murugappa

CUMI

7th July 2024

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.
Plot No. C/1, G Block
Bandra - Kurla Complex, Bandra (E)
Mumbai 400 051

Stock Code: CARBORUNIV

Dear Sir/Madam,

Sub: Annual Report for the financial year ended 31st March 2024 and the Annual General Meeting updates pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Further to our intimation dated 3rd May 2024 regarding the convening of the 70th Annual General Meeting ('AGM') of the Company on Tuesday, 30th July 2024 at 03.00 P.M. IST through Video Conferencing (VC), in compliance with the various circulars issued by the Ministry of Corporate Affairs and SEBI and pursuant to the applicable provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we submit an electronic copy of the Annual Report of the Company comprising the audited financial statements, Directors' report and Auditors' report thereon for the financial year ended 31st March 2024 and the Notice convening the 70th AGM of the shareholders.

The electronic copies of the Annual Report and the AGM notice have been sent today to all the Members holding shares in dematerialised form whose e-mail addresses are available with their Depository Participants ('DP') as well as to the Members holding shares in physical form whose e-mail addresses are registered with the Company/Registrar and Share Transfer Agent ('RTA') for communication purposes. The documents have also been uploaded on the website of the Company at www.cumi-murugappa.com and that of the National Securities Depository Limited ('NSDL'), the e-voting service provider at https://www.evoting.nsdl.com/eVotingWeb/SearchDownloadsAction.do and this submission will enable the AGM related documents to be available on the website of the stock exchanges for access by any Member.

Members of the Company, who have not registered their e-mail addresses with the Company or M/s. KFin Technologies Limited ('KFIN'), have vide a publication dated 4th July 2024 as well as by a communication uploaded on the website of the Company been informed about the process for registration of their e-mail addresses to receive the Annual Report, Notice and the login credentials for participating in the AGM through VC/OAVM facility. Detailed instructions for voting electronically and attending the meeting through VC is available in the Notice convening the AGM.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the Listing Regulations, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL on all Resolutions set forth in the Notice. The facility for voting will also be made available during the AGM and Members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote during the AGM.

Members (individuals holding shares in demat mode) can avail remote e-voting facility, by using a single login credential in websites of Depositories/Depository Participants. The process and manner of remote e-voting in pursuance of the SEBI circular is set out in the AGM Notice.

The remote e-voting period commences on Thursday, 25th July 2024 (09.00 a.m. IST) and ends on Monday, 29th July 2024 (05.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Tuesday, 23rd July 2024 may cast their vote electronically in the manner and process set out in the AGM Notice. The voting rights of the Members shall be in proportion to their shareholding in the Company as on 23rd July 2024 (cut-off date).

Members are being provided with a facility to attend the AGM through the video conferencing platform provided by M/s. National Securities Depository Limited.

For any further information or clarification, Members can write to investorservices@cumi.murugappa.com or evoting@nsdl.com.

Kindly take note of the same.

Thanking you.

Yours faithfully,
For **Carborundum Universal Limited**

SURENDHIRAN REKHA
SURENDHIRAN REKHA
2024.07.07
20:16:17 +05'30'

Rekha Surendhiran
Company Secretary

Encl.: a.a.

CARBORUNDUM UNIVERSAL LIMITED

CIN: L29224TN1954PLC000318
Registered Office: Parry House, 43 Moore Street, Chennai - 600001, India
Tel: +91-44-30006161; Fax: +91-44-30006149;
E-mail: investorservices@cumi.murugappa.com; Website: www.cumi-murugappa.com

NOTICE TO MEMBERS

NOTICE is hereby given that the Seventieth Annual General Meeting ('AGM') of the Members of the Company will be held at 3.00 p.m. Indian Standard Time on Tuesday, 30th July 2024 through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

Item No.1 - Adoption of Standalone Financial Statements

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT the Audited Standalone Financial Statements for the year ended 31st March 2024 and the Reports of the Board and Independent Auditors' thereon be and are hereby considered, approved and adopted.

Item No.2 - Adoption of Consolidated Financial Statements

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT the Audited Consolidated Financial Statements for the year ended 31st March 2024 and the Report of the Independent Auditors' thereon be and are hereby considered, approved and adopted.

Item No.3 - Declaration of Dividend

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT a final dividend of ₹2.50/- per equity share of ₹1/- each be declared for the financial year ended 31st March 2024 and that the same be paid out of the profits of the Company to those shareholders whose names appear in the Register of Members as on 23rd July 2024 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as per the details provided by National Securities Depository Limited and Central Depository Services (India) Limited in case the shares are held in electronic form considering the book closure from 23rd July 2024.

RESOLVED FURTHER THAT the interim dividend of ₹1.50/- per equity share of ₹1/- each declared by the Board of Directors and paid for the financial year ended 31st March 2024 be and is hereby confirmed.

Item No.4 - Re-appointment of Mr. M M Murugappan (DIN: 00170478) as a Director

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT Mr. M M Murugappan holding DIN 00170478, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

SPECIAL BUSINESS

Item No.5 - Appointment of Mr. Sriram Viji (DIN: 03630636) as an Independent Director

To consider and if deemed fit, to pass the following as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149 read with Schedule IV, 150, 152, and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sriram Viji holding DIN 03630636 in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from 1st August 2024.

Item No.6 - Appointment of Mrs. Usha Rajeev (DIN: 05018645) as an Independent Director

To consider and if deemed fit, to pass the following as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149 read with Schedule IV, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Usha Rajeev holding DIN 05018645 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from 1st August 2024.

Item No.7 - Appointment of Mr. Muthiah Murugappan Muthiah (DIN: 07858587) as a Non-Executive Non-Independent Director

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 152 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with all other applicable provisions under the said regulation, Mr. Muthiah Murugappan Muthiah holding DIN 07858587 and in respect of whom the

Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director liable to retire by rotation.

Item No.8 - Approval for payment of commission to Mr. M M Murugappan

To consider and if deemed fit, to pass the following as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Regulation 17(6) (ca) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 197,198 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and Article 17.16 of the Articles of Association of the Company, approval be and is hereby granted for the remuneration payable to Mr. M M Murugappan, Non-Executive Chairman for the FY 2024-25 including by way of commission for the financial year ended 31st March 2024 aggregating to a sum not exceeding ₹1,00,00,000/- (Rupees One Crore Only) excluding the sitting fees payable in respect of the meetings of the Board/Committees in which he would be participating during the financial year 2024-25.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution.

Item No.9 - Ratification of Cost Auditor's Remuneration

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the remuneration of ₹5,00,000/- payable to M/s. S Mahadevan & Co. (Firm registration no. 000007) Cost Accountants, Chennai, appointed by the Board of Directors to conduct the audit of the cost accounting records of the Company for the financial year 2024-25, excluding applicable taxes and out of pocket expenses incurred by them in connection with the Cost Audit be and is hereby ratified and confirmed.

By Order of the Board

Chennai
June 24, 2024

Rekha Surendhiran
Company Secretary

Notes:

1. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 09/2023 dated 25th September 2023 in furtherance to its earlier circulars 20/2020 dated 5th May 2020, 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 02/2022 dated 5th May 2022 and 10/2022 dated 28th December 2022 has permitted companies, whose Annual General Meetings (AGM) are due to be conducted on or before 30th September 2024, to hold their AGMs through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') not requiring the physical presence of the Members at a common venue. Hence, the 70th AGM of the Company is being conducted through VC/OVAM in compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable circulars issued in this regard. Members are requested to attend and participate at the ensuing e-AGM through VC/OAVM facility being provided by the Company through National Securities Depository Limited ("NSDL"). Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum for the meeting under section 103 of the Act.

2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC/OAVM, physical attendance of Members is dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the proxy form and attendance slip are not being annexed to this Notice and the resultant requirement for submission of proxy forms does not arise in line with MCA and SEBI circulars issued in this regard.

3. The statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of business item no. 4 which is an Ordinary business and business item nos. 5 to 9 of the Notice which are Special businesses to be transacted at the AGM are annexed hereto for the information of Members.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd July 2024 to Tuesday, 30th July 2024 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March 2024. Subject to the provisions of the Act, the dividend as recommended by the Board, if declared at the meeting will be paid by 21st August 2024.

5. Dividends remaining unclaimed/unpaid for a period of seven (7) years are required to be transferred to the Investor Education Protection Fund ('IEPF'). The Company has transferred unclaimed/unencashed dividends up to the interim dividend for FY 2016-17 to the IEPF Authority till the date of this notice.

   The Company has uploaded the details of unpaid and unclaimed amounts lying with it as on 31st March 2023 on the website www.cumi-murugappa.com and also on the website of the Ministry of Corporate Affairs. Members can ascertain the status of their unclaimed dividend amounts from these websites.

   Members who have not encashed their warrants in respect of the final dividend declared for financial year 2016-17 and subsequent dividends thereon may write to the Company Secretary or RTA immediately for claiming their dividends.

   As per Section 124(6) of the Companies Act, 2013 and extant Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to the IEPF Authority. As at 31st March 2024, the Company has transferred 815,046 shares to the IEPF Authority. Further, the Company has uploaded the details of the above on its website for the information of Members.

   Members are entitled to claim the shares from the IEPF Authority by making an application online along with the requisite documents in Form IEPF-5 available on the website https://www.iepf.gov.in/IEPF/corporates.html. Shareholders are requested to contact the Company's RTA or the Company in this regard.

   Members are requested to note that dividends declared and paid by the Company with effect from 1st April 2020 are taxed in the hands of the recipient of dividend i.e. shareholders. Hence, effective 1st April 2020 all dividends paid/to be paid by the Company are subject to deducting tax at the applicable rate prescribed under the Income Tax Act, 1961. Members may note that in the absence of the details of the PAN, the Company would be required to deduct tax at a higher rate prescribed under the Income Tax Act, 1961. Hence, Members who have not furnished their PAN to the Company are requested to immediately submit a copy of the same. Members seeking non-deduction of tax on their dividends may submit Form 15G/15H as applicable to the Company on a yearly basis at the link https://ris.kfintech.com/form15/. The detailed information with respect to tax deduction at source on dividend payments including the formats of Form 15G / Form 15H for seeking exemption is available at the links https://ris.kfintech.com/form15/ as well as at https://www.cumi-murugappa.com/investor-services/. Members may contact the Company Secretary or any executive in the Secretarial team in case of any clarification in this regard.

6. The Securities and Exchange Board of India (SEBI) vide its circulars dated 16th March 2023 & 3rd November 2021 has made it mandatory for holders of physical securities to furnish their PAN, email address, mobile number, bank account details and also to either register or to opt out of nomination facility against the shares held in the Company. Also, new forms have been introduced with respect to investor servicing, the details of which are available on the website of the Company at https://www.cumi-murugappa.com/part-4-investor-services/.

7. SEBI has mandated the submission of PAN by every participant in securities market for any updation in the folio and any Investor requests. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participant with whom they maintain their demat accounts.

8. The Securities and Exchange Board of India (SEBI) vide its circulars dated 16th March 2023 & 3rd November 2021 has made it mandatory for holders of physical securities to furnish their PAN, email address, mobile number, bank account details and also to either register or declare opt out for nomination facility against the shares held in the company. Also, new forms were introduced with respect to investor servicing, the details of which are available on the website of the Company at https://www.cumi-murugappa.com/part-4-investor-services/.

9. Members, who hold shares in physical form and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode with effect from 1st April 2024. Accordingly, payment of final dividend, subject to approval by the Members in the AGM, shall be paid to physical holders only after the above details are updated in their folios.

   Members may refer to FAQs issued by SEBI in this regard available on their website at https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf (FAQ Nos. 38 & 39). Members are requested to update their KYC details on or before 19th July 2024 so that their folios can be KYC updated before the cut-off date of 23rd July 2024. Members may follow the process detailed below for updation of their KYC details:

Mode of holding	Process for updating KYC details
Physical	Members can send a request by way of 'In Person Verification' (IPV) or Post to the RTA's office or in electronic mode with e-sign to einward.ris@kfintech.com or investorservices@cumi.murugappa.com by providing the following: • Forms ISR-1, ISR-2 and SH-13 / ISR-3 mentioning the Folio No., and name of the Member; • Self-attested copy of PAN; • Self-attested copy of any address proof including Aadhar, Passport etc.; • Copy of share certificate(s); • Original cancelled cheque bearing the name of the first named shareholder, name and branch of the bank in which Members wish to receive the dividend, the bank account type, MICR Code Number and IFSC number.
Demat	Members to contact their respective Depository Participants (DPs) and register their PAN, e-mail address and bank account details in their demat account, as per the process recommended by the DP

10. Members are requested to note that in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended from time to time), with effect from 1st April 2019, shares of the Company can be transferred only in dematerialised form. In view of the above, Members are advised to dematerialise the shares held by them in physical form. This will also eliminate all risks associated with holding securities in physical form and provide ease in portfolio management. For further information, please contact us at investorservices@cumi.murugappa.com or the RTA at einward.ris@kfintech.com.

    SEBI vide circular no. SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2022/8 dated 25th January 2022 has mandated the issuance of securities only in dematerialised form by listed entities. As an ongoing measure to enhance ease of dealing in securities markets by investors while processing the service requests such as issue of duplicate securities certificate, claims from Unclaimed Suspense Account, renewal / exchange of securities certificates, endorsement sub-division/ splitting of securities certificate, consolidation of securities certificates / folios, transmission, transposition etc., the listed entities have been directed to adhere to processes and practices to convert the physical mode of holding securities into electronic mode. Securities holder/ claimants are also required to submit duly filled up Form ISR-4 while making the service requests, which is available at https://www.cumi-murugappa.com/part-5-formats/.

11. **Registration of e-mail address by Members and details for obtaining/downloading the electronic copy of the Annual Report and Notice convening the AGM:**

    In view of the exemptions provided by MCA vide its General Circulars dated 25th September 2023, 28th December 2022, 5th May 2022 and 5th May 2020 as well as SEBI vide its circulars dated 6th October 2023, 5th January 2023 and 13th May 2022, companies have been exempted from sending Annual Reports in physical mode. Accordingly, an electronic copy of the Annual Report is being sent to all the Members holding shares in dematerialised form and whose e-mail addresses are available with the DPs as well as to all the Members holding shares in physical mode whose e-mail addresses are registered with the Company/RTA for communication purposes. Procedure for obtaining the Annual Report, AGM notice as well as electronic voting (e-voting) instructions for Members whose e-mail addresses are not registered with the DPs or with RTA is provided herein and is also available on the website of the Company. The Annual Report is also available on the Company's website at https://www.cumi-murugappa.com/annual-reports/, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively as well as on the website of NSDL at https://www.evoting.nsdl.com/.

    In view of the exemptions provided, no physical or hard copies of the Notice and Annual Report will be sent to Members who have not registered their e-mail addresses with the Company/RTA. However, hard copy of Annual Report will be sent to the shareholders who request for the same. A request in this regard, can be made by sending an email to evoting@nsdl.com or investorservices@cumi.murugappa.com.

    Members may follow the process detailed below for registration of e-mail addresses to obtain the Annual Report and Notice:

Mode of holding	Process to be followed for registration of e-mail address
Physical	Members can send a request by way of 'In Person Verification' (IPV) or Post to the RTA's office or in electronic mode with e-sign to einward.ris@kfintech.com or investorservices@cumi.murugappa.com by providing the following: - Form ISR-1 duly filled up; - The signed request letter mentioning the Folio No., name of the Member, e-mail address and mobile number; - Self-attested copy of PAN; - Self-attested copy of any address proof including Aadhar, Passport etc.
Demat	Members may contact their DPs and register or update their respective e-mail addresses in the demat account, as per the process recommended by the DP.

    As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including Annual Reports from time to time in electronic form to the e-mail address provided by you. In case of any queries, Members may write to einward.ris@kfintech.com or investorservices@cumi.murugappa.com by quoting their Folio number or DP and Client ID.

12. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of the Directors seeking appointment/re-appointment at the AGM is furnished and forms part of the Notice. The Directors have furnished the requisite consents/ declarations for their appointment/re-appointment.

13. The business set out in the Notice would be transacted through electronic voting. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and amendments thereof, the Company e-voting facility will be made available to Members to cast their votes electronically on all resolutions set forth in the Notice convening the 70th AGM.

14. The Company has engaged the services of M/s. National Securities Depository Limited to provide remote e-voting facility and voting facility during the AGM to enable Members to exercise their votes in a secured manner. The instructions for remote e-voting as well as voting at the AGM is provided in this Notice. The Board of Directors have appointed Mr. R. Sridharan of M/s. R. Sridharan and Associates, Practising Company Secretaries or failing him Ms. Srinidhi Sridharan of M/s. Srinidhi Sridharan and Associates, Practising Company Secretaries as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Notice and the instructions for attending the AGM and exercising the voting are being sent in electronic form to all the Members whose e-mail addresses are registered with the Company/their DPs for communication purposes. For others who have not registered their e-mail addresses, please refer the instructions in Note 11 above.

15. All documents referred to in the accompanying Notice and the statement under Section 102 of the Act, shall be open for inspection during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days upto the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the

meeting. Members seeking to inspect such documents can send an e-mail to investorservices@cumi.murugappa.com.

16. Members holding shares in physical form are requested to address all correspondence relating to their shareholding to the Company's RTA or to the Company. Members holding shares in dematerialised form may send such correspondence to their respective DPs.

17. **Instructions for members for remote e-voting and joining general meeting:**

17.1. **E-voting using NSDL e-Voting system**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned herein below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 129216 then user ID is 129216001***

Password details for shareholders other than Individual shareholders are given below:

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

iii. Now you are ready for e-Voting as the Voting page opens.

iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

v. Upon confirmation, the message "Vote cast successfully" will be displayed.

vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rsaevoting@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorservices@cumi.murugappa.com.

b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorservices@cumi.murugappa.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

c) Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

d) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

17.2. **Instructions for members for e-voting on the day of the AGM:**

A) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

B) Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

C) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

D) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

17.3. **Instructions for Members for attending the AGM through VC/OAVM:**

a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

b) Members are encouraged to join the Meeting through Laptop devices for better experience.

c) Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches or disturbance during the meeting. The Company will not be responsible for any disruption in the proceedings caused due to the technical issues including inadequate bandwidth or internet at the end of the shareholder.

e) **AGM queries to be sent in prior to the AGM** - As the AGM is being conducted through VC/OAVM, Members who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number to investorservices@cumi.murugappa.com. Questions/ queries received by the Company till 5.00 p.m. (IST) on 27th July 2024 shall only be considered and responded during the AGM.

f) **Registration as a Speaker at the AGM** - Members who would like to express their views or ask questions during the AGM may register themselves as a Speaker by sending an email to investorservices@cumi.murugappa.com any time before 5.00 p.m. (IST) on 27th July 2024, mentioning their name, demat account number/folio number, email id and mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM. Please note that Members are entitled to attend the AGM and ask questions only if the Member continues to hold the shares as of cut-off date. A person who is not a member as of the cut-off date should treat this notice for information purposes only.

The instructions for joining the AGM through video conferencing will also be made available in the website of the Company at www.cumi-murugappa.com.

18. The remote e-voting period commences on Thursday, 25th July 2024 (09.00 a.m.) and ends on Monday, 29th July 2024 (05.00 p.m.). The voting rights of Members shall be in proportion to their shareholding as on the cut-off date 23rd July 2024. The Scrutiniser shall immediately after the conclusion of voting at the AGM first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the digital presence of at least two (2) witnesses not in the employment of the Company and make a consolidated Scrutiniser's Report of the votes cast to the Chairman of the Company. For the purpose of ensuring that Members who have cast their votes through remote e-voting do not vote again at the Meeting, the Scrutiniser will have access, after closure of the period for remote e-voting for details relating to Members as the Scrutiniser may require except the manner in which the Members have cast their votes.

19. The results will be declared not later than two working days from the conclusion of the meeting. The results declared along with the Scrutiniser's Report will be placed on the Company's website https://www.cumi-murugappa.com/, as well as the website of NSDL immediately after declaration of results by the Chairman/Authorised person and the Company shall simultaneously forward the results to NSE/BSE for placing it on their respective websites.

20. Resolutions passed through e-voting would be deemed to have been passed as on the date of the AGM i.e., 30th July 2024.

21. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

22. For easy and quick reference, key details required for reference by Members is annexed to this Notice.

By order of the Board

Chennai
June 24, 2024

Rekha Surendhiran
Company Secretary

ANNEXURE TO THE NOTICE

Statement pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013 ('the Act'), the following statement sets out all material facts relating to the businesses mentioned under item nos. 4 to 9 of the accompanying Notice:

Item No.4

Mr. M M Murugappan, is currently the Non-Independent Non-Executive Chairman of the Company. Mr. M M Murugappan is liable to retire by rotation at this AGM pursuant to Section 152(6) of the Companies Act, 2013 and being eligible has offered himself for re-appointment.

Mr. Murugappan's profile is provided in the Annual Report and the information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the annexure. The Company has received the requisite consent and disclosure forms from him.

Mr. M M Murugappan, aged 68 years holds a Master's degree in Chemical Engineering from the University of Michigan, USA. He has held the position of Managing Director of the Company in the past. Besides serving as the Chairman of the Company, Cholamandalam MS General Insurance Company Limited, Cholamandalam Financial Holdings Limited and Murugappa Water Technology and Solutions Private Limited, he is also on the Boards of several companies including Cyient Limited, Ambadi Investments Limited, M M Muthiah Research Foundation, IIT Madras Research Park, Chennai Willingdon Corporate Foundation. Mr. Murugappan is also the Chairman of the Advisory Board of Rhodius Abrasives GmbH. Mr. Murugappan was elected as a fellow of the Indian Ceramic Society and is also a member of the American Institute of Chemical Engineers, Indian Institute of Chemical Engineers, Plastics & Rubber Institute. He is a trustee of the Murugappa Group's CSR arm - AMM Foundation. He is also a Chairman of the Governing Body for Indian Institute of Management, Indore.

Mr. M M Murugappan, Chairman of the Board has been associated with the Company as a Director for close to three decades. Given the size and nature of the Company's businesses and also the rich experience that Mr. Murugappan possesses in the field of engineering, a considerable amount of time is spent by him in connection with the operations of the Company. Apart from playing an active role in guiding and advising on matters connected with strategy and management, he spends considerable time on developing/managing relationships with the Company's business partners both in India and overseas. The Chairman also plays an active role in matters connected with CUMI's organisation culture which is critical for the Company to deliver superior performance besides devoting time for technology related issues impacting the Company. Further, the Chairman spends a lot of time participating in various events, conclaves and functions of Industry bodies, Academic Institutions and interactions with high level State Authorities representing the Company. Under his chairmanship, the Company has grown globally from ₹4060 million to over ₹46000 million. Mr. Murugappan has played a pivotal role in transforming the Company into an international company. His strategic approach towards business partnerships with global leaders has been one of the key factors contributing to the Company's consistent growth, domestically and internationally.

Mr. Murugappan is paid sitting fees and commission as a Non-executive Director and he was paid ₹1,00,00,000/- (Rupees One Crore Only) remuneration during the FY 2023-24, the details of which are available in the Corporate Governance section of the Annual Report.

The Board considers that the continued association of Mr. Murugappan including as a Chairman would be of immense benefit to the Company and hence it is desirable to continue to avail his services as a Director. Further, the Board believes that the remuneration payable to him is commensurate with the efforts and the time taken by him on behalf of the Company. Accordingly, the Board recommends his re-appointment as a Director.

Memorandum of Interest

Except Mr. M M Murugappan, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise in the aforesaid Ordinary Resolution.

Item No. 5

The Board at its meeting held on 24th June 2024, based on the recommendation of the Nomination and Remuneration Committee, has considered and recommended the appointment of Mr. Sriram Viji holding DIN 03630636, as an Independent Director of the Company with effect from 1st August 2024. The Company has received the consent from him to be appointed as a Director of the Company along with other requisite disclosures including a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Listing Regulations.

