter ended June 30, 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. The Statement is the responsibility of the Company's management has been prepared in accordance with 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 :

Place: Chennai  
Date: July 31, 2019

Price Waterhouse Chartered Accountants LLP, 8th Floor, Prestige Palladium Bayan, 129 - 140, Greams Road  
Chennai - 600 006, India

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# Price Waterhouse & Co Chartered Accountants LLP

## Independent Auditor's Report on Review of Interim Consolidated 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 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 jointly controlled entities and an associate company along with its wholly owned subsidiaries (the "Associate") for the quarter ended June 30, 2019 which are included in the accompanying "Consolidated unaudited financial results for the quarter ended June 30, 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 regulation, 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
- ix. Sterling Abrasives Limited
- x. Southern Energy Development Corporation Limited
- xi. Thukela Refractories Isithebe Pty Limited
- xii. Volzhsky Abrasives Works

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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 July 17, 2019 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 16,937,743 during the quarter ended June 30, 2019. As of that date, the liabilities of the Company exceeded its total assets by R 62,900,885. 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 constitute total revenue of Rs. 31,774 lakhs for the quarter ended June 30, 2019, total net profit after tax of Rs. 5,415 lakhs for the quarter ended June 30, 2019 and other comprehensive income of Rs. (1,300) lakhs for the quarter then ended. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 447 lakhs and total comprehensive income of Rs. Nil for the quarter ended June 30, 2019, 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. 28,136 lakhs for the quarter ended June 30, 2019, total net profit after tax of Rs. 5,141 lakhs for the quarter ended June 30, 2019 and other comprehensive income of Rs. nil for the quarter then ended. 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 total net loss after tax of Rs. 3 lakhs for the quarter ended June 30, 2019 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 :

Place: Chennai  
Date: July 31, 2019



## **Consolidated Sales higher by 6%, PAT lower by 16%**

**Chennai, 31<sup>st</sup> July 2019:** The Board of Directors met today and approved the results for the Quarter ended 30<sup>th</sup> June 2019.

### **Financial performance**

Consolidated sales for the quarter increased by 6 percent to Rs.664 cr from Rs.626 cr in the corresponding period of last year driven by growth in the Electro Minerals and Ceramics segments. At a standalone level, sales grew by 3 percent.

Consolidated segmental profitability was impacted by lower margins across segments and lower volumes in Abrasives.

The Company, at a consolidated level, spent Rs.38 cr on capital expenditure. The debt equity ratio was 0.06. Cash and cash equivalents net of borrowings was at Rs.114 Cr

On a consolidated basis, profit before tax was Rs.78 Cr as against Rs. 95 Cr in Q1 of previous year. Profit after tax and non-controlling interest was Rs.53 Cr as against Rs. 63 Cr in Q1 of previous year.

### **Consolidated Segmental Operating Performance**

#### **Abrasives**

Segment Revenue was Rs.259 cr compared to last year's Q1 revenue of Rs.262 cr. The business saw flat growth due to low off-take in the market.

Profit before interest and tax was at Rs.28 cr as against Rs.32 cr in Q1 of last year.



### **Electro Minerals**

Segment revenue achieved 11% growth, at Rs.264 cr versus Rs.239 cr in Q1 of last year. Growth was driven by performance of the Russian entity.

Profit before interest and tax was at Rs.24 cr as against Rs.35 cr of Q1 last year. This is largely coming from lower price realization and losses in Foskor Zirconia.

### **Ceramics**

Segment Revenues were higher by 14 percent at Rs.165 cr as against Rs.145 cr in Q1 of last year.

Profit before interest and tax at Rs.30 cr was higher as compared to Rs.29 cr in the corresponding period of the previous year. This is mainly coming out of lower realization on export sales.

### **Other Update:**

The Board has recommended the appointment of Mrs.Soundara Kumar, as an Independent Woman Director.

### **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



**murugappa**

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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