Mr. Sriram Viji, aged 45 years is the Managing Director of Brakes India Limited and also a Board member of the TSF group of companies. Before joining Brakes India, Mr. Sriram spent a decade in the United States of America, gaining diverse industry experience. He worked at McKinsey & Company in New York, serving clients in the banking, media, and pharmaceutical industries. Prior to that, he was a Program Manager at Microsoft Corporation. Mr. Sriram holds a MBA from the University of Michigan, and is a M.S. in Computer Science and Aeronautics from Stanford University. He also holds Bachelor's degree in Technology in Aerospace Engineering from the Indian Institute of Technology, Madras.

The information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

Secretarial Standards on General Meetings is provided in the annexure.

The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing Mr. Sriram Viji's candidature for the office of Director. In the opinion of the Board, Mr. Sriram Viji satisfies the criteria prescribed in the Act and Rules made thereunder for appointment as an Independent Director of the Company and that he is independent of the Management. Accordingly, the Board of Directors have recommended his appointment as an Independent Director for a term of five (5) consecutive years from 1st August 2024 in terms of Section 149(10) of the Act and Regulation 16(1)(b) of the Listing Regulations. Considering his expertise in technology together with industrial & management expertise, and business knowledge, his association would be beneficial to the Company and hence the Board recommends his appointment as an Independent Director for a term of five (5) consecutive years commencing from 1st August 2024. Further, considering the changes in the Board composition owing to the retirement of a few Independent Directors at the AGM, it is essential for the Company to induct new members into the Board to meet the requirements of the Companies Act, 2013 and the Listing Regulations.

Mr. Sriram would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. Further, he would be entitled to commission on profits as determined each year by the Board within the overall limits not exceeding one per cent of the net profits of the Company subject to a cap of ₹35 million per annum as approved by the shareholders at the 69th Annual General Meeting held on 2nd August 2023. Mr. Sriram Viji is not entitled for Stock options and does not hold any shares in the Company.

The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day up to the date of the AGM.

Memorandum of Interest

Except Mr. Sriram Viji being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise in the aforesaid Special Resolution.

Item No. 6

The Board at its meeting held on 24th June 2024 based on the recommendation of the Nomination and Remuneration Committee, has considered and recommended the appointment of Mrs. Usha Rajeev holding DIN 05018645, as an Independent Director with effect from 1st August 2024. The Company has received the consent from her to be appointed as a Director of the Company along with other requisite disclosures including a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and the Listing Regulations, 2015.

Mrs. Usha, aged 60 years, has over 30 years of experience in Audit/Assurance in various sectors, including Telecom, Entertainment & Media, and Technology. She had served as a Partner with Price Waterhouse, India for over 19 years before taking early retirement in 2018. Mrs. Usha Rajeev's significant leadership roles included Risk & Quality Leader for the India network member firms, Assurance Leader for North & East India practices, Telecom Sector Leader and Global Relationship Partner for one of India's largest Telecom companies.

Mrs. Usha is a Fellow Member of the Institute of Chartered Accountants of India, a Bachelor of Commerce from Sri Ram College of Commerce, and a Member of the Institute of Cost Accountants of India.

The information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the annexure.

The Company has received a notice under Section 160 of the Act from a Member proposing Mrs. Usha Rajeev's candidature for the office of the Director. In the opinion of the Board, Mrs. Usha Rajeev satisfies the criteria prescribed in the Act and Rules made thereunder for appointment as an Independent Director of the Company and that she is independent of the Management. Accordingly, the Board of Directors have recommended her appointment as an Independent Director for a term of five (5) consecutive years from 1st August 2024 in terms of Section 149(10) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Considering Mrs. Usha Rajeev's expertise in finance, audit, assurance and Risk Management, her association would be beneficial to the Company and hence, the Board recommends her appointment as an Independent Director for a term of five (5) consecutive years commencing from 1st August 2024. Further, considering the changes in the Board composition owing to the retirement of a few Independent Directors at the AGM, it is essential for the Company to induct new members into the Board to meet the requirements of the Companies Act, 2013 and the Listing Regulations.

Mrs. Usha would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. Further, she would be entitled to commission on profits as determined each year by the Board within the overall limits not exceeding one per cent of the net profits of the Company subject to a cap of ₹35 million per annum as approved by the shareholders at the 69th Annual General Meeting held on 2nd August 2023. Mrs. Usha is not entitled for Stock options and does not hold any shares in the Company.

The draft letter of appointment setting out the terms and conditions of her appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day up to the date of the AGM.

Memorandum of Interest

Except Mrs. Usha Rajeev being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise in the aforesaid Special Resolution.

Item No. 7

The Board at its meeting held on 24th June 2024, based on the recommendation of the Nomination and Remuneration Committee, has considered and recommended the appointment of Mr. Muthiah Murugappan Muthiah (Mr. Muthu Murugappan) holding DIN 07858587, as a Director of the Company with effect from 1st August 2024.

In terms of Section 152 of the Companies Act, 2013, approval of shareholders is required for appointment of a Director on the Board of the Company. Further, as per Regulation 17(1C) of SEBI Listing Regulations, a listed entity shall ensure that the approval of shareholders for appointment of a person as a Director is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Mr. Muthu Murugappan is being appointed by the shareholders directly vide the aforesaid Ordinary Resolution by the shareholders under Section 152 of the Companies Act, 2013.

Mr. Muthu Murugappan aged 41 years, is currently the Whole Time Director and Chief Executive Officer of EID Parry (India) Limited (EID). He is a fifth generation member of the Murugappa family. Mr. Muthu Murugappan has completed his Masters in Business Administration from London Business school and holds a Bachelor's degree in Management Sciences from the University of Warwick. Mr. Muthu Murugappan started his career in August 2004 and has worked with Indian FMCG major - CavinKare Pvt Ltd in sales, brand management, product management for international business as well as in the Industrial Ceramics business of the Company including handling its trading operations in North America. Since September 2015 he is associated with EID, one of the flagship Companies of the Murugappa Group, initially as the Head of its Nutraceuticals business and then took additional charge as the Head of Strategy. Mr. Muthu Murugappan was appointed CEO of EID in May 2022. He is currently on the Board of various companies including Mahindra & Mahindra Limited.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing Mr. Muthu Murugappan's candidature and has also received a consent from him to be appointed as a Director of the Company along with other requisite disclosures. Further, he would be entitled to commission on profits as determined each year by the Board within the overall limits not exceeding one per cent of the net profits of the Company subject to a cap of ₹35 million per annum as approved by the shareholders at the 69th Annual General Meeting held on 2nd August 2023. Mr. Muthu Murugappan is not entitled for Stock options and does not hold any shares in his individual capacity in the Company.

Considering his varied industry experience and management expertise, the Nomination and Remuneration Committee has recommended the appointment of Mr. Muthu Murugappan as a Non-Executive Director, retiring by rotation on the Board of the Company. Based on this recommendation, the Board is also of the opinion that Mr. Muthu's association would be beneficial to the Company. Hence the Board recommends this proposal to the shareholders for approval.

Memorandum of Interest

Except Mr. Muthu Murugappan being the person to whom the business set out in the Notice for approval relates to and Mr. M M Murugappan, Chairman being his relative, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the aforesaid Ordinary Resolution.

Item No. 8

The shareholders at the 69th Annual General Meeting held on 2nd August 2023 had approved the payment of remuneration to Non-Executive Directors of the Company not exceeding one per cent of the net profits of the Company subject to a cap of ₹35 million per annum.

In line with the Remuneration Policy of the Company, the compensation to the Non-Executive Directors takes the form of commission on profit. Though shareholders have approved the payment of commission up to one per cent of net profits of the Company for each year subject to the overall cap of ₹35 million, the actual commission paid to every Director is restricted to a fixed sum within the above limit. This sum is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the Directors for attending to the affairs and business of the Company and extent of responsibilities cast on Directors under general law and other relevant factors. In keeping with evolving trends in industry and considering the increased time spent by Mr. M M Murugappan, he is paid a differential commission.

Mr. M M Murugappan, Chairman has been associated with the Company as a Director for close to three decades now. Given the size and nature of its operations and also the rich experience that Mr. Murugappan possesses in the field of engineering, a considerable amount of time is spent by him in connection with the Company. Apart from playing an active role in guiding and advising on matters connected with strategy and management, he spends considerable time on developing/ managing relationships with the Company's business partners both in India and overseas. The Chairman also plays an active role in matters connected with CUMI's organisation culture which is critical for the Company to deliver superior performance besides devoting time for technology related issues impacting the Company. Further, the Chairman spends a lot of time participating in various events, conclaves and functions of Industry bodies, Academic Institutions and interactions with high level State Authorities representing the Company. Under his able leadership and guidance, the Company has been able to grow organically as well as inorganically amidst volatile and challenging business conditions worldwide.

Mr. Murugappan in his role as the Chairman of the Company was instrumental in concluding domestic and international acquisitions which are expected to augur well for the Company in the coming years. He has played a significant role in the integration of the operations of the newly acquired subsidiaries and has led the transition management. Under his leadership and guidance, the Management has set an aspirational LTS 2030 comprising focused programmes/projects for driving a transformational growth across the Company and its subsidiaries/associates in the years to come.

The programmes aim to propel the Company to a high performing organisation with an ambitious growth in current business, re-inventing material science and innovation, foraying into new growth frontiers and leveraging synergies by cross organisation initiatives to build competitiveness.

Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of shareholders by special resolution is required to be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

During the FY 2023-24 with the approval of the shareholders vide special resolution passed at the 69th AGM held on 2nd August 2023, Mr. M M Murugappan was paid a commission of ₹10 million (commission for the FY 2022-23) and a sitting fee of ₹0.52 million. Since the total remuneration payable to Mr. M M Murugappan during the FY 2024-25 including the commission payable for the FY 2023-24 is likely to exceed fifty per cent of the total remuneration payable to all Non-Executive Directors, approval of the shareholders is sought vide a Special Resolution.

The Board is of the opinion that for the services being rendered by Mr. M M Murugappan as the Chairman, the remuneration being paid to him is reasonable and commensurate with the efforts taken and time spent by him, on the matters concerning the Company. The Company which is on a transformational growth path will immensely benefit from his services and hence, basis the recommendation of the Nomination and Remuneration Committee, the Board recommends the remuneration payable to Mr. M M Murugappan for the FY 2024-25 in excess of fifty per cent of the total annual remuneration payable to all Non-Executive Directors of the Company for approval by the Members of the Company.

Memorandum of Interest

Except Mr. M M Murugappan, none of the other Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise in the aforesaid resolution proposed to be passed as a Special Resolution.

Item No.9

Pursuant to the Companies (Cost Records and Audit) Rules, 2014 and any amendments thereof, the Company is required to maintain cost accounting records in respect of products of the Company covered under CETA categories like organic and inorganic chemicals, electrical or electronic machinery, steel, plastic and polymers, ores and mineral products, other machinery, base metals etc. Further, the cost accounting records maintained by the Company is required to be audited. The Board at its meeting held on 3rd May 2024 based on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. S Mahadevan & Co., Cost Accountants, as the Cost Auditor to conduct the audit of the cost accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2024-25 on a remuneration of ₹5,00,000/- excluding applicable taxes and out of pocket expenses incurred by them in connection with the audit. The Cost audit fee is commensurate with the work involved and the size of teams due to advancements in software and ERP system.

As per Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders of the Company. Hence, the Ordinary Resolution at item no.9 is placed before the Members for ratification and the Board recommends the same.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

By Order of the Board

Chennai
June 24, 2024

Rekha Surendhiran
Company Secretary

Disclosure under Reg. 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings (Items 4 to 7)

Name of Director	Mr. M M Murugappan	Mr. Sriram Viji	Mr. Muthiah Murugappan Muthiah	Mrs. Usha Rajeev
DIN	00170478	03630636	07858587	05018645
Date of Birth	12th November 1955	1st February 1979	17th September 1983	12th October 1963
Date of Appointment (Initial)	17th October 1996	1st August 2024 (proposed)	1st August 2024 (proposed)	1st August 2024 (proposed)
Qualification	Bachelor of Technology in Chemical Engineering from the University of Madras and Masters' degree in Chemical Engineering from the University of Michigan, USA.	MBA from the University of Michigan, M.S. in Computer Science and Aeronautics from Stanford University, and B.Tech in Aerospace Engineering from the Indian Institute of Technology Madras.	Master of Business Administration from London Business School and B.Sc. Management Sciences from University of Warwick.	Fellow Member of the Institute of Chartered Accountants of India, Bachelor of Commerce from Sri Ram College of Commerce, and a Member of the Institute of Cost Accountants of India.
Expertise in specific functional areas	Mr. Murugappan has over 45 years of experience in diverse areas of Technology, Research & Development, Strategy & Business Development and Human Resources.	Mr. Sriram Viji has more than 2 decades of experience in the areas of Management, Consultancy, Strategy and Planning.	Mr. Muthu Murugappan has over 15 years experience across a wide spectrum of areas such as Brand Management, General Management, Financial Planning & Analysis, Strategy, Sales and Marketing.	Mrs. Usha has over 3 decades of experience in audit, assurance, finance, risk management.
Directorships in other companies (including foreign companies)	• Cholamandalam Financial Holdings Limited • Cholamandalam MS General Insurance Company Limited • Volzhsky Abrasive Works, Russia • M M Muthiah Research Foundation • Ambadi Investments Limited • Murugappa Water Technology And Solutions Private Limited • Idea Lab (India) Private Limited • Cyient Limited • IIT Madras Research Park • Chennai Willingdon Corporate Foundation • Carsons Cumberbatch PLC • Rhodius Abrasives Gmbh – Advisory Board	• Sundaram Finance Holdings Limited • Automotive Components Manufacturers Association of India (ACMA) • Pinpoint Vehicles Systems Private Limited • Sundaram Composite Structures P Ltd (Formerly BIH Braking Company P Ltd) • Uthirattadhi Sriram Holdings P Ltd • Brakes India Pvt Ltd. • Mind S.r.l, Italy	• Murugappa Morgan Thermal Ceramics Limited • E.I.D Parry (India) Limited • Mahindra and Mahindra Limited • Algavista Greentech Private Limited • US Nutraceuticals Inc. • Alimtec S.A • CUMI (Australia) Pty Limited • Phase Lifestyle Private Limited	Elantas Beck India Limited
Memberships in Board Committees of other Companies (includes membership details of all Committees excluding the Company)	1. Cyient Limited a. Audit Committee - Member b. Nomination and Remuneration Committee - Member c. Risk Management Committee - Member 2. Cholamandalam Financial Holdings Limited a. Stakeholders Relationship Committee - Chairman b. Nomination and Remuneration Committee - Member c. Risk Management Committee - Chairman	-	Mahindra and Mahindra Limited Member: Corporate Social Responsibility Committee Stakeholders Relationship Committee	Elantas Beck Limited Chairman: Audit Committee Member: CSR Committee Risk Management Committee

Name of Director	Mr. M M Murugappan	Mr. Sriram Viji	Mr. Muthiah Murugappan Muthiah	Mrs. Usha Rajeev
	3. Ambadi Investments Limited a. Borrowing Committee - Member b. Corporate Social Responsibility Committee - Member c. Share Transfer Committee - Member d. Group Risk Management Committee - Member 4. Cholamandalam MS General Insurance Company Limited a. Management Committee - Chairman b. Corporate Social Responsibility Committee - Chairman c. Investment Committee - Chairman d. Business Committee - Chairman e. Risk Management Committee - Member f. Nomination and Remuneration Committee – Member			
No. of shares in the Company	691,340	-	-	-
Inter-se relationship with any other Directors or KMP of the Company	Nil	Nil	Son of Mr. M M Murugappan	Nil

Note:

1. Shares held in individual capacity including as karta of a HUF but excluding shares held as Trustees is considered for this disclosure.

2. For further details, please refer the Corporate Governance Report section of the Annual Report for existing Director.

In order to enable ease of participation of the Members, key details regarding the 70th AGM is provided for reference:

<table>
<tr><th>Sl. No.</th><th>Particulars</th><th colspan="2">Details</th></tr>
<tr><td>1.</td><td>Date and Time of AGM</td><td colspan="2">Tuesday, 30th July 2024 at 03.00 p.m. IST</td></tr>
<tr><td>2.</td><td>Link for participation through Video Conferencing (VC)</td><td colspan="2">Please refer the instructions in Note 17 of this Notice.</td></tr>
<tr><td>3.</td><td>Remote e-voting</td><td colspan="2">Please refer instructions in Note 17.1 of this Notice</td></tr>
<tr><td>4.</td><td>Cut-off date for e-voting</td><td colspan="2">23rd July 2024</td></tr>
<tr><td>5.</td><td>E-voting period</td><td colspan="2">Commences at 09.00 a.m. IST on Thursday, 25th July 2024 and ends at 05.00 p.m. IST on Monday, 29th July 2024.</td></tr>
<tr><td>6.</td><td>Registrar and Share Transfer Agent contact details</td><td colspan="2">Mr. Raj Kumar Kale,
M/s. KFin Technologies Limited
E-mail: einward.ris@kfintech.com
Contact No: 040-67162222; Toll Free No.: 1800 3094 001</td></tr>
<tr><td rowspan="3">7.</td><td rowspan="3">Help line number for e-voting</td><td>Login type</td><td>Help desk details</td></tr>
<tr><td>Securities held with NSDL</td><td>Please contact NSDL help desk by sending a request at evoting@nsdl.co.in or contact at 022-4886 7000</td></tr>
<tr><td>Securities held with CDSL</td><td>Please contact CDSL help desk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33</td></tr>
<tr><td>8.</td><td>Help line number for VC participation</td><td colspan="2">Contact: Ms. Pallavi Mhatre, Senior Manager, NSDL at 022 - 4886 7000 or write them at evoting@nsdl.com</td></tr>
<tr><td>9.</td><td>Contact details of the Company</td><td colspan="2">E-mail: investorservices@cumi.murugappa.com
Contact: 044-30006166</td></tr>
</table>

murugappa

CUMI

GRIT. GLORY. GROWTH.

Carborundum Universal Limited

Annual Report 2023-24

Contents

Corporate overview

Our growing numbers

46,282
₹ Million, consolidated revenue in FY 24

70
Years of global experience

4,613
₹ Million, PAT in FY 24

40+
Countries, where our products are sold

Management reports

Financial statements

Online Annual report
www.cumi-murugappa.com

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically, 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects' believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Grit.
Glory.
Growth.

At Carborundum Universal Limited, three words have encapsulated the enduring journey across 70 years.

Grit. Drawing reference to the sustained perseverance and investment across market cycles.

Glory. Represents the achievement and recognition from the journey so far.

Growth. Global opportunities in the materials science sector that provides an impetus for growth.

The company is optimistic that the interplay of these attributes across a widening global footprint will enhance even bigger value for all the company's stakeholders in a sustainable way.

Corporate snapshot

Carborundum Universal Limited.

One of the most respected knowledge-driven materials science engineering companies.

An international entity with a manufacturing presence in 5 countries with products sold across 40+ countries.

CUMI power tools are used in metal working, construction, wood working and interior decoration. The Company's strong brand image and well established marketing network provide good synergies for this product line with abrasives.

A coming together of four businesses that lie at the core of sectors across nations.

A company driven by global scale, translating into enhanced economies, competitiveness and the ability to design, co-create and deliver products and solutions.

A company driven by a global mindset comprising employees from 12 nationalities across 6 continents.

Making the Company a global citizen.

Purpose

Making a material difference

Vision

We will be a globally admired company driving innovations in materials science towards sustained value creation for people and our planet.

Mission

We design, co-create and deliver sustainable solutions to make a significant positive difference to all our stakeholders.

The Spirit of the Murugappa Group

These **five lights** guide us as we navigate through professional and personal decisions.

Company overview

CUMI, a part of the 124-year-old Murugappa Group, began as an abrasives company in 1954. Through value chain integration, CUMI has evolved into a mines-to-market company with operations encompassing mining, power generation, fusion, manufacturing, marketing and distribution.

With a legacy of over seven decades, CUMI has cultivated and expanded its businesses across various geographies and cultures. Operating as a 'glocal' player, CUMI maintains a global vision while preserving local ethos, reflecting a commitment to fostering environments and opportunities that allow local regions to thrive. This vision and commitment have enabled CUMI to build enduring relationships and networks, establishing it as a leading materials science engineering company.

CUMI's extensive network provides employees with opportunities to experiment, learn, innovate, and contribute to business and communities. The Company is dedicated to being a world-class solutions provider in abrasives, electrominerals, industrial ceramics, super refractories, and energy storage materials. Central to CUMI's mission is the commitment to 'Making a material difference.'

Among the **largest** global producers of silicon carbide grains.

Leading market player in abrasives in India and Russia.

Major global producer of a full range of electrominerals.

Second-largest global producer of metallised cylinders.

Credit rating

CUMI was rated at CRISIL AA+/ Stable / CRISIL A1+ for bank facilities and debt instruments. The ratings reflected the healthy business risk profile of the Company supported by strong market positions in key products, revenue diversity and integrated operations.

Listing

Listed on the Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) Limited, CUMI was valued on the NSE at ₹241,313 Million and on the BSE at ₹240,970.8 Million as of 31st March 2024. As of 31st March 2024, the promoters held 41.23% of the Company's equity capital.

Employees

As of 31st March 2024, the Company employed 10,620 individuals comprising permanent and contractual staff.

CUMI is committed to enhancing its R&D capabilities, reinforcing its position as a highly technological materials science company with a robust team of technical experts. The R&D department comprises 103 technical professionals, including 26 PhDs with an average of 11 years of experience, 36 post-graduates holders with an average of 14 years of experience, and 41 graduates with an average of 15 years of experience. Our talented team has significantly contributed to the field, collectively authoring or co-authoring approximately 156 patents and 403 papers in their careers. This wealth of expertise and innovation underscores CUMI's dedication to leading advancements in materials science.

Certifications

- ISO 9001:2015
- ISO/IEC 45001:2018
- ISO 14001:2015
- ISO 3834-2
- IATF 16949:2016 - International Automotive Task Force for Auto components Standard
- Ecovadis: Silver medal – Industrial Ceramics, Hosur
- Ecovadis: Bronze medal - Electrominerals Division
- AS9000: Composites for Aerospace
- TPM (Total Productive Maintenance) certified by JIPM
- oSa Certification - Rhodius, CUMI Standalone - Maraimalai Nagar and Uttrakhand Plant
- ISO 13485 - for MiraCradle (Medical Device Certification)
- ASME Sec IX, ISO 15614, AS 1554.1 & AS 3992, PED, AS 1554.6: Welding Qualifications
- EN9100:2018 - Aerospace Standard
- EN13236:2019 - Safety Requirements of Super Abrasive Products standard

FY 24 awards and recognitions

CUMI

Honoured with the prestigious 'Best Managed Companies' award by Deloitte. Presented by Mr. Romal Shetty, CEO - Deloitte South Asia (1st from right) and Mr. Challa Sreenivasulu Setty, MD - SBI (2nd from right)

CUMI Abrasives

Recognised as a 'Manufacturing Champion' in the Merit category in Total Cost Management.

CUMI Abrasives

Abrasives division plants in Maraimalar Nagar and Uttarakhand awarded the oSa certification in FY24.

MMTCL

Won the 'Carbon reduction of the year' award in transformance at the 2nd edition of India Sustainability Conclave 2023.

WENDT INDIA

Recognised in the CFO 100 Roll of Honour 2024 by CFO Collective, IMA India.

Won the ICAI Awards for Excellence in ESG-BRSR FY22-23 Silver Award, Small cap Manufacturing Sector market capitalisation less than ₹30,000 Million.

Won the first prise in the ICMAI Awards for Excellence in Cost Management, Manufacturing Private Small Companies (turnover less than ₹5,000 Million).

Won the ICAI Sustainability Reporting Award, Silver Award, Excellence in BRSR Small Cap Manufacturing Sector.

CUMI Electrominerals

Honoured with the National Energy Management Award by Dr. Ashok Kumar, DG of Bureau of Energy Efficiency, Delhi.

CUMI Industrial Ceramics

Received the Autodesk Imagine's 'Industry Disruptor' Award.

Volzhsky Abrasive Works (VAW)

Products were recognised in the 'One Hundred Best Products of Russia.' The Company's specialists received seven diplomas, validating the high quality of their products

Honoured with the prestigious 'Engineer of the Year 2023' award in the All-Russian competition, one of the largest social projects in Russia.

Recognised as the 'Best Electrician' of the Volgograd Region in the 'Best in Profession' competition.

Recognised with 'Excellence in Quality' award to a turner, in recognition of the high quality of the products.

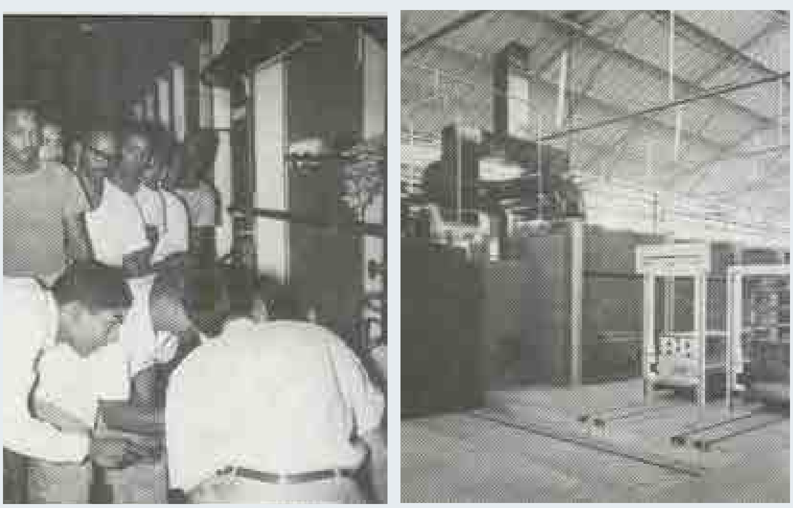
70 splendid years of grit, glory and growth

Mr. Ivorman (delivering the speech), Mr. T Prakasam, Formerly Prime Minister of Madras Presidency (from right), Maharaja of Mysore Jaya Chamaraja Wadiyar (2nd from right), Sir A Ramaswami Mudaliar (3rd from right), Mr. AMM Murugappa Chettiar (seated left) at the inauguration of the Abrasives plant at Tiruvottiyur in 1955

1954-1963: Foundation and early growth

Incorporation and initial developments

- Established in 1954, CUMI quickly made its mark in the abrasives industry.
- Set up the coated abrasives facility in Tiruvottiyur.
- Commenced bauxite mining in Bhatia, Gujarat, ensuring raw material self-sufficiency.



Mr. MV Subbiah commencing the Tunnel Kiln operation at the Abrasives Plant, Tiruvottiyur in 1964

1964-1973: Diversification and expansion

New manufacturing initiatives

- Began manufacturing super refractories in Chennai.
- Commissioned a brown fused alumina plant in Edapally.
- Started bauxite calcination in Okha.

Mr. AMM Arunachalam (delivering the speech) in the presence of Chief Minister of Tamil Nadu Sri MG Ramachandran at the Silver Jubilee celebrations of the Abrasives Plant, Tiruvottiyur in 1980

1974-1983: Technological enhancements and collaborations

Strategic acquisitions and collaborations

- Acquired Eastern Abrasives Limited in Calcutta.
- Established a bonded abrasives plant in Hosur.
- Entered a joint venture with Morgan Crucible for ceramic fibers.

Industrial Ceramics plant in Hosur

1984-1993: Capacity expansion and innovation

Expansion of production facilities

- Expanded the bonded abrasives plant in Hosur.
- Set up a silicon carbide plant at Koratty.
- Commissioned new refractories plant in Ranipet.
- Established an industrial ceramics plant in Hosur.

Portfolio diversification

- Acquired a 40% stake in Wendt (India) Ltd.

1994-2003: Internationalisation and sustainable development

Mr. MV Murugappan (cutting the ribbon) inaugurating the Modernised Coated Maker in 2002 along with Mr. Ramesh Agarwal (5th from left)

Global footprint expansion

- Established CUMI America Inc., USA.
- Founded CUMI (Australia) Pty Ltd.

Domestic developments

- Commissioned a 12 MW hydel power project in Kerala.
- Set up a White Fused Alumina plant in Edappally.

Acquisitions and mergers

- Acquired Sterling Abrasives Limited in Ahmedabad.
- Merger of Cutfast Abrasive Tools Limited.

Sustainability initiatives

- Established SEDCO, a 5.5 MW natural gas-based power plant in Nallur.
- Acquired Prodorite Anti-Corrosives Limited.

2004 to 2013: Expansion and strategic acquisitions

Volzhsky Abrasive Works (VAW) Facility

Technological advancements

- Set up plants for silicon carbide, micro grits, sol-gel and alumina zirconia in Edappally, India
- Commissioned a state-of-the-art Coated Abrasives plant in Sriperumbudur, India
- Signed a joint venture with Foskor for Foskor Zirconia (Pty) Ltd, South Africa
- Set up a state-of-the-art Super Refractories Plant II in Serkadu (Ranipet), India
- Expanded Industrial Ceramics & METZ 1.0

Strategic global acquisitions

- Acquired Volzhsky Abrasive Works (VAW), Russia
- Acquired and merged the Monolithic Refractory facility in Jabalpur, India.

(From left) Mr. MM Murugappan, Mr. Samit Jain, Mr. Ananthaseshan, Mr. Vineet Chadha and Mr. Sridharan Rangarajan during the acquisition of PLUSS Technologies.

2014 to Present: Modernisation and global reach

Technological advancements

- Set up the Maker 2.0 coated abrasives plant in Sriperumbudur.
- Expanded industrial ceramics capabilities (METZ 2.0 & 2.5) in Hosur.
- Commissioned three fusion plants at the electrominerals complex in Cochin.
- Established graphene manufacturing capacity in Kakkanad.
- Set up the Lined Equipment 2.0 Facility in Hosur, India
- Expanded the silicon carbide capacity in Volzhsky Abrasive Works (VAW), Russia

Operational excellence

- Recognised by JIPM for excellence in total productive maintenance (TPM).

Strategic global acquisitions

- Acquired PLUSS Advanced Technologies in India.
- Acquired the assets of AWUKO Wandmacher GmbH in Germany.
- Acquired RHODIUS GmbH in Germany.
- Acquired the assets, technology and brand of DRONCO in Germany

CUMI's journey from its inception in 1954 to becoming a global leader in abrasives and materials science showcases a blend of strategic expansion, technological innovation and commitment to sustainability and quality. The Company's vision of making a material difference shapes the growth and development of industries worldwide.

CUMI leaders in the last seven decades

Chief Guest, Maharaja of Mysore Sri Jaya Chamaraja Wadiyar visiting the Jumbo racks with Mr. AMM Murugappa Chettiar, and Mr. Ivorman during the inauguration of the Tiruvottiyur plant in 1955.

Mr. AMM Arunachalam (right, 2nd from plaque). Mr. MV Arunachalam (left, next to plaque), Mr. MV Subbiah (left, 3rd from plaque) in 1964.

Mr. AMM Arunachalam (seated, third from right) and Mr. MM Muthiah (delivering the speech) at the inauguration of the Electrocast Refractories plant in Kerala in 1977.

Mr. MV Arunachalam (delivering the speech), Mr. AR Lakshmanan (seated, from left) and Mr. MV Murugappan (seated, second from the left) at the Muthiah Memorial Award ceremony in 1981.

Mr. MRR Punja (seated, first from right) at the 25th anniversary celebrations of CUMI in the presence of Honourable Chief Minister Shri. MG Ramachandran at Tiruvottiyur in 1980.

Mr. MM Murugappan presenting the award during the CuFest at Hosur in 2004.

Mr. MA Alagappan (from left), Mr. MV Murugappan (2nd from left) and Mr. Ramesh Agarwal (next to the plaque) during the inauguration of the Coated Abrasives plant in Sriperumbudur in 2006.

(From left) Mr. MV Subbiah, Mr. PB Jayakumar and Mr. MV Murugappan during CUMI's Golden Jubilee celebrations at Chennai in 2004

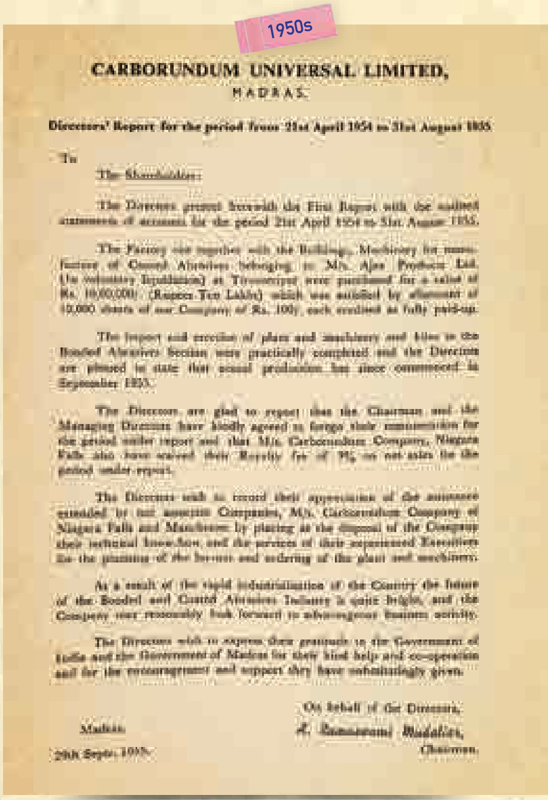
Chief Guest Mr. V. R. Janardhanam with Mr. K Srinivasan and Mr. MM Murugappan during the CuFest in Chennai in 2010.

Mr. A Vellayan at the inauguration of Fused Zirconia plant at Kerala in 2017 in the presence of Dr. A N Safeena, IAS, Development Commissioner - CSEZ and Mr. K. Srinivasan

Mr. Sridharan Rangarajan (from left), Mr. MM Murugappan (3rd from left) and Mr. N Ananthaseshan (4th from left) at Rhodius Abrasives GmbH, Germany.

Chairperson's messages over the decades

1950s



CARBORUNDUM UNIVERSAL LIMITED,
MADRAS.

Directors' Report for the period from 21st April 1954 to 31st August 1955

To

The Shareholders:

The Directors present herewith the First Report with the audited statements of accounts for the period 21st April 1954 to 31st August 1955.

The Factory site together with the Buildings, Machinery for manufacture of Coated Abrasives belonging to M/s. Ajax Products Ltd. (In voluntary liquidation) at Tiruvottiyur were purchased for a value of Rs. 10,00,000/- (Rupees Ten Lakhs) which was satisfied by allotment of 10,000 shares of our Company of Rs. 100/- each credited as fully paid-up.

The import and erection of plant and machinery and kilns in the Bonded Abrasives Section were practically completed and the Directors are pleased to state that actual production has since commenced in September 1955.

The Directors are glad to report that the Chairman and the Managing Director have kindly agreed to forego their remuneration for the period under report and that M/s. Carborundum Company, Niagara Falls also have waived their Royalty fee of 3% on net sales for the period under report.

The Directors wish to record their appreciation of the assistance extended by our associate Companies, M/s. Carborundum Company of Niagara Falls and Manchester by placing at the disposal of the Company their technical know-how and the services of their experienced Executives for the planning of the factory and ordering of the plant and machinery.

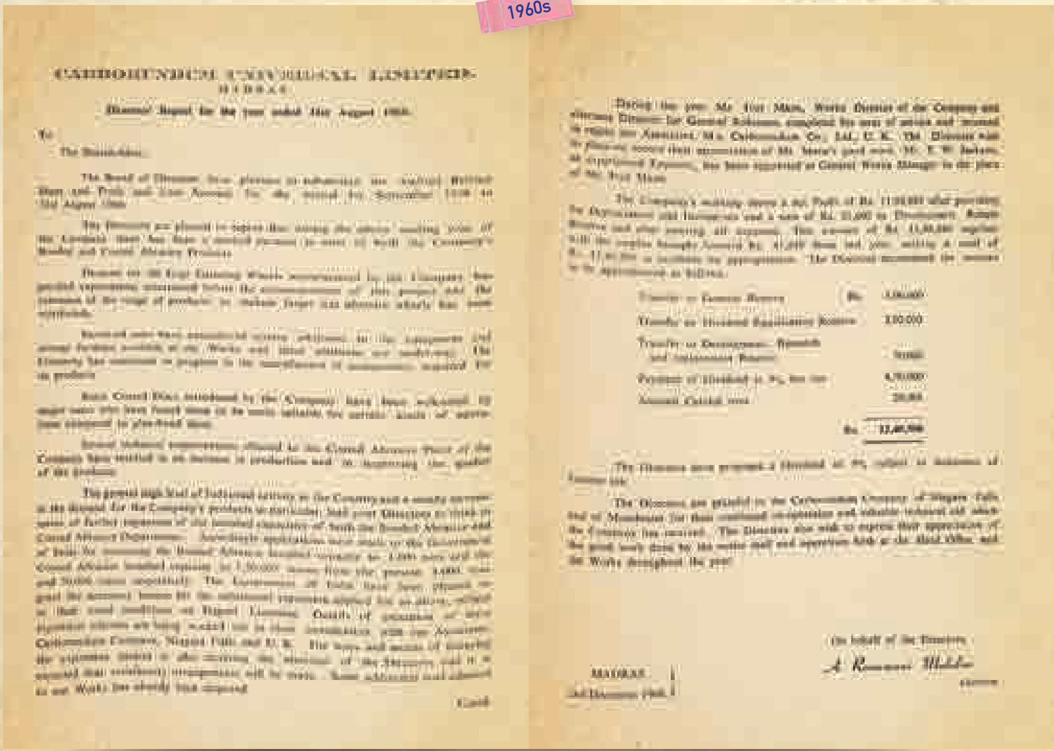
As a result of the rapid industrialisation of the Country the future of the Bonded and Coated Abrasives Industry is quite bright, and the Company may reasonably look forward to advantageous business activity.

The Directors wish to express their gratitude to the Government of India and the Government of Madras for their kind help and co-operation and for the encouragement and support they have unhesitatingly given.

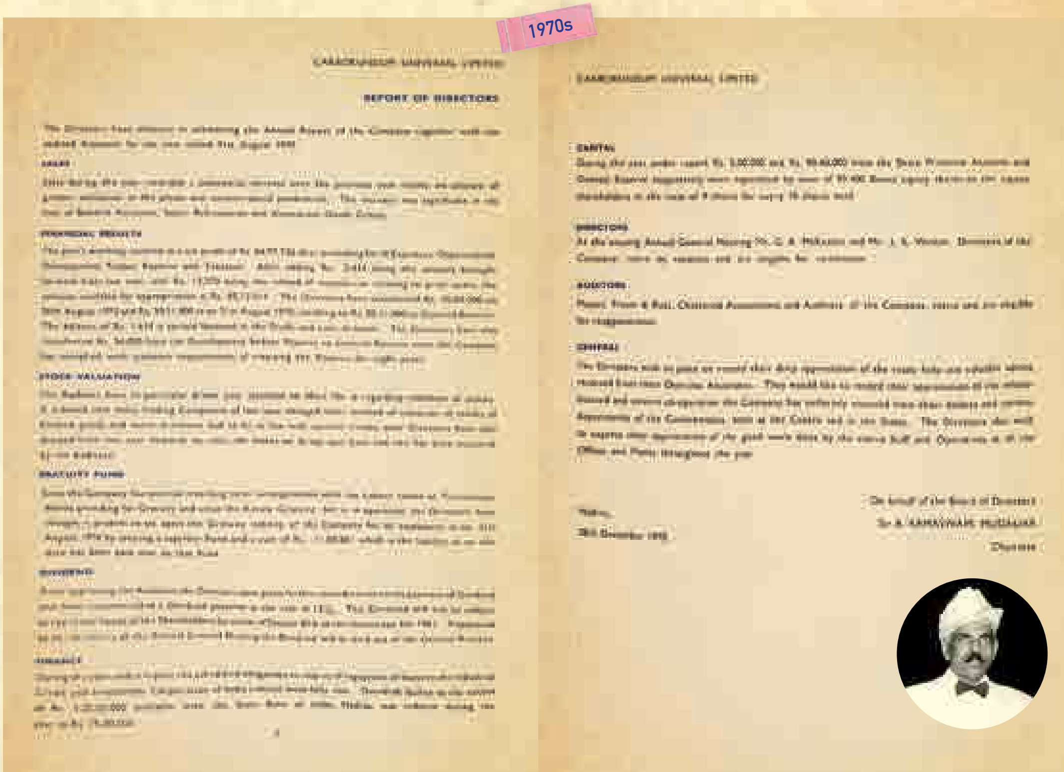
On behalf of the Directors,
A. Ramaswami Mudaliar,
Chairman.

Madras.
29th Septr. 1955.

1960s



1970s

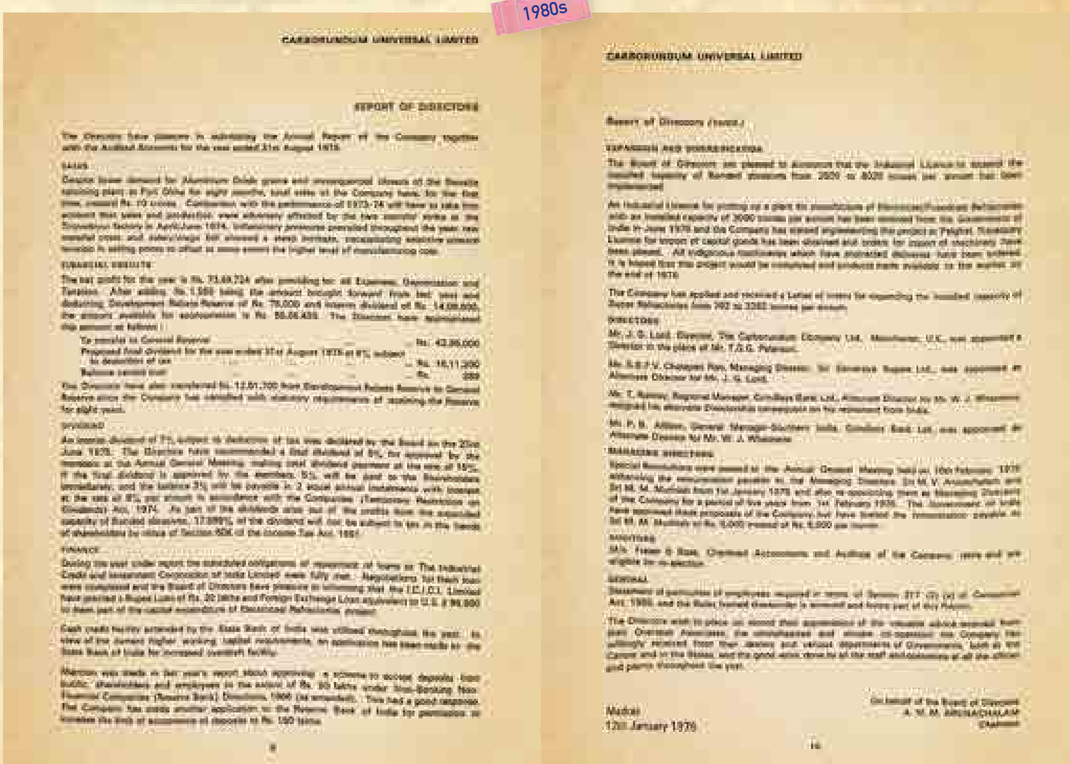


CARBORUNDUM UNIVERSAL LIMITED

REPORT OF DIRECTORS

CARBORUNDUM UNIVERSAL LIMITED

1980s



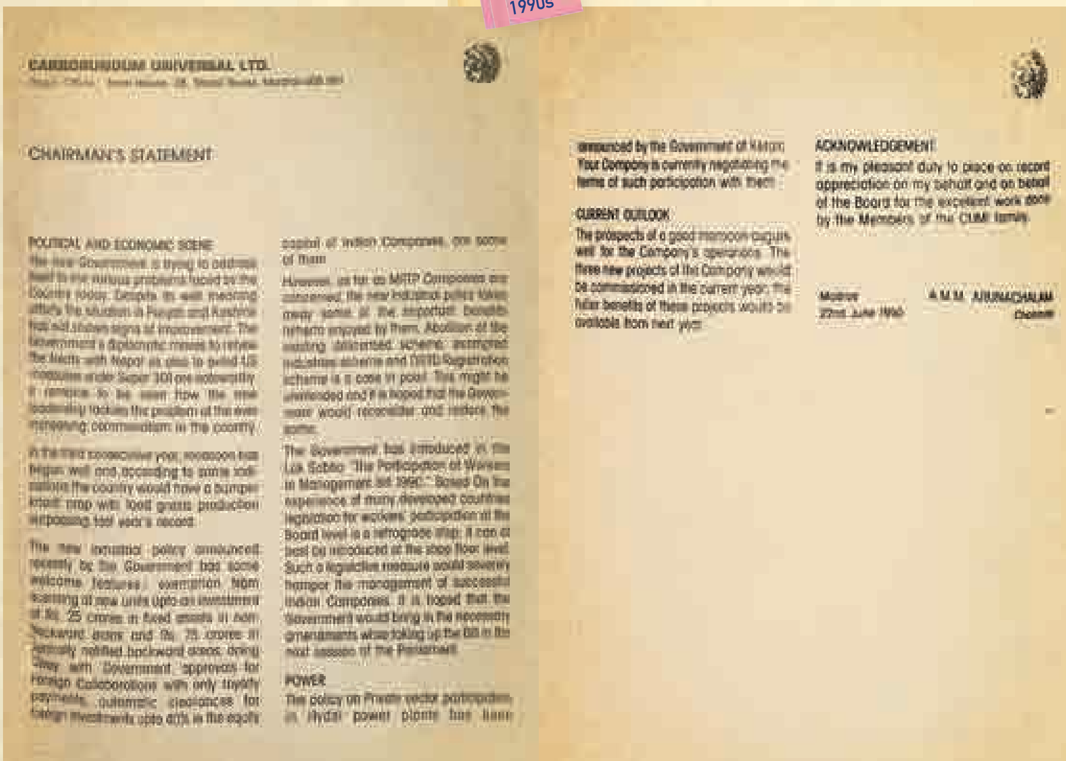
CARBORUNDUM UNIVERSAL LIMITED

REPORT OF DIRECTORS

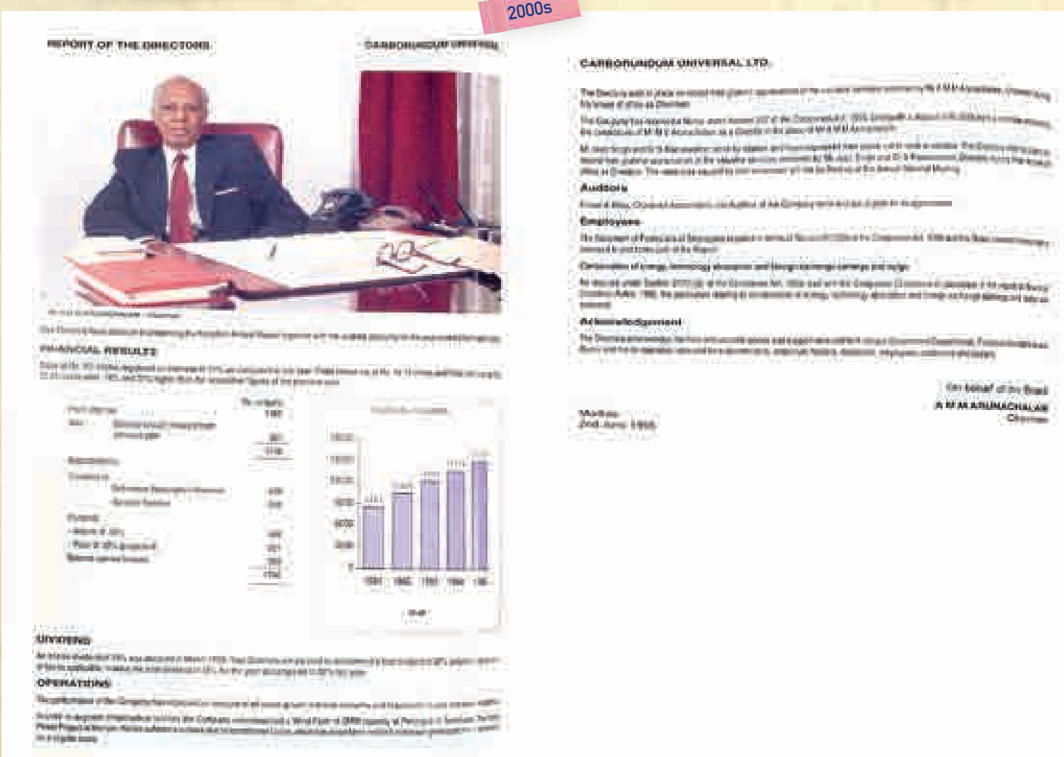
CARBORUNDUM UNIVERSAL LIMITED

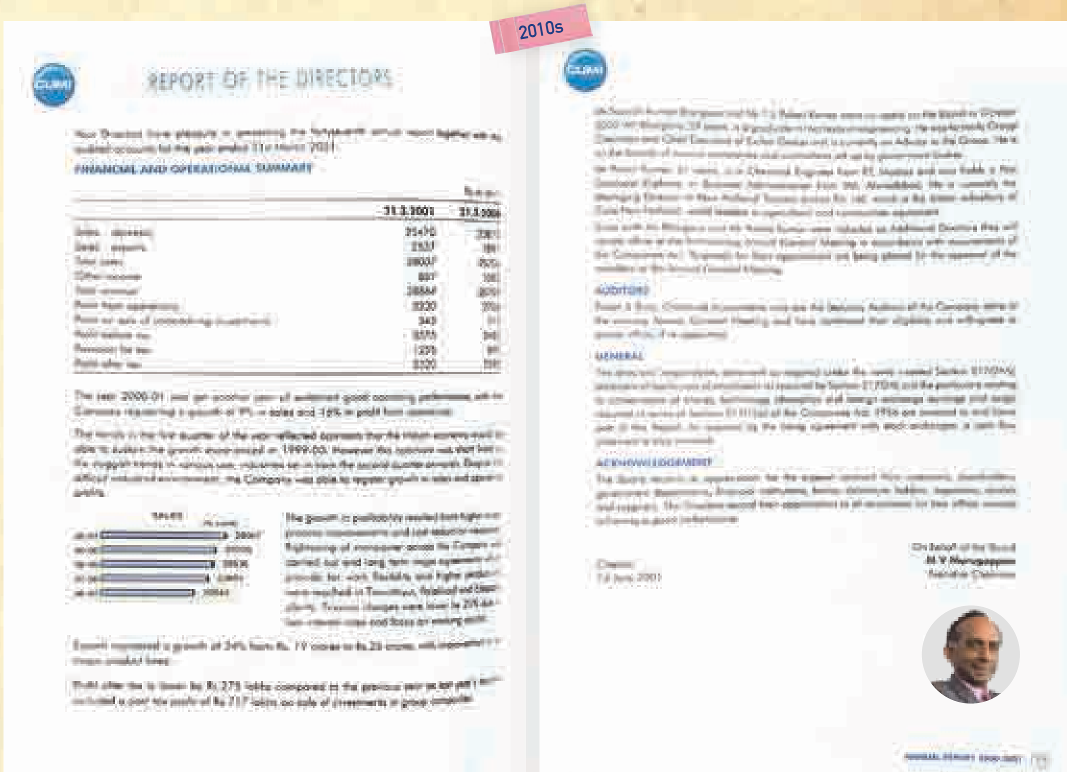
Chairperson's messages over the decades

1990s



2000s




2010s

REPORT OF THE DIRECTORS

FINANCIAL AND OPERATIONAL SUMMARY


2020s

CHAIRMAN'S MESSAGE

Members of the Board over the years

Name	Tenure
Mr A M M Murugappa Chettiar	1954-1964
Mr A M M Arunachalam	1954-1997
Mr Ivor Mann*	1954-1959
Mr John F Phillips	1954-1956
Mr L R Patel*	1954-1958
Mr M V Arunachalam	1954-1984, 1995-96
General Clinton F Robinson	1954-1961
Mr H M Small*	1955
Mr John A Williamson	1954-1965
Mr L D Miller*	1955
Sir Ramaswami Mudaliar	1954-1972
Mr William M Rowland	1954-1964
Mr A S Jeffares*	1956-1962
Mr G F Muirhead*	1957-1963
Mr M D Molloy	1957-1968
Mr E S Danks*	1960
Mr A E L Collins*	1961-1964
Mr I G Macintosh*	1961-1965
Mr William Hall Wendel	1962-1963
Mr Leon Armond Patt	1964-1967
Mr M E Bourcier*	1964-1977
Mr N G Bowen*	1964-1968
Mr J C Watson*	1965-1970
Mr John Kift Winter	1965-1973
Mr M M Muthiah	1965-1977
Mr George Russell Mckenzie	1966-1972

* Alternate Director

Name	Tenure
Mr D J Rimmer*	1968
Mr William Joseph Whatmore	1968-1975
Mr A W Stansfeld*	1969-1970
Mr R Atkinson	1969-1970
Mr T Rattray*	1969-1974
Mr A J Wilson*	1971-1972
Mr B G Ball-Greene	1971-1982
Mr R R Jones*	1971-1972
Mr A R Damodaran	1973-1988
Mr K Gopal Rao	1973-1987
Mr R J Hancock*	1973-1975
Mr S B P V Chalapati Rao*	1973, 1975-1983
Mr T A Egan	1973, 1976-1982
Mr T G G Peterson	1973, 1981-1982
Mr J K Clubwala*	1974-1992
Mr R S Fraser	1974-1976
Dr T Flitcroft	1974-1978
Mr J G Lord	1975-1976
Mr P B Allison*	1975-1976
Mr F Holdsworth*	1976-1977
Mr D C Sen Gupta*	1977
Mr F J Ross	1977
Mr G W Mandeville	1977-1981
Mr P J Welch	1977
Mr K V Sitaram*	1978-1984
Mr M R R Punja	1978-1981

* Alternate Director

Electrominerals Plant, Edappally

Name	Tenure
Mr R J Shahaney*	1978-2001
Mr Thomas L Alaimo	1978
Mr W M Oakley	1978-1981
Mr M V Murugappan	1979-2004
Mr Paul W Joy	1979
Mr C R Landback	1980-1981
Mr W J Thompson*	1980-1981
Dr Milton Stern	1982
Mr Robert C Cereghini	1982
Mr A R Lakshmanan	1983-2000
Mr James Whitehead	1983-1990, 1999-2006
Mr S N Talwar	1983-2008
Mr T B Garthwaite	1983-1987
Mr Jasjit Singh	1984-1995
Dr S Ramaseshan	1984-1995
Mr D K Mukerjee*	1985-1989
Mr P B Jayakumar	1988-1989
Mr C Rajagopalan**	1987-1991
Mr K S Bajpai	1988-1989
Mr Peter J Garner	1988-1992
Mr R Ramachandran**	1988-1992
Mr N B Prasad	1989-1999
Mr M A Murugappan	1990-1995
Mr D K Lodaya**	1992-1997
Mr N D Shah**	1993-1998

* Alternate Director
** Nominees of Financial Institutions

Name	Tenure
Mr K N Shenoy	1997-2005
Mr M M Murugappan	1997-Present
Mr P N Jambunathan**	1997-2004
Mr S P Narayanan**	1999-2001
Mr Ramesh Agarwal	2000-2004
Mr Subodh Kumar Bhargava	2001-2013
Mr T L Palani Kumar	2001-2019
Mr Partho S Dutta	2004-2006
Mr K Srinivasan	2005-2019
Mr M A Alagappan	2006
Mr T M M Nambiar	2006-2008
Mr A Vellayan	2007-2009
Mr Sridhar Ganesh	2007-2014
Mr M Lakshminarayan	2009-2017
Mr Shobhan M Thakore	2009-2017
Mr Sanjay Jayavarthanavelu	2010-Present
Mr Aroon Raman	2013-Present
Mrs Bharati Rao	2014-2019
Mr M A M Arunachalam	2016-2021
Mr P S Raghavan	2017-Present
Mr Sujjain S Talwar	2017-Present
Mr N Ananthaseshan	2019-2022
Mrs Soundara Kumar	2019-Present
Mr Sridharan Rangarajan	2021-Present

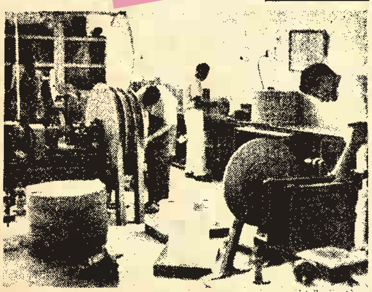
** Nominees of Financial Institutions

Volzhsky Abrasive Works (VAW) Facility, Russia

CUMI in the news over the years

1954 to 1963

December 29, 1956.



A peep into the Carborundum Universal plant at Tiruvottiyur, which manufactures abrasives.

THE GRINDING WHEEL IN MODERN INDUSTRY

While the use of abrasives to produce a beautifully polished surface is an ancient art, the advent of synthetic abrasives, have made possible great advances in the application of grinding wheels in industry. In India, the demand for abrasives has been rising, and with the start of a modern factory in Madras, the needs of the country in its rapid industrialisation can be fully met.

BY A. SUDDONS

Carborundum Universal Ltd., Madras.

THE use of abrasives for removing excess material and producing attractive surface finishes is not by any means a modern conception. Some of man's earliest written records, for example, the Bible. speak of the use of the "Grind-stone" and the beautifully finished work in metal and stone of Egypt. Rome. Greece and India bear testimony to the skill of ancient craftsmen in their handling of the natural abrasives, mostly seashore and river sand. at their disposal. For hundreds of years grinding wheels have been hewn and shaped from natural stone, usually of the soft sandstone varieties; old prints and records show such wheels in use in the 18th century in England. sometimes in "batteries" of five or six wheels at a time, so that they have a peculiarly modern appearance. Such gronding wheels were used particularly by cutlers and it is only in recent years in England that the use of "natural" wheels has ceased in favour of artificially produced abrasive wheels.

The Industrial Revolution in Europe had many far-reaching social and industrial effects, one of which was to bring grinding wheels into widespread and increasing use as industrial tools, particularly at first on rough jobs such as the grinding of foundry castings. Though natural abrasives had perforce served their purpose in earlier days, the need began to be felt for abrasives which could be produced commercially on a large scale. As it has so often happened. the answer to this need came almost accidentally in 1891 when Edward G. Acheson in America first produced Silicon Carbide by artificial means.

For some months Acheson was under the impression that the hard crystals he had produced were composed of corundum and carbon but subsequent research showed that the new compound was Sic, Silicon Carbide, rather than the compound first supposed. Acheson had the vision to see the possibilities of the material as a synthetic abrasive ,having already sold his first supplies to New York lapidaries, and before the end of the summer of 1891 he incorporated the Carborundum Company and started out to fill his first order for 60,000 wheels. This was the beginning of the synthetic abrasives industry, which to-day is world-wide. Following hard on the heels of the commercial production of Silicon Carbide, there came in 1900, also in America, the production of Aluminium Oxide from Bauxite ore. Although fused Aluminium Oxide was developed later than Silicon Carbide, it makes up the largest volume of abrasives used to-day, exceeding even Silicon Carbide in the annual tonnage used. These two abrasives, Aluminium Oxide and Silicon Carbide, form the basis of grinding wheel manufacture throughout the world to-day.

APPLICATION IN ENGINEERING

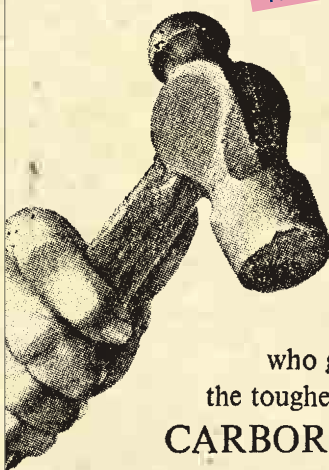
The advent of synthetic abrasives made possible great advances in the application of grinding wheels in engineering. During the past fifty years the abrasives industry and machine tool industry have together developed an almost bewildering range of grinding wheels and machines, capable in many instances of precision work of the highest character. No modern tool-room or machine shop is without grinding machines and new uses for grinding wheels are developed almost daily. The main advantages of synthetic abrasives over natural abrasives, which have made such advances possible, are: the control of quality and exact duplication of the product which can be exercised with synthetic abrasives, the far higher percentage of abrasive present in synthetic wheels and the ability of the manufacturer to produce synthetic wheels of any required size and shape—within reason. Natural abrasive wheels were rough and ready and no exact grindnig techniques could be developed with such tools.

Nowadays, particularly when mass production methods are employed, speed of production and accurate repetition on grinding machines are essential factors and this demand is met by the modern synthetic wheel. In the automobile industry, for example. grinding machines form an integral part of the production line and, particularly with the accent on automation, many parts now pass through a series of grinding machines from rough to finish operation without any manual handling at all. This is particularly so on centreless type grinding machines with hopper feeds and automatic sizing, which are capable of producing thousands of work pieces hourly to accurate limits and good surface ter grinding, surface grinding, internal grinding and cylindrical finishes. Machines for tool and cut-

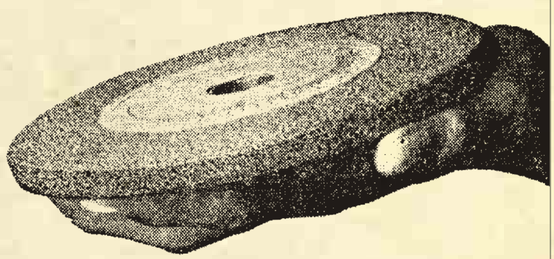
(Continued on Next Page)

1964 to 1973

BENSONS-3-CUL-24



who gives
the toughest time to
CARBORUNDUM
UNIVERSAL
abrasives?



we do.

Our quality control men are hard to please.
They put every product to gruelling tests.
For strength, balance, endurance, performance.
For rough use—and even misuse.
If it passes, it comes approved to you.
If it doesn't, we destroy it.
No substandard product ever goes out.

We are proud of our reputation for quality.
And we send samples abroad—for comparison
with international products and standards.
We like to make sure our products equal
the world's best.

Remember, Carborundum Universal offer you
the widest range of quality abrasives—and an
expert technical service to help you choose
the right abrasive...and to advise you on new
tools and techniques. Call the man from
Carborundum Universal. It is your right—and
his privilege to help you.

CARBORUNDUM UNIVERSAL LTD.
(Member of the Indian Standards Institution)
Madras . Calcutta . Bombay . Delhi

Bonded Abrasives . Coated Abrasives
Super Refractories . Abrasive Grains

Productivity: the only way to self-reliance!

1974 to 1983

Finance—Commerce—Business

LEO'S NEWS & NOTES

Carborundum Universal's Impressive Record

Carborundum Universal Limited achieved gratifying working results in its Silver Jubilee year with better functioning of its various divisions and cordial relations between labour and management. The demand for its various products is satisfactory and there has been no problem of marketing except in respect of electrocast refractories. Even with a ban on imports, the increase in offtake has not been on the anticipated lines in spite of assurance to consumers that this sophisticated product conforms to stringent international standards. Glass manufacturers have been increasing their purchases and it is hoped that the investment in the Palghat unit will be worthwhile with a higher level of utilisation of capacity. The output of bonded abrasives is being increased steadily. With a view to dispersing capacity, it is proposed to shift some part of the activities of the Tiruvottiyur factory to Hosur. The output of super refractories is encouraging as the ceramic industry has been extremely busy meeting the unsatisfied needs of consumers. The outlook for 1979-80 is considered satisfacotry though costs have tended to rise and difficulties are also being experienced in maintaining output at high levels because of shortage of power and other inputs.

FRESH DIVERSIFICATION UNDER STUDY

The Chairman of the company, Mr. A. M. M. Arunachalam, has justifiably claimed that impressive progress has been made in the past 25 years. Commenting with the manufacture of abrasives at Tiruvotipur there are now six units functioning in different parts of the country—bauxite mining in Bhatia in Gujarat, calcining facilities at Port Okha in the same State, abrasive grains plant at Edapally in Kerala, grinding wheels, coated abrasives and super refractories manufacturing units at Tiruvottiyur, and electrocast refractories unit at Palghat. Mr. Arunachalam has hinted that the scope for further diversification of activities is being explored and observed, "We are examining opportunities in other areas as well to provide a balanced growth".

SPENCER's NEW PLANS

Spencer and Company Limited improved its profitability of working during the year ended June 30, 1979 on account of expansion of manufacturing activities which enabled an increase in turnover under this head to Rs. 3.28 crores from Rs. 2.34 crores in 1977-78. Other arrangements also were helpful in increasing earnings. As already stated, a higher dividend of 18 per cent, taxable, is payable equity capital for 1978-79 against 12 per cent, taxable, formerly. The modern plant for manufacturing soft drinks at Mangalagiri in Andhra Pradesh is expected to be in full production before the end of this month. The activities of different divisions are progressing. Spencer International Hotels is functioning satisfactorily. The expansion and modernisation schemes are being implemented steadily. The turnover in 1978-79 was Rs. 271.29 lakhs. The gross operational profit, before rent, depreciation and tax, was Rs. 28.95 lakhs. The rent payable to the parent company is Rs. 18 lakhs while the amount set aside for depreciation is Rs. 12.86 lakhs and investment allowance Rs. 16,500. The provision for taxation is Rs. 85,000, leaving a residual loss of Rs. 2.76 lakhs. It is scheduled that the working results for 1979-80 will make better showing. Spencer Estates Limited is engaged in the construction of a modern office complex, which is expected to be completed in 18 months. Kellner Pharmaceuticals is also having plans for expanding its marketing division.

METAL BOX PAYS MORE

Metal Box Company of India Limited has reported highly encouraging results in the 18 months ended September 30, 1979 with a higher output of conventional products and commissioning of the bearings project. The company is now in a position to increase its turnover considerably in the coming years. The new scheme for manufacturing printing machines in collaboration with West German interests will also be helpful in improving profitability and diversified growth. Sales were higher at Rs. 134 crores during the 18-month period under reference against Rs. 68.2 crores in the previous 12 months. The net profit, before taxation, has jumped to Rs. 7.04 crores from Rs. 2.87 crores previously. The directors have decided to recommend payment of a final dividend of 9 per cent, taxable, making with the interim 21 per cent, taxable, for 18 months against 8 per cent, taxable, for 1977-78. Taxation claims only Rs. 1.32 crores (nil) due to larger charges towards depreciation and investment allowance in respect of the bearings project. Even the enhanced dividend is earned more than four times by the disposable profit. The bearings project has been completed in a short period and it is hoped that the output of quality bearings will be stepped up gradually.

1984 to 1993

Tough toolroom wheel

Carborundum Universal Ltd. of Madras now offers its new pink abrasive tool and cutter grinding wheels.

The Cumi pink toolroom wheels are made with a totally new abrasive — chromium alloyed aluminium oxide. Technically, the Cumi

pink is an abrasive that combines crystalline characteristics of extreme friability which gives it a high degree of self-dressing ability, thereby leading to reduced grinding costs.

The pink wheels give a definite and easily measured margin of superiority in grinding very hard tool steels — even the new abrasion resistant alloys like Unicut MHV-6 and similar tungsten and molybdenum materials in the T-15 and M2, M3 ranges.

1994 to 2003

Carborundum's hydel plant synchronised

MADRAS, April 1.

The Maniyar hydel plant of Carborundum Universal (CUMI), the first private sector hydel power plant, was scynchronised on Thursday with the Kerala State electricity board grid. This unit is a captive source of power for CUMI's three plants in Kerala and meets around 40 per cent of the requirements.

The average annual generation would be around 39 million units and after meeting the transmission and distribution losses and wheeling charges, about 34 million units of power would be available to CUMI. The water from the pondage of the existing Maniyar barrage is led through a 350 m long tunnel into a forebay and from there three penstocks each of 4 m diameter lead water to the turbines.

The power station, costing Rs. 18 crores, has three full Kaplan turbines each of 4 MW capacity supplied by Flovel Limited, New Delhi, who are the turnkey contractor for electro mechanicals of this project, including design, supervision of erection and commissioning.

CUMI is a major manufacturer of abrasives, industrial ceramics, super refractories and ceramic fibres, at eight plants in the country, three of them in Kerala producing abrasive grains and electro cast refractories.

2004 to 2013

16/11/2004

The Chairman of Carborundum Universal, M. M. Murugappan (right), with the Managing Director, Ramesh Agarwal, at a press conference in New Delhi on Monday. — Photo: Kamal Narang

Carborundum to spread wings in China, West Asia

By Our Staff Reporter

NEW DELHI, NOV. 15. Carborundum Universal Ltd. (CUMI), part of the Rs.5,266-crore Murugappa group, today said it was looking to expand its business in China and West Asia either through acquisitions or by opening its own units. "China can be a big market for us for sourcing raw material and manufacture our products in bulk for Indian and Chinese markets that are becoming manufacturing hubs, while Middle East can be a servicing market,'' said CUMI's Managing Director, Ramesh Agarwal.

Stating that the company would also be expanding its business in India as well as in its overseas locations in the U.S. and Australia, Mr. Agarwal said they would also be investing over Rs. 50 crores annually for technology upgradation and R&D. "We will like to further increase our range of products that currently stands at 20,000. One of our key areas of focus will be overseas market and we hope to double our exports, which are 10 per cent of our total sales of around Rs. 400 crores, in the next three years,'' he added.

CUMI, which is celebrating 50 years of its existence, produces abrasives and ceramics and caters to a cross-section of industries such as bearing, general engineering, automobile, fabrication and construction among others. In the northern region, CUMI products are available at two lakh counters and company hopes to increase its sales by 30 per cent this year.

According to CUMI's Chairman, M M Murugappan, though the company was not planning any rights issue as of now, but if there was any need to raise capital, they would go either for public offer or could choose other channel to raise money. "We plan to grow organically and through acquisitions. We want to further consolidate our position in the field we have expertise and make CUMI a true trans-national company,'' he added.

2014 to Present

CUMI to buy two German abrasives firms

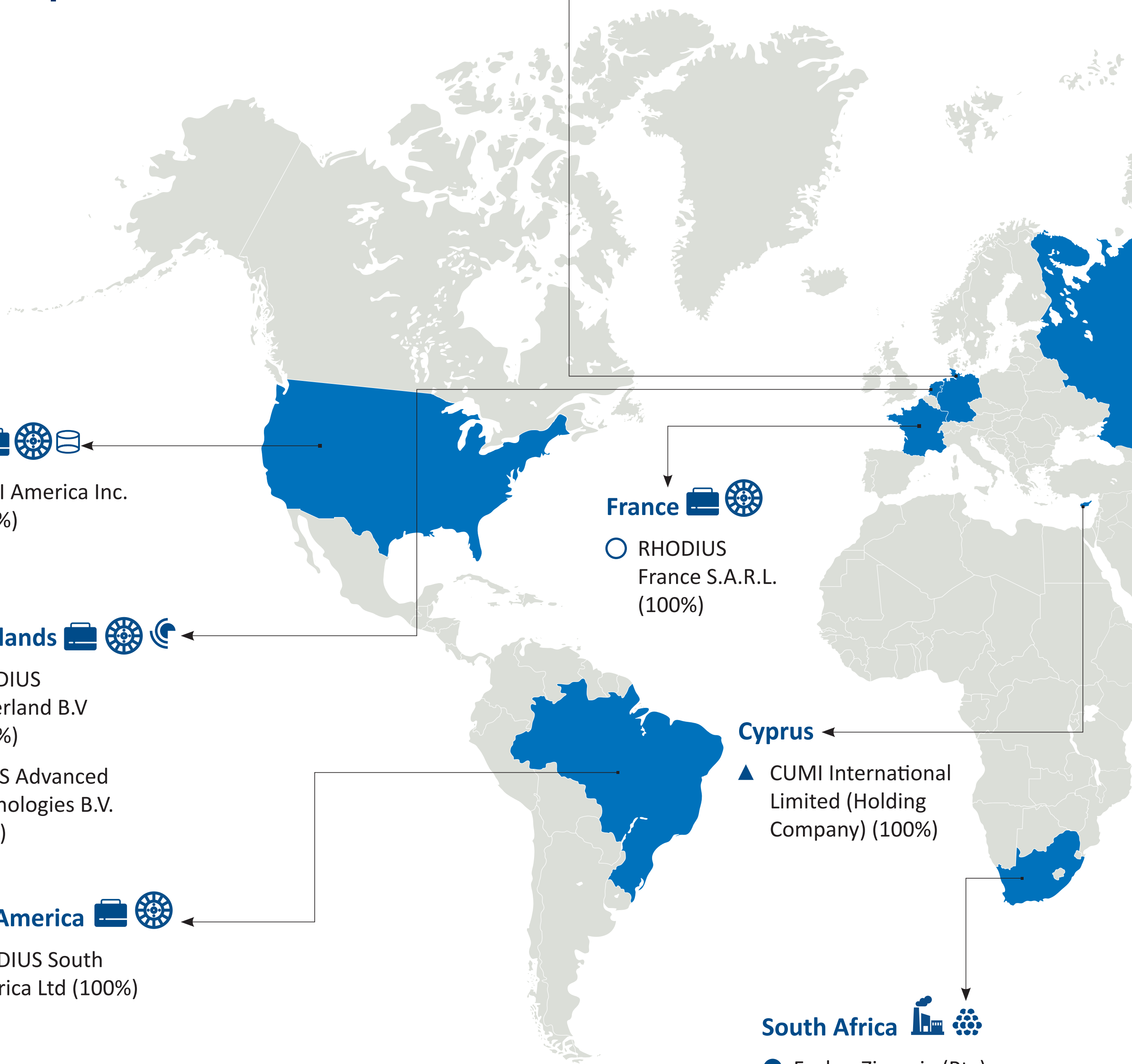
SPECIAL CORRESPONDENT
CHENNAI

CUMI Abrasives GmbH, Germany, (CAG) a step down, wholly owned subsidiary of Carborundum Universal Ltd. (CUMI), has announced the buyout of two abrasives companies in the European country.

CUMI said on Thursday that CAG had entered into a share purchase agreement with RHODIUS Abrasives, Germany, to buy 100% stake for an enterprise value of ₹464 crore to enhance technology and geographical access. Deal completion is expected by the end of March.

Earlier, CUMI announced the buyout of the main assets of AWUKO Abrasives Wandmacher Gmbh & Co. for €8 million.

CUMI's global footprint



Germany

- RHODIUS Abrasives GmbH (100%)
- CUMI AWUKO Abrasives GmbH (100%)

USA

- CUMI America Inc. (100%)

France

- RHODIUS France S.A.R.L. (100%)

Netherlands

- RHODIUS Nederland B.V (100%)
- PLUSS Advanced Technologies B.V. (73%)

Cyprus

- CUMI International Limited (Holding Company) (100%)

South America

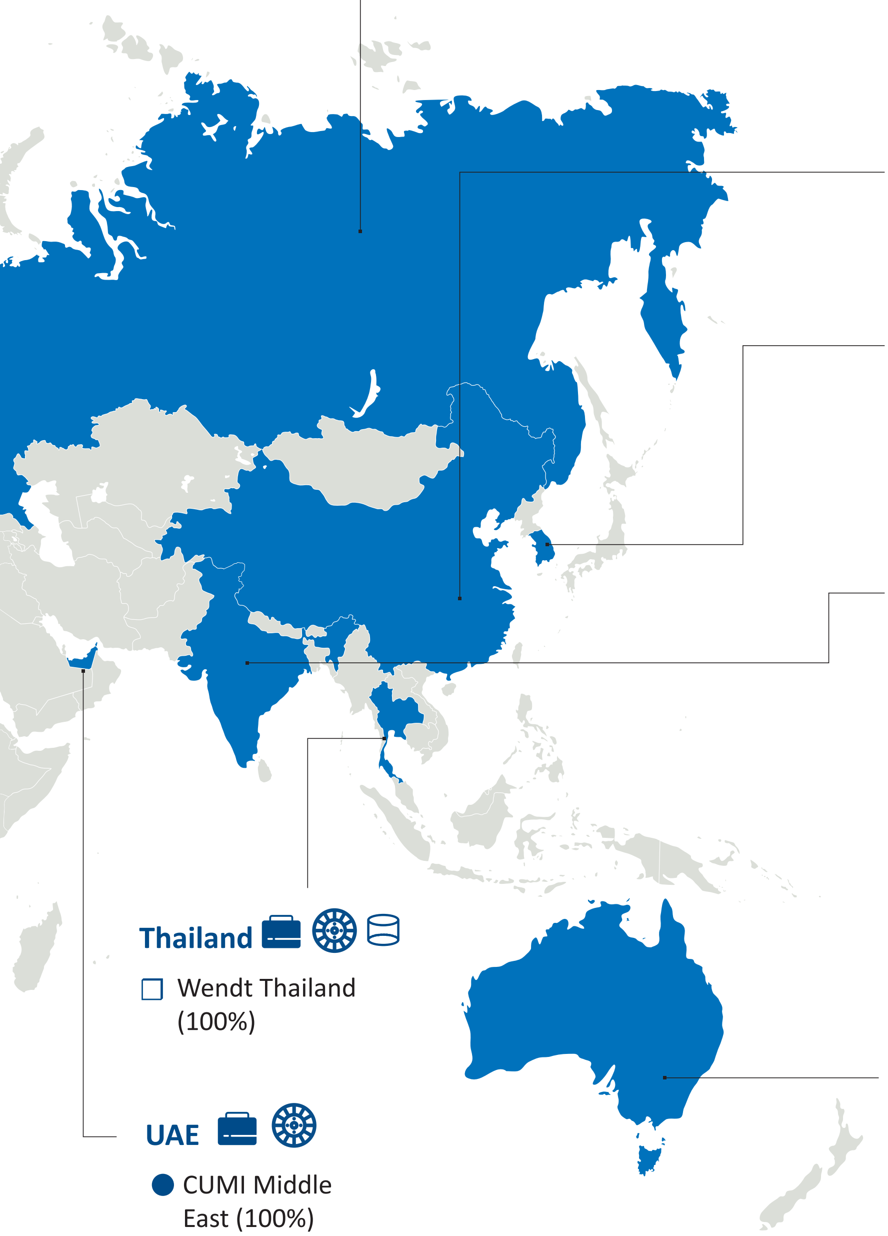
- RHODIUS South America Ltd (100%)

South Africa

- Foskor Zirconia (Pty) Limited (51%)

Manufacturing Facility
Marketing Office

Abrasives
Electrominerals
Industrial Ceramics
Super Refractories
Others



Russia

● Volzhsky Abrasive Works (98.1%)

China

● CUMI Abrasives and Ceramics China Limited (100%)

South Korea

○ RHODIUS South Korea (100%)

India

■ Standalone Operations

▲ Sterling Abrasives Limited (60%)

▲ SEDCO (84.7%)

▲ Net Access India Limited (100%)

▲ PLUSS Advanced Technologies Limited (73%)

◓ Wendt (India) Limited (37.5%)

▰ MMTCL (49%)

▰ CIRIA (30%)

Thailand

□ Wendt Thailand (100%)

UAE

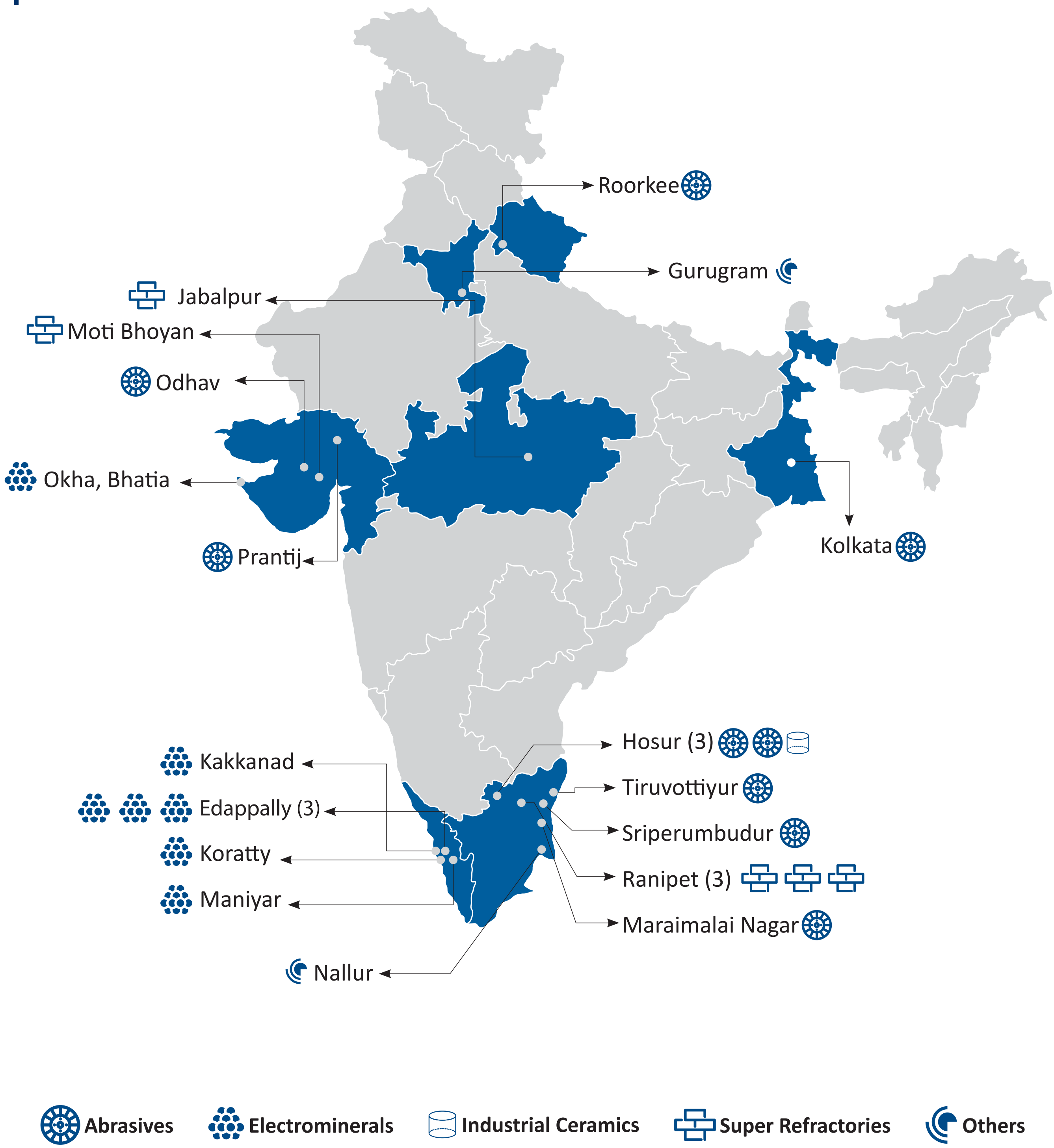
● CUMI Middle East (100%)

Australia

▲ CUMI (Australia) Pty Limited (51.2%)

■ Standalone operations	◓ Associates
● Subsidiaries via CUMI International Limited	○ RHODIUS Abrasives GmbH (subsidiaries via RAG)
▲ Direct subsidiaries	✚ PLUSS (subsidiaries via PLUSS)
▰ Joint Ventures	□ Wendt (subsidiaries via Wendt Technologies Limited)

CUMI's India presence



CUMI's manufacturing locations and operations in India

Abrasives

- **Hosur, Tamil Nadu:** Tool room grinding wheels and large-diameter rail cut-off wheels
- **Hosur, Tamil Nadu (Wendt India):** Diamond and CBN Super Abrasives & design and building of a range of grinding and honing machines
- **Kolkata, West Bengal:** Ajax and Concord, CUMI's most popular emery and flint sandpapers for woodworking and rust removal
- **Maraimalai Nagar, Tamil Nadu:** Speciality backing cloth for Coated Abrasives and resin making
- **Odhav, Gujarat (Sterling Abrasives):** Abrasives for agro processing, including rice whitening stones, pulse milling stones, wheat milling stones, isabgul stones and betel nut stones
- **Prantij, Gujarat (Sterling Abrasives):** Industrial grinding wheels for applications including bearing, spring, knife grinding, valve plate, piston ring, thread roll die and rail track
- **Roorkee, Uttarakhand**: Cutting and grinding wheels
- **Sriperumbudur, Tamil Nadu:** Largest Coated Abrasives manufacturing capacity in India
- **Tiruvottiyur, Tamil Nadu:** First manufacturing location of CUMI and the home of precision abrasives

Electrominerals

- **Edappally, Kerala:** Fusion complex for workhorse minerals – White Fused Alumina and Brown Fused Alumina
- **Kakkanad, Kerala:** Facility for fine ceramic powder processing & graphene and its derivatives
- **Koratty, Kerala:** Silicon carbide and fine ceramic powders
- **Maniyar, Kerala:** Mini hydel power plant
- **Okha, Gujarat:** Bauxite mines and calcination facility

Industrial Ceramics

- **Hosur, Tamil Nadu:** Technical, Specialty and Engineered Ceramics

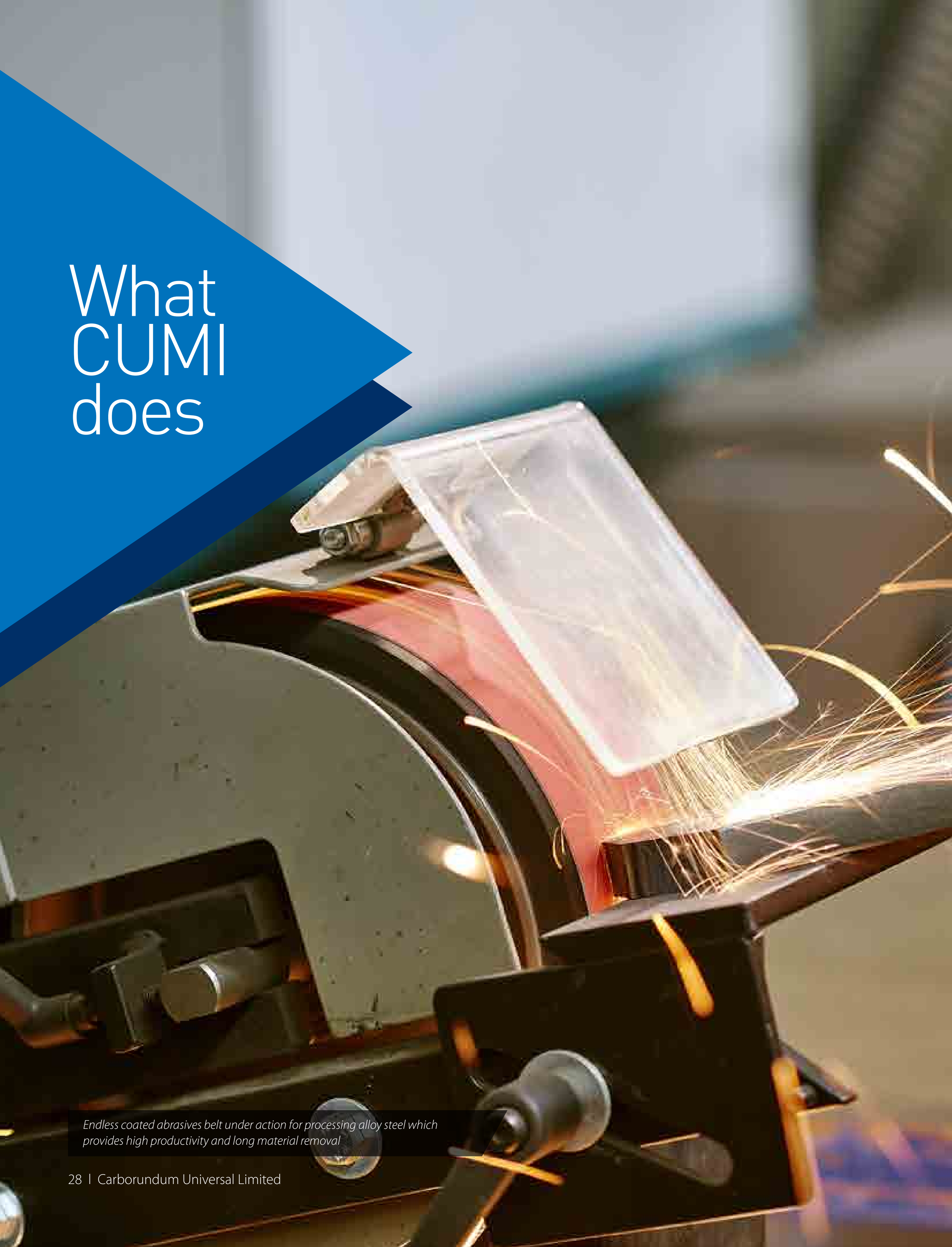
Super Refractories

- **Jabalpur, Madhya Pradesh:** Refractory cement and castables
- **Moti Bhoyan, Gujarat (MMTCL):** Bio-soluble ceramic fibre and paper products
- **Ranipet, Tamil Nadu:** Complex-shaped silicon carbide and Nitride bonded silicon carbide products
- **Ranipet, Tamil Nadu:** High Alumina products for the glass, carbon black and petrochemical industry
- **Ranipet, Tamil Nadu (MMTCL):** Refractory ceramic fibre blanket, vacuum-formed boards and shapes from refractory ceramic fibres

Others

- **Gurugram, Haryana (PLUSS):** Design, formulation and application development of speciality polymers and phase change materials
- **Nallur, Tamil Nadu (SEDCO)**: Gas-based power generation unit

What CUMI does



Endless coated abrasives belt under action for processing alloy steel which provides high productivity and long material removal

Founded in 1954, CUMI entered business by manufacturing coated abrasive sheets and soon expanded to produce vitrified and resin-bonded grinding wheels and refractories. This progression led to the production of critical raw materials such as fused aluminas and silicon carbide. CUMI ventured into the industrial ceramics sector, focusing on wear resistance and electrical insulation.

Materials science and engineering, an interdisciplinary field, combines the study of materials, their properties, and forming processes, leading to solutions applicable across various industries.

This discipline includes:

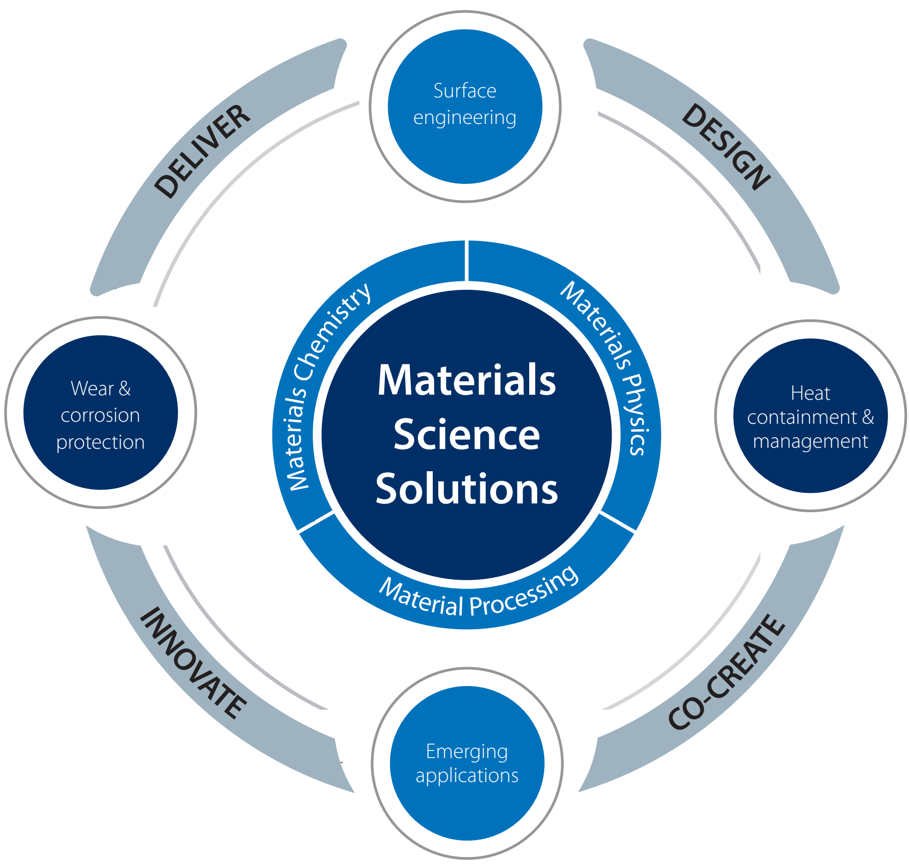
Materials Chemistry: Chemical composition of materials

Materials Physics: Physical and chemical properties of materials

Material Processing: Forming and shaping of materials

Over seven decades, CUMI has primarily worked with alumina oxides and silicon carbides. Through extensive research and practical experience, CUMI has mastered the three facets of materials science. This expertise has enabled the Company to design, innovate, co-create, and deliver effective, sustainable solutions for industrial applications in engineering surfaces, wear and thermal protection, and energy and environment sectors.

By closely collaborating with end users, CUMI has developed a comprehensive repository of scientific knowledge, application insights, and technical know-how. This deep understanding makes CUMI a valuable partner to its customers and is a key factor in maintaining its competitive edge.



CUMI's solutions matrix

Materials Chemistry

Oxide family
- Aluminas
- Silica
- Zirconia

Carbides and Nitrides family
- Diamond
- Silicon Carbide

Organics
- Alkyds
- Epoxies
- Phenolics
- Rubber

Materials Physics
- Corrosion resistance
- Dielectric
- Electrical resistance
- Hardness or scratchability
- High melting point
- Impact resistance
- Lubricity
- Non-wetting nature
- Phase change nature
- Refractoriness
- Semiconducting
- Thermal Conductivity
- Toughness
- Wear resistance

Material Processing
- 3D printing
- Brazing
- Calcination
- Chemical processing
- Cloth processing
- Coatings
- Communition
- Conversion of fabrics to shapes
- Drying
- Electrical Fusion
- Electroplating
- Extrusion
- Finishing and shaping of ceramic bodies
- Firing of ceramics
- Glazing
- Hand lay-ups
- Heat treatment
- Hot and Iso-Static pressing
- Mixing
- Moulding
- Needling – Non-woven
- Pressing
- Pultrusion
- Resin curing
- Resin processing
- Sintering
- Slip casting
- Thixotropic casting
- Winding

Our solutions range

Abrasives
- Bonded Abrasives for Precision
- Bonded Abrasives for Cutting & Grinding
- Coated Abrasives
- Machines
- Metal Working Fluids
- Super Abrasives in CBN & Diamond
- Power Tools

Electrominerals
- Alumina Zirconia
- Brown Fused Alumina
- Ceramic Alumina
- Fine Ceramic Powders
- Fused Zirconia
- Silicon Carbide
- White Fused Alumina
- Monocrystalline Alumina

Ceramics
- Acid Resistant Linings
- Glass & Carbon Fibre Composites
- Grinding Media
- Industrial Flooring Solutions
- Lined Equipment
- Metallised Ceramics
- Monolithic & Precast Shapes
- Refractory Shaped Products
- Technical Ceramics
- Wear Resistant Solutions

Advanced materials
- Graphene
- High Purity Silicon Carbide
- Phase Change Materials
- Speciality Polymers

Application areas

Abrasives	Cutting Tools	Mineral Processing
Adhesives and Sealants	Defence	Non Ferrous
Aerospace	Electric Vehicles	Nuclear
Auto Components	Electrical	Paints
Automobile	Electronics	Petrochemicals
Bearing	Fertilizers	Power
Carbon Black	Iron and Steel	Pulp & Paper
Cement	General Engineering	Railways
Ceramics	Glass	Renewables
Chemical Processing	Heat Treatment	Semi Conductors
Cold Chain Storage & Logistics	Heating, ventilation and air conditioning (HVAC)	Solid Oxide Fuel Cells
Construction	Metallurgy	

Business Portfolio

Arranged by material physics

Abrasives

Hardness or Scratchability

INDIA AMERICA

Electrominerals

Corrosion Resistance, Friction, Hardness, High Melting Point, Impact Resistance, Insulation, Refractoriness.

INDIA

Ceramics

Corrosion Resistance, Dielectric, Electrical Resistance, Hardness, High Melting Point, Impact Resistance, Insulation, Refractoriness, Wear Resistance.

INDIA AMERICA AUSTRALIA

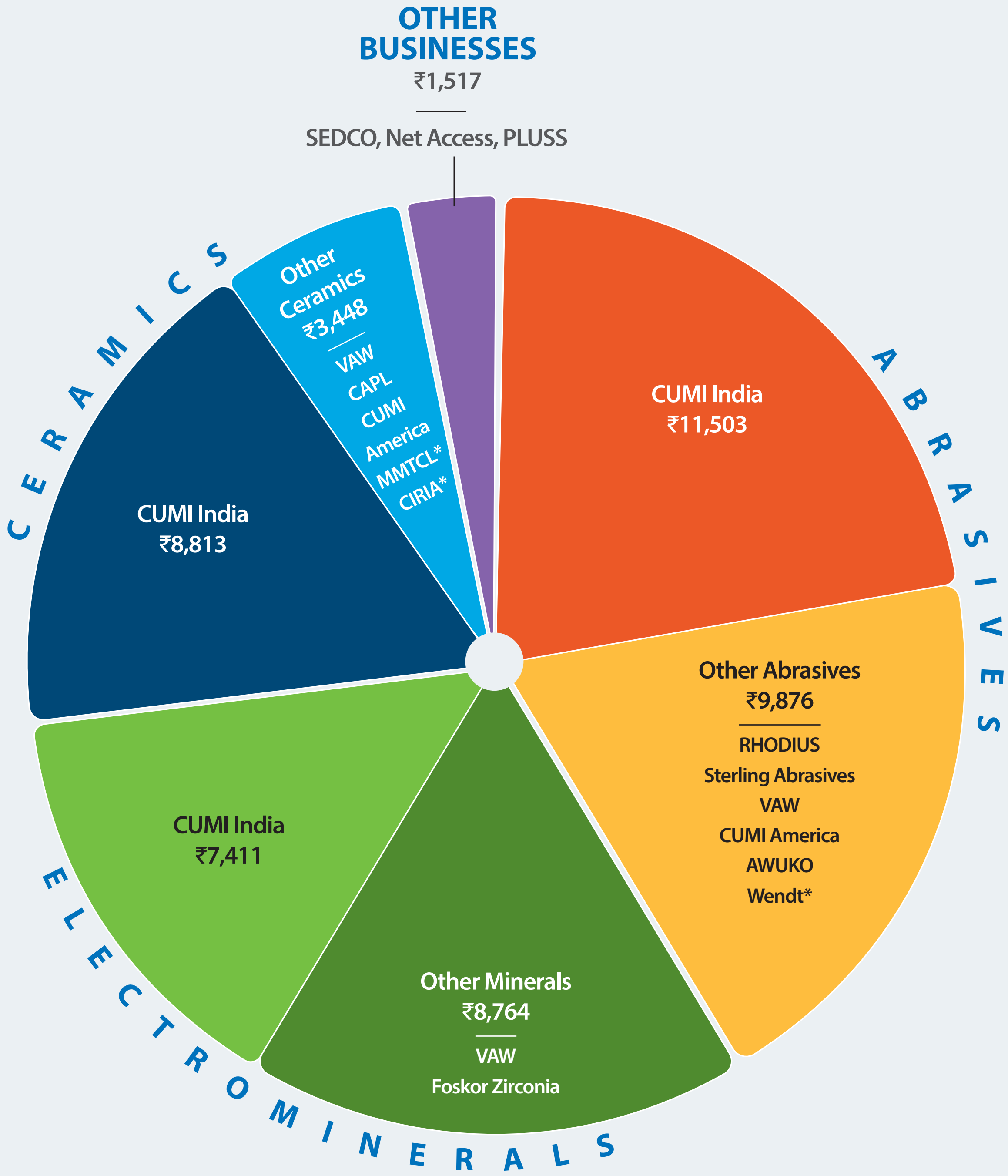
Advanced materials

Anti bacterial, corrosion resistance, Friction, Lubricity, Phase change, Semi conducting, Thermal storage.

INDIA

Business Portfolio chart

₹ Million



*Sales revenue of CIRIA, MMTCL, Wendt are not part of the consolidated numbers

CUMI brands

CUMIJET

AZURE - 9

CUMIHEAT

CUMIKlean

CUMIMET®

CUMIPlas

CUMISHARP

CUMIsheen

CUMI GREATWHITE

CUMIMonK

CUMIKalBo

Odoblastae

CUMI GRAFINO

MARLINE

CUMI LICORNE

AAGUN®
PCM BASED EFFICIENT 24X7 HEATING.

celsure®

HIMACOOL™

PRONGO®

savE®

Making a material difference to downstream industries

showcasing of abrasives flexible tools by vaw, russia

The CUMI Group integrates advanced materials science and application engineering to develop products and solutions that cater to the stringent requirements of core downstream industries.

Aerospace & Defence

- Advanced ceramic fasteners
- Ceramics for ballistic protection of people and assets
- CFRP drone parts
- Grinding solutions for gears and turbine blades
- Grinding solutions for fasteners
- Phase change materials for climate controlled living quarters in high altitudes
- Refractories for launchpads
- Refractories for speciality alloy components

Electric Vehicles

- Advanced ceramics for EV fuses
- Ceramic fibre for fire protection in batteries to prevent thermal runaway

Energy

- Ceramic lined equipment and composites for thermal power generation and emission control
- Ceramics for hydrogen electrolysers
- Metallised ceramics for power transmission and distribution
- Structural ceramics for solid oxide fuel cells

Iron & Steel

- Grinding solutions for polishing steel rolls
- Refractories for foundry applications
- Silicon carbide for inoculation and deoxidation in the steel-making process
- Special purpose grinding machines for billet processing
- Wide range of refractories & Advanced Ceramics for blast furnaces for primary and secondary steel making

Railways

- Ceramic electrical insulators for high-speed rail networks
- Ceramic fibres for passive fire protection
- Composite panels for rail interiors
- Grinding of railway bearings
- Grinding solutions for track grinding

Chairman's message

CUMI leveraged its unique position across jurisdictions in the backdrop of diverse economic realities and uncertain business conditions

Dear Shareholders,

I trust that yourselves and your families are doing well.

It gives me immense pleasure to connect with you in this special year which marks the completion of 70 years of CUMI's operations.

CUMI made a humble beginning in 1954 when it commissioned its first Abrasives facility in Tiruvottiyur, Tamil Nadu. Today it has transformed into a multinational company with total income of ₹48 Billion and a market capitalisation of about ₹330 Billion.

Financial Year 2023-24 continued to be a growth year and I am pleased to share the highlights of this performance while providing a strategic outlook.

Economic conditions

The year commenced in the backdrop of a resilient global economy having to deal with geopolitical tensions owing to conflicts in Russia-Ukraine and the Middle East. Business conditions continued to remain volatile with an increasing level of inflation. However, tightened monetary policies across economies resulted in inflation moderating marginally.

There was a mixed trend as far as global economic growth was concerned. While in United States of America, growth strengthened as the year progressed, there was a slowdown leading to a recession in most European countries. Besides, the global supply chain disruption intensified owing to the Red sea crisis. While the global baseline forecast is expected to continue growing in 2024 and 2025, it will continue to be moderate.

India remained a bright spot in an otherwise subdued global economy. In the last ten years, India moved from the tenth largest economy to the fifth largest. The country is now being seen as one with good potential backed by the ability to perform. The country's consistent growth in excess of 7% in the last few years, the pandemic and geopolitical conflicts notwithstanding, demonstrated its resilience to rebound and grow faster, supported by increasing domestic consumption, policy reforms, infrastructure investment and enhanced exports.

Performance

CUMI leveraged its unique position across jurisdictions in the backdrop of diverse economic realities and uncertain business conditions. This resulted in a consolidated revenue (from sales) of ₹46 Billion and a profit after tax (PAT) of ₹4.6 Billion. While revenue growth remained flat, profitability grew 11.4%. The flat revenue growth was mostly on account of the currency translation following the depreciation of the Russian Rouble rather than a direct drop in operational revenues.

The Russian subsidiary Volzkshy Abrasive Works (VAW) grew 20.4% in Rouble terms, which, when translated into ₹, resulted in a de-growth of 9.5%. That impacted consolidated revenues. The Company's standalone revenue registered a 5% growth to ₹26 Billion. In terms of profitability, the various initiatives undertaken during the previous years resulted in a 6% growth to ₹3.5 Billion at the standalone level.

The capital expenditure programmes were aligned with the business plan. In the background of uncertain global business conditions, the Company made a capital expenditure of ₹2.2 Billion.

During FY 2023-24, under Mr. Sridharan Rangarajan's Managing Directorship, the Company outlined a long-term 2030 strategic road map towards transformational growth. The businesses, after preparation and deliberation, identified strategic growth areas and exhaustive elaborate work programmes which are being structured as multiyear plans. With this in view, the Board of Directors have recommended a final dividend of ₹2.50 per share, which, together with the interim dividend of ₹1.50 per share paid in February 2024, will aggregate into a total dividend of ₹4 per share, higher than the dividend in the previous year.

While the Board's report forming a part of the Annual report will provide a deeper review of the business performance, the highlights are as follows

Abrasives

Consolidated revenues grew 2.7% over the previous year and the standalone revenues grew 4%. The overall performance of the business remained sound considering that in the previous year this business had an exponential growth on account of the inclusion of revenues from the newly acquired subsidiaries in Germany – Rhodius and Awuko that created a higher revenue base. The pricing pressure in certain business segments like retail, owing to low priced imports also impacted the revenues and margins. VAW's Abrasives business performed very well with good growth but in this case as well, the exchange rate conversion resulted in reporting a de-growth in the consolidated financial terms.

The business's profitability at the PBIT level grew substantially by 73% to ₹1.8 Billion owing to an improved standalone performance on the back of better product mix, softening of input costs, enhanced operational efficiencies, better realisations and lower losses in Rhodius and Awuko. The growth was well supported by a very good performance by CUMI America Inc., the USA subsidiary which turned debt-free last year.

I am happy to share that Rhodius and Awuko, the Company's newly acquired entities are performing better operationally. These entities are now being led by a new energetic leadership team and they have managed to reduce their losses when compared with the previous year. This is a commendable achievement considering the recessionary trend and severe price competition in Europe. Rhodius reported an operating profit and losses in Awuko have reduced. Following the implementation of a meticulous business strategy, these entities in Germany which have improved their performance are on track to better their performance and are well aligned with the CUMI's growth plans in the years to come.

Though the Agri-related products of Sterling Abrasives Limited continued to receive better reception resulting in a marginal growth, higher depreciation in the newly established plant, lower exports and supply delays due to shifting of plant operations, impacted profitability. The subsidiary is gearing up to enhance its operational efficiencies and revenues.

Wendt (India) Ltd., our associate, grew 8%, riding on the higher sales to major user industries like auto, auto ancillaries, steel, bearings, ceramics, cutting tools and engineering etc. Exports were impacted by geopolitical uncertainties and a global recession across most countries. The change in product mix and increasing costs marginally impacted profitability.

The operations of CUMI Abrasives and Ceramics Company Limited in China and CUMI Middle East remained downsized. While the Board of the China subsidiary has decided to wind down operations and de-register the entity, the Board of CUMI Middle East is evaluating options and customers continue to be serviced through alternative business models.

The Abrasives business is a very significant segment for CUMI Group. With India aspiring to become the third largest economy and the continuing thrust on infrastructure spending, the Company envisages high growth in Abrasives by leveraging its existing market position and optimising Group synergies.

Electrominerals

The standalone Electrominerals business grew about 6% while the consolidated business de-grew 5%. The India business was impacted by price pressure owing to low price imports. While there was a significant volume increase, revenues were impacted by severe price competition across many products from low-priced imports into India. The depreciation of the Rouble resulted in a lower growth in Indian rupees while in Rouble terms VAW grew 20%.

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The performance of the South African subsidiary Foskor Zirconia Pty Limited, which had reported a turnaround in FY 2022-23, was adversely impacted resulting in losses due to pricing pressures and lower offtake from its customers.

Though FY 2023-24 was not conducive in terms of reportable financial performance, the business has done very well to maintain momentum while concurrently initiating several innovative projects with new age materials like Graphene and High purity Silicon Carbide, among others. The business prioritised sustainability and has been a pioneer within the CUMI Group in driving green initiatives for a cleaner and better future. These initiatives and new projects offer a bright future for the Electrominerals business.

Ceramics

The Ceramics business comprises Industrial Ceramics and Refractories & Composites. It grew 6% during the year under review. Refractory, Wear Ceramics and Metallised Cylinder businesses grew 19% during the year but was marked by de-growth in engineered ceramics, while the overall ceramics segment on a standalone basis grew 5.6%. The consolidated growth was mainly led by a very good performance of subsidiaries in Australia and USA. The Australian subsidiary, CUMI Australia Pty Ltd., engaged in the lined equipment business delivered record revenues for the second successive year.

Being highly customer-centric, the Ceramics business has strategically selected clear growth opportunities in the area of semi-conductors, electric vehicles, aerospace & defence, and green energy, which could aid in generating substantial growth. A growing presence in these spaces by leveraging existing technologies and relationships will pave the way for newer opportunities.

The refractory business will focus on opportunities in India for monolithic refractories and also growth in export -driven sectors like glass, non-ferrous and carbon black.

Others

Southern Energy Development Corporation Limited, the gas-based power generation subsidiary, recorded a marginal sales increase during the year under review. However, a significant increase in gas prices and other generating & transmission charges increased losses during the year. The enhanced diversification into the solar business has helped the subsidiary sustain operations in FY 24.

Net Access India Limited, the IT subsidiary, marginally de-grew in sales and profitability owing to changes in client and product mix.

PLUSS Advanced Technologies Limited (PLUSS), the subsidiary specialising in phase change materials and specialty polymers did well in enhancing its revenue base as compared to the previous year but the price corrections in the Polymers market resulted in lower sales realisation downwards and this along with the accounting treatment for acquisition resulted in lower profitability. However, the Netherlands subsidiary of PLUSS has been able to capitalise on its efforts in establishing customer networks overseas and this will aid the subsidiary to grow profitably in future.

Murugappa Morgan Thermal Ceramics Limited (MMTCL) and CIRIA India Limited (Ciria) , joint ventures, delivered consolidated level growth in terms of profitability. While MMTCL recorded double-digit revenue growth strengthened by the distribution business and enhanced project orders, Ciria revenues marginally de-grew owing to a reduction in service income while high margin projects execution increased profitability.

All the CUMI Group subsidiaries and associate companies are involved in the long-term strategy development. The deployment of the plans and projects emanating from this exercise are expected to optimise performance in the years to come.

CUMI was recognised yet again as a 'Best Managed Companies' by Deloitte in 2023 after undergoing rigorous evaluation across aspects including strategy development & deployment, capability & innovation, culture & commitment as well as governance & financial performance. This achievement is testimony to our efforts in institution building.

I am pleased to share with you the highlights in our people capabilities, sustainability initiatives and recognitions (even as a detailed summary is available elsewhere in the Annual Report).

Accolades

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From a safety and sustainability perspective, the Abrasives business received the accredited oSa certification for its Maraimalainagar and Uttarakhand plants. The business also won the Manufacturing Champion Award for total cost management. The Ceramics business received the Industry Disruptor Award from Autodesk Imagine. Other awards and accolades are listed in the Annual Report.

I must emphasise that safety and sustainability are given importance equal to financial growth parameters at the Company, making it possible to deliver sustainable growth.

CSR

The Corporate Social Responsibility (CSR) initiatives continue to be focused on health, education and skill development. Our contributions are being made in a meaningful manner with our CSR programmes being identified and executed such that they create an ecosystem around the areas of spend rather than remaining mere one-time grants.

Additionally, the Company has also made contributions to the Tamil Nadu Chief Minister's Public Relief Fund to assist the state government in its rescue and rehabilitation efforts in the aftermath of the torrential rains and consequential floods during December 2023.

People capabilities

As the Company progresses towards its diamond jubilee milestone – 75 years, I am pleased that the institution CUMI has become is because of its people. While I extend my gratitude to all those who helped build this institution, I wish the current team well in their journey towards excellence.

Strategic Leadership Transitions

In August 2023, Mr. N. Ananthaseshan retired as Managing Director and Mr. Sridharan Rangarajan took charge from him. I thank Ananth for his contribution to CUMI for nearly four decades and wish him well in his retirement. I also welcome Sridharan who has, as soon as taking over from Ananth, propelled the teams into thinking strategically beyond the present to build a greater future and laying down the roadmap for the same.

The Long-Term Strategy initiative 2030, which emanated from the operating teams culminated into a cross-functional, multi-geography programme with participants from across all the businesses, functions, subsidiaries and associate companies. Diligent planning, execution perfection with adaptation, rigorous reviews and ability to course correct facilitated by optimum resource allocation will definitely transform CUMI into a high performing organisation that it aspires to be.

Building a safety culture is a priority area identified by the Board. I commend the teams for reviewing the organisational structure and putting in place a safety organisation which is now headed by Mr. R Rammohan, who brings with him richly diverse EHS experience across industries.

Mr. P Padmanabhan, who was the Chief Financial Officer, has become the Global -Taxation Head and Chief Risk Officer; Mr. Sushil Bendale took charge as Chief Financial Officer from May 2024. In a rapidly changing and technology-driven world, it will be increasingly essential to upgrade IT capabilities; relevantly, Mr. Ajit Kolhe has joined as its the IT – Head and will drive the digital initiatives essential for enabling for the futuristic growth envisaged.

In May 2024, for leveraging the Group synergies as a part of the Long-term strategy, Mr. Ninad Gadgil, who was heading the Abrasives Business, was transferred to Wendt (India) Limited as its CEO & Executive Director; Mr. C Srikanth, who was CEO & Executive Director of Wendt (India) moved back to head the Abrasives business at CUMI.

Mr. Bhaskaran Kannun, who took charge of the Human Resources function in 2020 during a challenging pandemic, will retire in August 2024. We thank him for his dedicated services.

Mr. Shyam C Raman, currently heading the Group-Human Resources function will take over as Chief Human Resources Officer from 1st September 2024. With his vast experience and expertise, we envisage developing competencies and capabilities for delivering the present and preparing for the future.

In our overseas operations, we have Mr. Adrian Gansen, who joined us as the Chief Operating Officer, and Mr. Markus Massa as the Finance Head for the Rhodius and Awuko businesses. In Foskor Zirconia, we have Mr. Gerrit Van Wyk leading the operations along with Mr. Gideon Van Rhyn.

We believe these organisational strengthening initiatives will augur favourably for CUMI and I welcome new members to the CUMI organisation. The leadership teams of the subsidiaries and associates –existing and new - played a significant role not only in the operating performance but in strengthening teams and processes across all operations.

Board Composition Updates

I thank every member of the Board for their unstinted support and guidance to me personally as well as to the management team. Each of them have been very generous with their time and engagement. Their enthusiasm and active participation in the Long-Term Strategy programme was inspiring not only for the teams but to me as well. The Board has been very encouraging in pushing the teams beyond their limits within the boundaries of governance and I take this opportunity to thank them profusely.

We will also be seeing some changes in the Board composition during the year 2024-25. Mr. Sanjay Jayavarthanavelu, Mr. Aroon Raman at the close of 31st July 2024 and Mrs Soundara Kumar at the close of 2nd August 2024 would be retiring from the Board having completed their respective term of office as Independent Directors. We value their significant contribution to the Company. I extend my heartfelt thanks to them for having served on our Board with deep involvement and care. They have been part of many milestones the Company has achieved, and the Management has been truly enriched by their wisdom, guidance, and encouragement. In view of their impending retirement, the Board at its meeting held on 24th June 2024 has recommended the induction of Mr. Sriram Viji, Mrs. Usha Rajeev and Mr. Muthu Murugappan to the Board of the Company. The proposed Directors have excellent credentials more fully detailed in the notice convening the annual general meeting. Their association would immensely benefit the Company in its transformational growth phase, and I look forward to working with them.

I thank every customer, supplier, vendor, banker, regulatory agency, legal advisor, financial and tax advisor, consultant, and you – our shareholder, for your unstinted support and encouragement over seven decades of our journey with GRIT, GLORY and GROWTH.

With warm regards,

M M Murugappan
Chairman

Performance highlights

Financial Year 2023-24

	Standalone	Consolidated
Revenue (₹ Million)	25,932	46,282
PBIT (₹ Million)	4,672	6,686
PBIT (% to sales)	18	14
PAT (₹ Million)	3,504	4,613
PAT (% to sales)	14	10
Debt equity ratio (Times)	NIL	0.0
ROCE (%)	21	20
Free cash flow/ PAT (%)	90	86

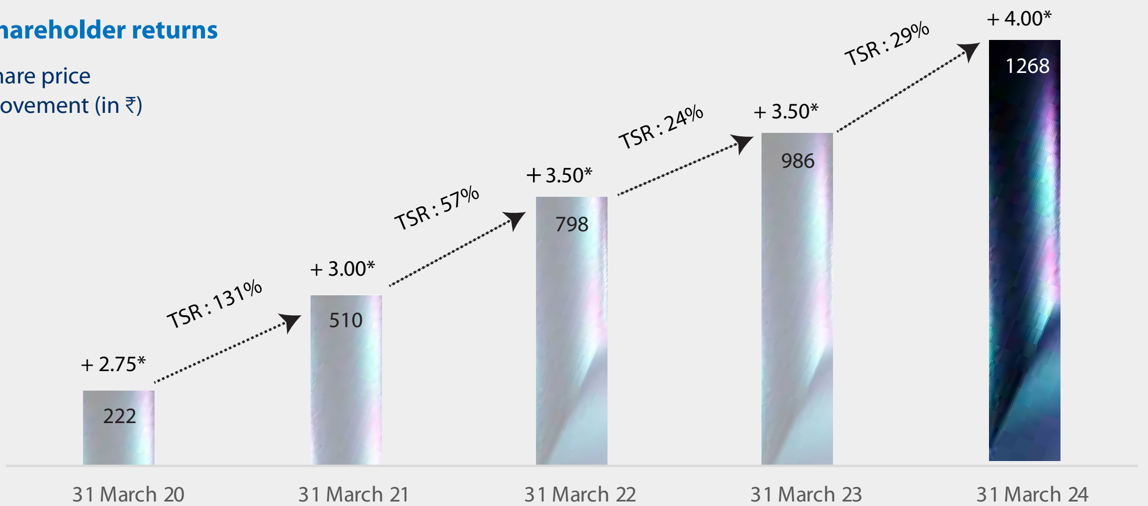
Highest Dividend

₹4.00

Per share (400% on face value of ₹ 1 per share) Unbroken dividend record since 1957

Shareholder returns

Share price movement (in ₹)

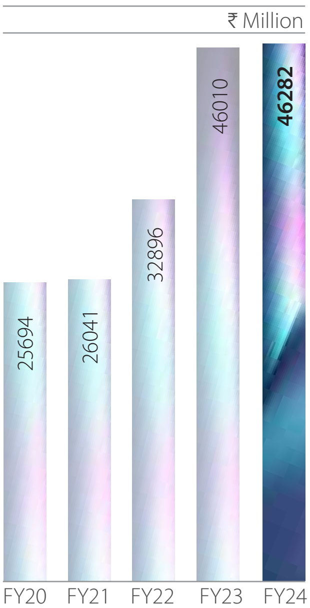


TSR : Total Shareholder Returns = (Gain in share price) + (Dividend per share)) divided by share purchase price

** Shows dividend per share*

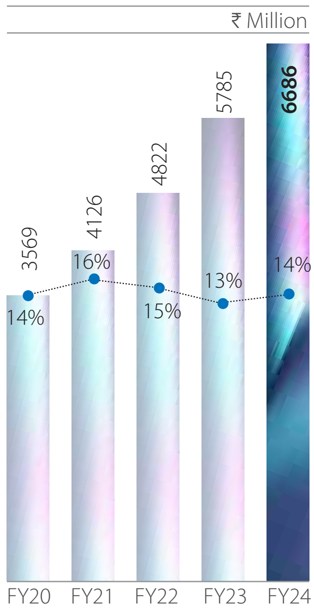
How CUMI has grown over the years

Consolidated



Revenue

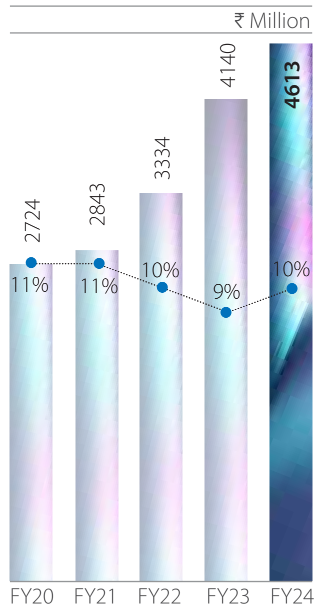
Revenue in ₹ Million



PBIT

PBIT in ₹ Million

PBIT % of sales

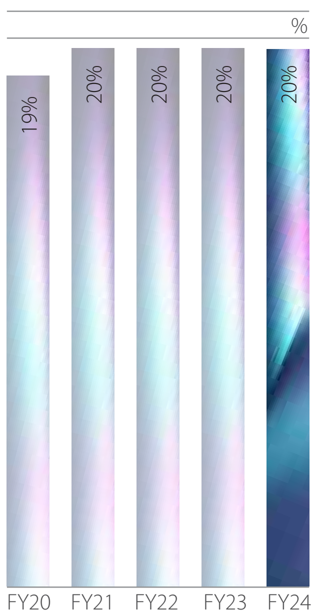


PAT

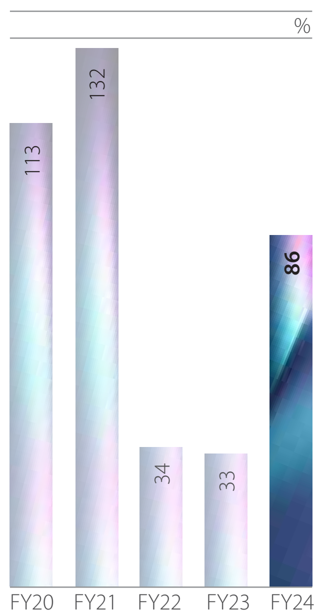
PAT in ₹ Million

PAT % of sales

Debt-equity ratio

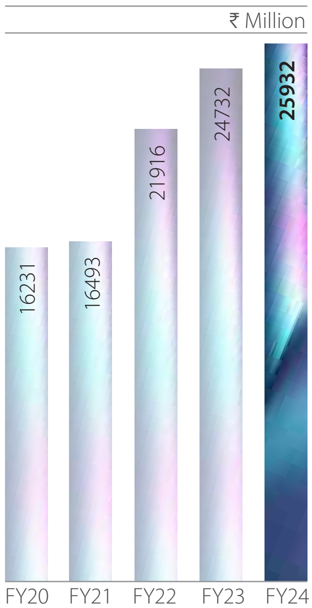


ROCE



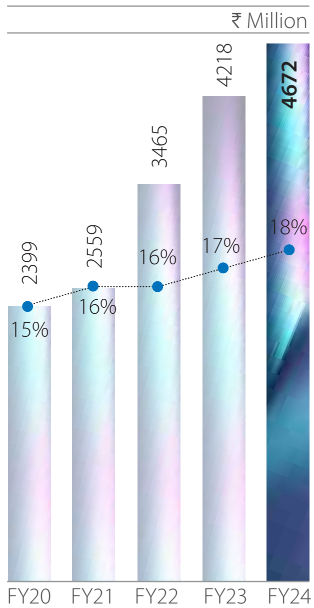
Free cash flow/PAT

Standalone



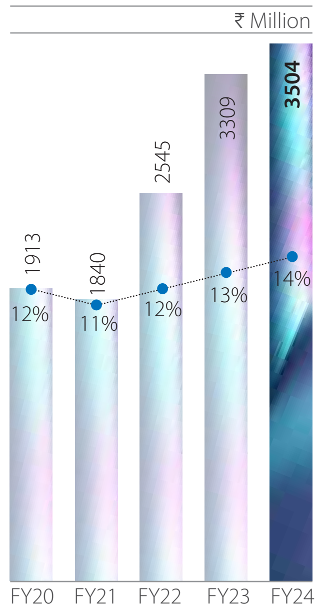
Revenue

Revenue in ₹ Million



PBIT

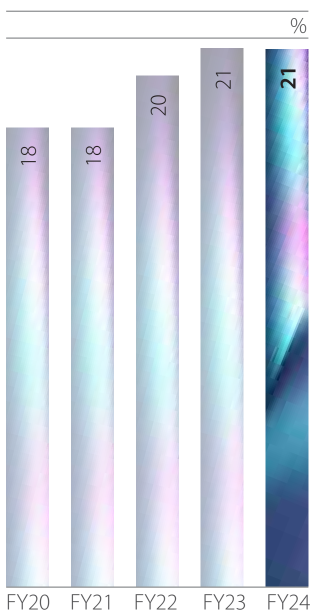
PBIT in ₹ Million
PBIT % of sales



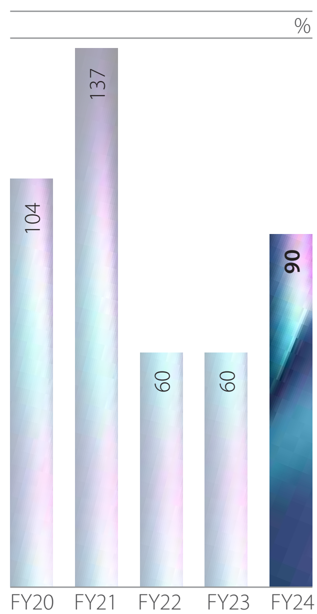
PAT

PAT in ₹ Million
PAT % of sales

Debt-equity ratio



ROCE



Free cash flow/PAT

The global materials science sector is at the cusp of a new growth wave...

...And a nimble player like CUMI is prepared to capitalise

Overview

The materials science sector is at the cusp of a growth wave, catalysed by advancements in technology, materials sustainability and evolving industry needs.

Technology leap: Rapid developments in materials science, including nanotechnology, biomaterials and advanced composites, are unlocking possibilities. These breakthroughs in materials design and manufacturing processes are leading to the development of lighter, stronger and more durable materials.

Sustainable solutions: There is a growing emphasis on sustainability and environmental stewardship. This is driving the demand for eco-friendly materials and manufacturing processes. Material scientists are working on renewable, biodegradable and recyclable materials in response to climate change and finite resource depletion.

Industry 4.0: The integration of materials science with digital technologies (artificial intelligence, machine learning and 3D printing) is revolutionising manufacturing processes and product design. The coming together of smart materials and intelligent systems is facilitating the creation of efficient and adaptive products across sectors.

Healthcare innovation: The global healthcare industry is being exposed to innovation in biomaterials, medical devices and tissue engineering. Advanced materials are being developed for drug delivery, implantable devices, regenerative medicine and diagnostic tools. These are leading to improved patient outcomes and personalised healthcare

Energy and environmental applications: Materials science plays a crucial role in the development of clean energy technologies and environmental remediation solutions. Advances in energy storage materials, photovoltaics and catalysis are driving the move to renewable energy sources and declining environment pollution.

Cross-sector collaborations: There is growing collaboration between academia, industry and government institutions that has translated to interdisciplinary research and innovation in the area of materials science. Partnerships and consortia are accelerating the translation of fundamental research in commercial applications, enhancing growth and competitiveness.

Global market expansion: The materials science sector is experiencing growth on account of industrialisation, urbanisation and infrastructure development.

How materials science is linked to a futuristic world

Nanotechnology: A game-changer in materials science. Comprises the manipulation of matter at an atomic and molecular scale. Helps create materials with unique properties. Graphene (thin sheet of carbon atoms) is 200 times stronger than steel and highly conductive. Breakthroughs of this nature can revolutionise industries like electronics, energy storage and biomedical devices.

3D printing: Transformed the way we produce and design materials. Facilitates the creation of complex structures by adding layer upon layer of material (rather than subtracting or moulding). Opened possibilities in customising materials for specific applications, reducing waste and production time; can create light and durable materials. Used to produce items ranging from medical implants to aerospace components.

Biomaterials: Materials that interact with living systems. Developed to mimic natural tissues and organs, making them compatible with the human body and reducing rejection risk. Used in a range of medical applications (drug delivery systems, tissue engineering and regenerative medicine).

Sustainable materials: Focus on developing eco-friendly and sustainable materials. Comprises renewable resources, reducing energy consumption in production processes and creating materials that can be recycled or biodegraded.

Artificial intelligence: AI algorithms can analyse vast data to identify patterns and properties not apparent to human researchers. Can accelerate the discovery and development of new materials with specific properties. Optimises material design processes and helps predict the behaviour of materials under different conditions.

Business segments

Our Abrasives Business

Shaping surfaces

Testing of Abrasive belts at the Surface Technology Centre

Where we are today

11,503
₹ Million of Standalone revenues, FY 24

20,910
₹ Million of Consolidated revenues, FY 24

The Abrasives Range

- Bonded Abrasives for Precision
- Bonded Abrasives for Cutting & Grinding
- Coated Abrasives
- Machines
- Metal Working Fluids
- Super Abrasives in CBN & Diamond
- Power Tools

Overview

The Abrasives business is the oldest in CUMI. The business leverages high-hardness materials like aluminium oxide, zirconium oxide and silicon carbide, creating a product range to shape surfaces. This includes Bonded Abrasives, Coated Abrasives, Metal Working Fluids, Super Abrasives and allied products. A local business with a global presence, CUMI's abrasives offer high productivity and value across various substrate materials and shape almost everything we see around us in our daily lives.

Abrasive materials and products are used in several end user industries such as Automobiles, Auto Components, Agro processing, Metalworking, Building and Construction, Woodworking, Leather, Railways, Aerospace and General Engineering. The strengths of this Business comprise strong Research & Development backed by application engineering and generations of channel partners in India and Europe.

The business' competitive advantage comes from its raw materials sourced from CUMI's Electrominerals Business and from the best suppliers worldwide. CUMI's skilled application engineers across the globe help translate end user requirement into product designs that exceed customer expectations.

CUMI's Abrasives business has a manufacturing presence in the fast-growing markets in India and in Germany and Russia.

Our milestones

Mid-1950s

Commissioned the coated and bonded Abrasives manufacturing facility at Tiruvottiyur, catering to woodworking, surface preparation and precision grinding applications.

1974

Acquired Eastern Abrasives to address the market for woodworking with the manufacturing of flint paper sheets. Commissioned a greenfield facility in Hosur to manufacture vitrified and resin-bonded wheels for the engineering sector.

1984

Invested in Wendt India, a manufacturer of diamond and vitrified cubic boron nitride abrasives and a machine tool builder, addressing a growing market for high precision and high productivity grinding needs of the auto component industry.

Mid-1990s

Entered into a distribution partnership with Cincinnati Milacron, Netherlands, to blend and distribute the CIMCOOL range of coolants (integral to precision grinding operations). Emerged as a one-stop shop for consumables and durables for engineering surfaces.

1994

Acquired Sterling Abrasives (Ahmedabad), a manufacturer focused on the rice polishing and agro-processing segment.

1996

Acquired and merged CUTFAST Abrasives (Chennai) that widened the coated abrasives product range, metalworking and auto-after applications.

1999

Made the first overseas foray through an alliance with Cincinnati Milacron, USA. Set up CUMI America to service customers in the Midwest through products made in India.

2004

Set up CUMI Canada to expand the coated abrasives business in North America. Closed in 2009

2007

Commissioned a Sriperumbudur plant to produce 15 Million square meters of coated abrasives (capacity doubled in 2020). Acquired Volzhsky Abrasive Works in Russia that provided access to large capacities in vitrified and resin-bonded grinding wheels and Russian and CIS markets.

2008

Commissioned a greenfield plant in Roorkee to manufacture cutting and grinding wheels, addressing the power tools mounted accessories market in India. Launched a joint venture CUMI Abrasives and Ceramics China Limited (CACCL) to manufacture grinding wheels (manufacturing ceased in 2015) and the business focused on selling performance products manufactured in India to China.

2022

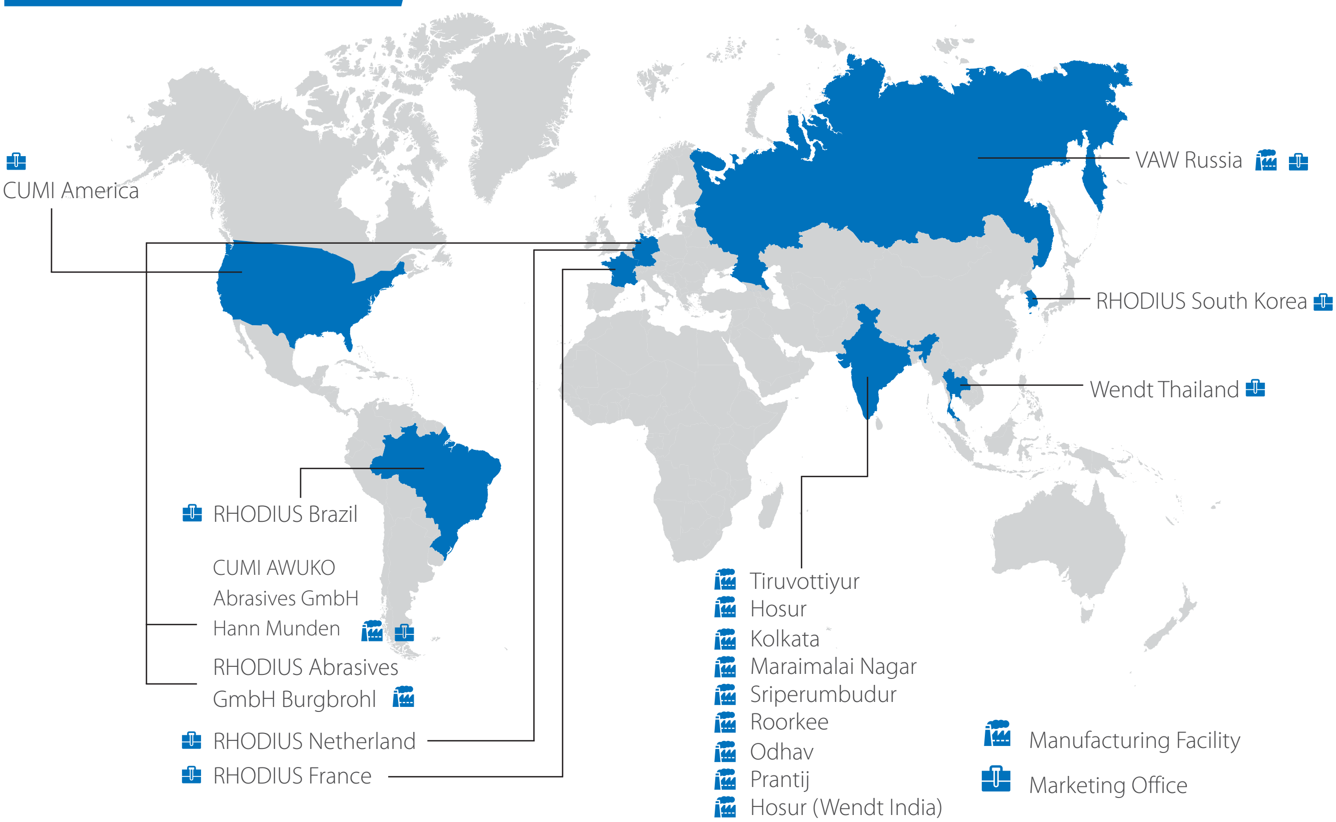
Acquired main assets of Awuko Abrasives in Germany, an established and well-known manufacturer of wide belts for the leather and MDF/ plywood industry. Acquired RHODIUS Abrasives in Germany, a leading player in cutting and grinding wheels respected for innovation and product technology.

2024

Acquired the assets, technology and brand of DRONCO in Germany

Technicians at VAW, Russia inspecting a grinding wheel

Global Presence: Abrasives



CUMI India

Flap Discs in the making at Sriperumbudur - CUMI's flap disc provides high material removal rate and consistent finish throughout product life.

Overview

In India, we see significant opportunities in the automotive sector, infrastructure growth and government spending. This is expected to drive sustained opportunities in commercial and residential construction. Our abrasives business is positioned to capitalise on these emerging opportunities and FY 2023-24 has strengthened our plans.

We created separate verticals for our industrial and retail businesses, which previously were managed by a common team. This restructuring has shown benefits, with the industrial segment growing nearly 10%. Although the retail side faced challenges from new entrants and imports from China, the industrial vertical thrived, allowing us to seize numerous infrastructure opportunities.

Overall, we achieved a top-line growth of 4.5% and an impressive bottom-line growth of nearly 29%. In the domestic precision business, we secured new accounts and increased our market share in the transmission, shock absorber and engine valve segments, resulting in 9% growth.

We initiated numerous cost-saving projects in FY 2022-23, many of which were completed in the last quarter, positively impacting our FY 2023-24 performance. We focused on optimising our product mix, encouraging our sales teams to prioritise high-margin premium products while de-emphasising lower-margin lines. We benefited from reduced raw material costs, particularly in grains, chemicals and resins.

Our success is attributed to our customer intimacy and deep knowledge of application engineering, allowing us to cater effectively to various applications. Our market development team focuses on end-users such as painters, carpenters, woodworking professionals and fabricators. To enhance our market presence, we expanded our direct reach to approximately 18,000 retail outlets, significantly improving data visibility and enabling direct communication and marketing programmes. We engaged with over 60,000 end-users, including painters, carpenters and fabricators, to implement targeted marketing campaigns and strengthen customer relationships.

RHODIUS
Abrasives GmbH (RAG)

RHODIUS has diversified product portfolio of high-performance grinding and cutting discs with the capability of producing world's thinnest cutting wheel.

Overview

This was the second full year of operation of RAG after CUMI's acquisition. A new leadership team was put in place.

In the face of challenges like high input costs (mainly energy and fuel), recessionary trend and price competition in Europe, the business navigated the year with resilience and reduced losses compared to the previous year, which was commendable. Rhodius made an operating profit, excluding the purchase price allocation write-off. The Company's markets in Europe continued to remain sluggish due to inflation and global uncertainties.

During the year, the Company established the sourcing of critical raw material supplies from India as a part of the synergy with CUMI, India.

During the year, Rhodius invested in a new mixing room set-up to improve process stability, minimise scrap and reduce the lead-time for preparing the mixture.

CUMI AWUKO Abrasives GmbH (CAAG)

CUMI Awuko Team at the Ligna Wood Fair in Hanover

Overview

During the year under review, CAAG embarked on the endeavour to revitalise its global brand. A dedicated team focused on sending out a message that the Company was a trusted provider of technologically advanced solutions customised around specialised engineering applications and customer bases. Extensive market studies influenced strategic decisions, catalysing the development of new products and upgrades.

By adopting a multi-sourcing resource strategy, CAAG protected its supply chain. CUMI India's resources provided substantial backing, facilitating the production and delivery of quality products. This concerted engagement enhanced market confidence in the Company's technological prowess and product excellence.

Backed by a management team and support from the parent through human and financial resources, CAAG reclaimed market share, particularly in leather and wood applications. Progress was made in niche metal applications, attracting private label customers. Leveraging the distribution networks of CUMI India, CUMI USA and Rhodius now presents an opportunity to CAAG to widen reach. The losses in Awuko has also declined during FY24. Awuko team along with support from India developed detailed sales and marketing strategies for the future based on detailed analysis of past sales and capturing voice of customers. This will augur well with the CAAG's growth plans in the years to come.

The business participated in prominent industry events (Cologne Hardware Fair in Germany, Coated Abrasives Fabricators Association Expo in the USA and the Ligna Wood Fair in Hanover), generating enthusiastic response from customers.

Sterling Abrasives Limited

Sterling's DAL MASTER stones are made using specially processed superior quality abrasive grain & high performance ceramic bond system under controlled condition that helps to give better performance

Overview

Sterling Abrasives had a good growth in select agro products such as cone polisher stones and wheat milling stones, driven by favourable market conditions. The substantial growth was recorded in markets like Vietnam, Russia, Mexico, Belgium and Bangladesh.

Sterling Abrasives identified new opportunities in the agro sector, including rice husk milling, and guar gum milling and initiated trials. The Company's epoxy bonded wheels gained traction for various precision grinding applications, reinforcing Sterling Abrasives' industry position.

In FY 2023-24, Sterling Abrasives invested in a best-in-class modern facility at Prantij. The installation and relocation of machinery, particularly from the Odhav unit, were completed by the end of Q3, FY 24 with 100% production commencing at the Prantij plant from the beginning of Q4, FY 24. However, during the initial three quarters, the pending order backlog experienced an increase due to the disruptions caused by the plant shifting process, leading to delays in supplies. Currently, Sterling Abrasives is fully operational in its new facility, geared towards ensuring on-time supply.

Volzhsky Abrasive Works (VAW)

Quality check of a sanding belt at VAW, Russia

Overview

In 2023, VAW's Abrasives division generated topline growth in vitrified, resinoid, thin wheels and coated abrasives. Despite market challenges, VAW excelled in the area of import substitution over EU competitors. The Company deepened its presence in precision grinding, particularly in gear, spring and high-porous wheels, as well as roll and cut-off wheels (diameter 500 mm). The business also imported coated products and thin wheels from India and established them in the market. Sales indicate promising trends. The coated abrasives business grew as planned, with a significant focus on zirconia-based products.

CUMI America

CUMI America's warehouse at Pennsylvania

Overview

In FY24, the business experienced growth driven by automotive, aerospace, hardwood flooring and steel bar grinding industries. To maintain momentum, the Company introduced new products, especially premium grain products and automotive designs, to capture market share and remain competitive. The resources were added to expedite deliveries and meet customer demands.

Proactive measures were taken to strengthen the business, including expanding the customer funnel and exploring new markets like the automotive aftermarket.

Key initiatives included expanding the office/warehouse space to 5,600 square metres. The business also expanded into mill/mineral processing sectors and capitalised on the growth of heavy metal mining markets in Latin/South America, positioning itself for sustained growth and market expansion.

Wendt (India) Limited

3 Axis CNC Tool and cutter grinding machine for specialised grinding applications

Overview

Wendt achieved an 8% year-on-year topline growth, despite a challenging global economic scenario in the previous year, The domestic business saw higher sales driven by new product development, the horizontal deployment of successful applications, key account management and precision dealer appointments.

However, the export business saw a decline in sales compared to the previous year, primarily due to deferments and reduced orders from key global customers. In contrast, the machine business achieved its highest-ever sales, with a 70% year-on-year growth. This success was attributed to better planning, collaboration with critical vendors, development of alternative vendors, bulk ordering of essential parts, dynamic contract reviews and advance schedule releases.

Despite continued inflation, currency fluctuations and supply chain disruptions, the Company maintained healthy PBIT margins through operational efficiencies and cost optimisation. Wendt continued to focus on participating in domestic and global exhibitions, leveraging digital marketing, launching successful products and applications on social media platforms and using CRM for better customer engagement.

Business segments

Our Electrominerals Business

Building Competitive Advantage

The Electric Arc Furnace for fusion of Aluminas at Edapally

Where we are today

7,411
₹ Million of Standalone revenues, FY 24

15,447
₹ Million of Consolidated revenues, FY 24

Our Electrominerals Range

- Alumina Zirconia
- Brown Fused Alumina
- Ceramic Alumina
- Fine Ceramic Powders
- Fused Zirconia
- Silicon Carbide
- White Fused Alumina
- Monocrystalline Alumina

Overview

In the industry, materials processed using intensive electrical energy are known as electrominerals. The Electrominerals business deals with the workhorse materials - fused aluminas, its variants, and silicon carbide - used in abrasives and refractories globally.

These critical raw materials are manufactured only in locations with large quantities of low-cost power and easier access to raw materials. CUMI's Electrominerals operations straddle India, Russia and South Africa with a significant global market share.

With a diversified product portfolio of synthetic minerals in scale and variety, the business provides customers raw material security as well as application-specific products and solutions to improve product performance, value and profitability.

Our milestones

1962

A critical raw material for the CUMI abrasives and refractories portfolio comprise brown fused alumina grains that were imported. Set up as a backward integration, CUMI forayed into the fusion and processing of aluminium oxide grains at Edapally, Kerala. The abundant availability and low cost of hydroelectric power enhanced CUMI's competitiveness.

Towards further securing CUMI's raw material, CUMI acquired bauxite mines in Bhatia, Gujarat. The bauxite calcination was done in Okha and the material was shipped to Kerala for fusion.

1984

A manufacturing facility for silicon carbide was set up in Koratty, Kerala, to mitigate supply chain risks with a competitive alternative to imports.

1992

Set up the white fused alumina fusion and processing facility in Edappally, Kerala, to leverage low power costs and expand the product range to meet the requirements of the abrasives and refractories segments in India.

1993

Set up a fusion facility in Varvalla, Gujarat, to manufacture brown fused alumina grains and be close to end-use refractory markets. The spiralling power costs made the business unviable. The plant was closed, dismantled and sold by 2003.

1994

In a far-sighted move, CUMI set up the first private hydel power plant in Maniyar, Kerala, significantly enhancing competitiveness. In the meantime, work on developing cutting-edge grains like the solgel, semifriables and micro grits gained momentum. These products moved from pilot plants to commercial-scale plants between 2004 and 2007.

2007

The acquisition of Volzhsky Abrasive Works (VAW), Russia, gave CUMI a global scale with 65,000 tonnes per annum of silicon carbide. Over the next decade, the capacity grew to 90,000 tonnes per annum while investing in process improvements resulting in a clean environment.

2008

Acquired Foskor-Zirconia in South Africa to expand the fused minerals portfolio into zirconia for ceramics and refractories. This also provided feedstock to manufacture high-performance alumina-zirconia abrasive grains.

2009

Set up a greenfield production site in the Special Economic Zone in Kakkanad, Kerala, to manufacture silicon carbide micro grits addressing the photo-voltaic (PV) and industrial ceramics applications. The collapse of the Photo voltaic industry in the western world disrupted the micro grit business, but building new applications and markets pulled it into the black.

2011

Climbing the value chain, CUMI made a brownfield investment and built a tilt furnace to produce zirconia bubbles in Foskor-Zirconia, South Africa. CUMI acquired Thukela Refractories, South Africa, to manufacture white fused alumina. It was shut down in 2016 due to high power costs and low productivity.

2012

Built a facility to manufacture alumina zirconia abrasive grains using a controlled crystallisation process. CUMI began working with Cellaris, Israel, to dismantle, relocate and recommission a production plant for alumina foamed ceramics at Edappally, Kerala. After about six years, the plant was shut as the process did not remain competitive.

2017

Shut down the tilt furnace in Foskor-Zirconia, South Africa, in the face of soaring power costs. CUMI relocated the facility to Edappally and repurposed it to build capacity for white fused alumina production. The fusion facilities from Thukela Refractories Isithebe, South Africa, were shifted to Edappally and re-purposed to manufacture brown and semifriable fused aluminas, significantly adding to capabilities.

2019

The work on advanced materials continued, resulting in the setting up of a pilot plant for the synthesis of Graphene in Kakkanad, Kerala. Increased white fused alumina grain processing capacity.

2021

Introduced synthetic alumina-based brown fused alumina with superior properties for abrasives processing. The product offers significant reduction in overall carbon footprint.

2022

Increased white fused alumina grain processing capacity by 24,000 tonnes per annum.

2023

Modernised the furnace facility for brown fused alumina operations. This increased the overall capacity to about 30,000 tonnes per annum.

2024

Installed a ball mill facility for processing fine powders for catering to the refractory and laminate market requirements. The grain processing facility at Koratty was doubled to process an additional volume of 6,000 tonnes per annum. The business took up sustainability initiatives across plant locations to make operations environment-friendly, energy efficient and water efficient. Installed 1.8 MW ground mounted solar plant inside the Edappally campus.

Global presence: Electrominerals

CUMI India

Modernisation and capacity expansion of grain processing plant at Koratty (Volume expansion by 600 TPM)

Overview

The mineral business redefined its trajectory, emphasising manufacturing practices that prioritise environmental stewardship, natural resource conservation and effective waste management. This strategic shift aligned with the Company's commitment to sustainability while concurrently pursuing capacity expansions.

Within the electrominerals business, strategic focus remained on capitalising on strengths through capacity enhancements, refining product mixes and sustained product development innovation. Investments in furnace expansion and crude handling capabilities, coupled with a concerted push towards mechanisation in grain handling, propelled growth in brown fused alumina volumes.

The adoption of synthetic alumina fusion techniques resulted in a 90% reduction in CO2 emissions compared to traditional bauxite-based fusion methods. This commitment to eco-friendly practices reinforced the Company's dedication to mitigating environmental impact. The introduction of new variants of Brown Fused alumina emphasised a proactive approach towards meeting evolving market needs.

The establishment of additional processing facilities, such as the White Fused Alumina grain processing unit, not only broadened product offerings but also catered to the growing refractory market in India. These facilities were strengthened by state-of-the-art SCADA-based operations and automation, enhancing process efficiencies and minimising turnaround times.

In tandem with capacity expansions, a focus on yield optimisation produced tangible results, evident in the doubling of silicon carbide grain processing capacity.

Diversification into mineral ranges for abrasives, refractories and specialised applications highlighted a business adaptability to market dynamics.

The endeavour to produce high purity silicon carbide and research into advanced materials like graphene and zirconia reflect the business's commitment to technological innovation and product diversification.

The business is positioned to capitalise on enhanced capacities and a broader material portfolio, with a keen eye on core products and specialised ranges. Expansion into new application areas, such as supplying materials for the thermal spray industry, coupled with a focus on energy and semiconductor applications, indicated a commitment to sustained growth.

Volzhsky Abrasive Works (VAW)

Crushing of fused Silicon Carbide at VAW, Russia

Overview

The financial year 2024 was successful for the silicon carbide business, despite market uncertainties and tougher conditions. The business grew by 20% in Rouble terms and capacity utilisation remained high. There was a marginal offtake increase by Russia and Belarus steel customers.

The retention of customers was achieved through continuous customer engagement and complying with all regulations.

Green silicon carbide sales to India reported an uptick, while micro grits sales to customers in Russia and Turkey increased gradually. The business remained committed to explore new geographies for value-added sales.

The silicon carbide business focused on environmental programs as a part of its sustainability strategy. This resulted in a sharp emissions decline, while fusion levels remained constant, showcasing environmental stewardship.

Foskor Zirconia Limited (FZL)

An aerial view of the Foskor Zirconia Plant at Phalaborwa, South Africa

Overview

In line with the approved turnaround plan of 2021, FZL realigned focus on achieving designated targets. However, in FY24, FZL was adversely impacted, resulting in losses, due to pricing pressure in the market and a lower offtake from customers. One key focus was the enhancement of Z450, a specialised variant of monoclinic zirconia. This unique monoclinic zirconia, crafted through a proprietary process, offers exceptionally low uranium and thorium levels, typically below 450 ppm. Its superior quality generated acclaim, particularly in USA and Europe, where stringent regulations govern radioactive material levels.

Driven by a growing demand across diverse sectors like glass tank refractory, brake lining, shaped and monolithic refractories, ceramic pigments and nuclear reactors, FZL is positioned for sustained growth. This emphasis on product innovation and meeting industry-specific standards emphasised FZL's commitment to stay at the forefront of customer requirements.

Business segments

Our Industrial Ceramics Business

Solutions for the Future

View of the ceramic-lined surface of bauxite soft-loading chutes

Where we are today

8,813

₹ Million of Standalone revenues, FY 24, includes Industrial Ceramics and Super Refractories

10,767

₹ Million of Consolidated revenues, FY 24, includes Industrial Ceramics and Super Refractories

Industrial Ceramics Range

- Wear resistant tiles
- Metallised Ceramics
- SOFC Ceramics
- Lined equipment
- Rubber-Backed Ceramics

Overview

The Industrial Ceramics business offers advanced ceramics in alumina, zirconia, zirconia toughened alumina and silicon carbide. Manufactured in India and Russia, these solutions address applications for wear and corrosion protection, electrical insulation, and thermal & ballistic protection.

CUMI's subsidiaries in Australia and North America add value to these materials by offering design, engineering, installation and service support to customers in these regions. The key user industries for Ceramics Business are Power Generation and Distribution, Mining and Ore processing, Cement, Ferrous and Non-Ferrous Industries, Automotive, Battery, Glass, Paper, Food Grain handling, Petrochemicals, Mobility and Ceramic Tiles.

This business based out of India, is largely export driven and is one of the major players in India, USA, Australia and Europe, along with a presence in specific product groups in Japan and China.

Among the leaders in the Australian market, the business has executed key projects in mining and port handling segments. The business expanded its customer base with robust growth in America, Europe, the Middle East and Japan. Precision Engineered Ceramics are used in emerging applications with a strong sustainability focus – such as Solid Oxide Fuel Cells, Hydrogen Electrolysers and Mobility solutions. A pioneer in India in the field of Metallised Ceramics, this business is a strategic supplier for global OEMs in the field of Power Distribution and Vacuum Electronics.

Our milestones

1993

Entered industrial ceramics by commissioning a facility to manufacture high alumina ceramics for wear resistance applications.

1999

Set up CUMI Australia Pty Ltd., a joint venture to address mining and coal washing opportunities in the Australian region.

2007

CUMI America chosen to address opportunities in the North American continent.

2008

Establishment of a state-of-the-art facility for Metallised Alumina Cylinders to cater to the global Vacuum Interrupter (VI) market. Secured approvals and commenced bulk supplies to leading global players like ABB, Siemens, Schneider and others.

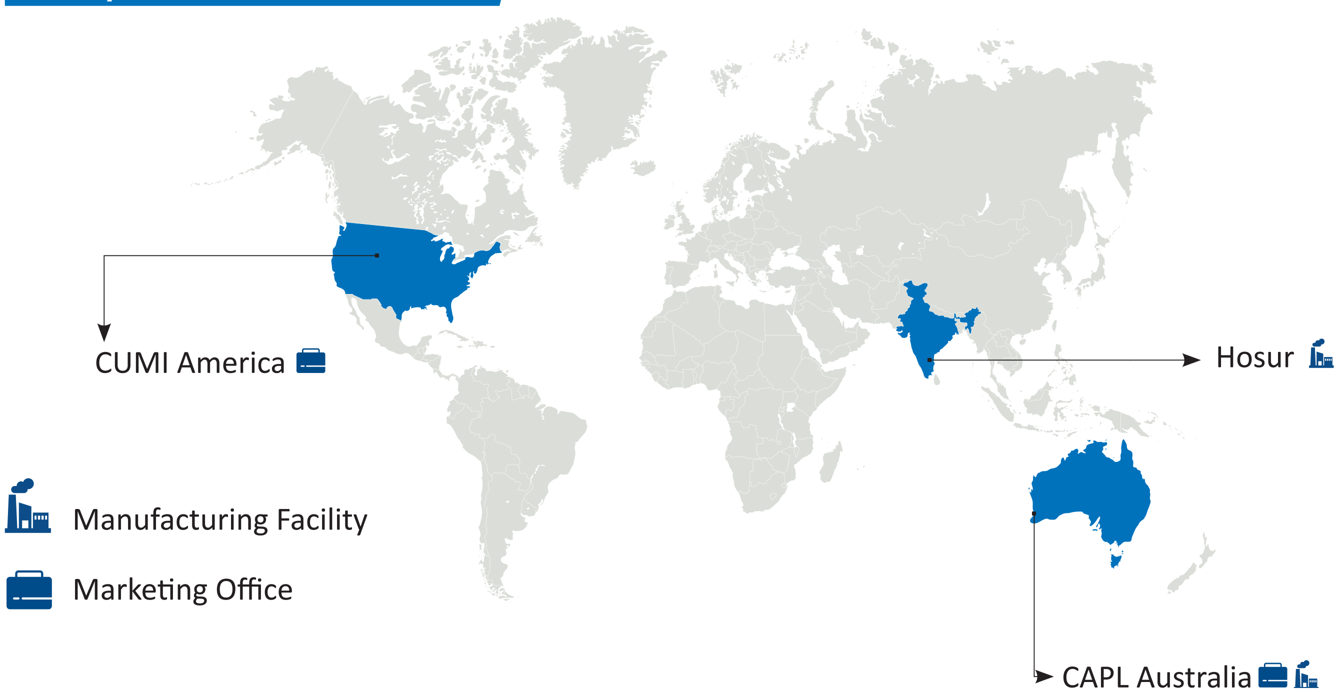
2015

Acquisition of assets and technology for the manufacture of Metallised Alumina ceramics from one of the leading global players and competitor – NTK Technical Ceramics, Japan.

2021

Expanded facility for the fabrication of lined equipment to cater increasing global demand from the mining and power generation industries.

Global presence: Industrial ceramics



CUMI India

An employee examining the Metallised Cylinder

Overview

This business division within India built innovative world-class capabilities and debottlenecking capacities across product lines, especially advanced ceramics.

During the year under review, the Company reported revenues around the previous year even as PBIT margin was sustained around an attractive 26%, a validation of the Company's knowledge-driven and globally competitive business model.

The business during the year reflected the result of a slowdown in the solid oxide fuel cell (SOFC) business. This market had earlier been buoyant, driven by product innovation, State-led clean energy support and serviced by the Company's precision-engineered structural ceramics. This decline in revenue in the SOFC segment was made up by a growth in business from other regions and business segments, indicating performance resilience.

The Company strengthened prospects through development work in nascent and emerging business segments like Defence. The Company customised ballistic solutions; it designed and supplied armouring solutions for a prominent Indian brand addressing the needs of the Indian army.

The Company developed and supplied a special ceramic used in the tracks of bullet train inserts of the prestigious Ahmedabad-Mumbai bullet train.

The Company deepened its credentials in the semiconductor space through timely qualifications with equipment suppliers.

Collaborative projects with customers were undertaken to develop the next generation of structural ceramics.

The business executed large projects in the thermal power space in Vietnam; it was cleared by a semiconductor audit; it received two prestigious awards; it commissioned an Experience Centre for prospective customers.

Going ahead, the industrial ceramics business will pivot around advanced applications in the area of Semiconductors and Defence. This represents a growth platform for the business across the foreseeable future.

CUMI (Australia) Pty Ltd (CAPL)

An internal view of ceramic-lined cyclone for flash drying application

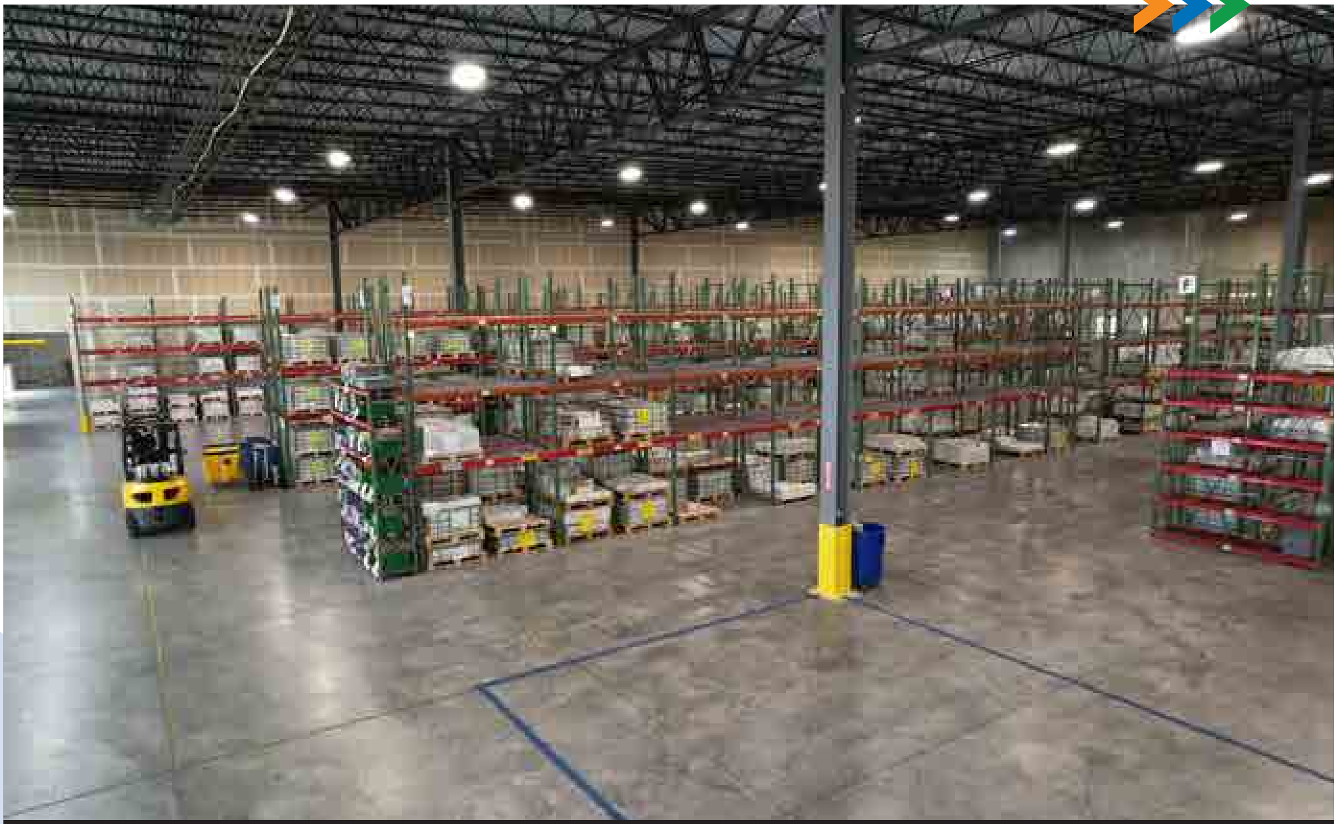
Overview

Building upon last year's exceptional performance, CAPL surpassed expectations with a ~15% increase in turnover year-on-year in local currency, driven by a blend of project orders and sales to approximately 300 individual customers.

A significant portion of the products supplied were custom-engineered and tailored to specific site applications, showcasing commitment to precision and innovation. Despite the unique requirements of each item, robust internal processes led to an exceptionally low incidence of non-conformance notices, reinforcing our dedication to quality. In FY24, CAPL also initiated a substantial workplace modernisation initiative, focusing on upgrading the ERP system, migrating to cloud-based servers and integrating communications within the Microsoft Teams Environment.

The project reached an 80% completion milestone, with full implementation anticipated by mid-2024, promising benefits such as strengthened security, enhanced remote working and streamlined communication channels. As business expands, the necessity for additional personnel remain ongoing. Given the challenging labour market conditions in Australia, the Company recruited overseas qualified professionals on long-term visas, strengthening operations.

CUMI America



CUMI America Inc.'s warehouse at Oakdale, PA, USA holding a wide range of wear-resistant alumina ceramic products.

Overview

The business experienced creditable growth in FY 24, driven by increased demand from the mining, steel, power and asphalt industries. Strategic partnerships with distributors and original mining equipment manufacturers proved instrumental, facilitating market expansion into South America for mining applications.

Capacity enhancements in standard tiles and engineered ceramics enabled the business to meet rising customer demand. Moreover, the growing popularity of rubber-backed composites for grain handling in the agro-industry and large body ceramic parts for wear applications boded well for prospects.

To sustain momentum, the business is pursuing significant capacity expansion, introduction of new products and new project opportunities. Efforts will be focused on enhancing local warehousing capacities and offering additional value-added products in the North and South American markets.

Business segments

Our Super Refractories Business

Designed to Deliver

Pre-dispatch assembly of bottom block refractory for solar glass furnace in progress

Where we are today

8,813
₹ Million of Standalone revenues, FY 24, includes Industrial Ceramics and Super Refractories

10,767
₹ Million of Consolidated revenues, FY 24, includes Industrial Ceramics and Super Refractories

Super Refractories Range

- Refractory cement and castable
- Bio-soluble ceramic fibre and paper products
- Complex-shaped silicon carbide and Nitride bonded silicon carbide products
- High Alumina products for the glass, carbon black and petrochemical industry
- Refractory ceramic fibre blanket, vacuum-formed boards and shapes from refractory ceramic fibres

Overview

Super Refractories are made using high purity raw materials that can withstand operating conditions of load, thermal shock, abrasion, wear, and chemical resistance at elevated temperatures (up to 1850°C). The anti-corrosive properties of ceramics are supplemented by the offerings of carbon composites and glass fibre polymer composites for heavy-duty industrial application in corrosive environments.

Super Refractories are used as lining material for process vessels and as kiln lining, kiln furniture applications etc. The business is a leading player in specialised fired refractory, both dense and insulation bricks, intricate shaped items, monolithics and pre-cast pre-fired refractories. The key user industries for the refractory business include Iron and Steel, Glass, Carbon black, Cement, Ceramics, Petrochemicals, Thermal power plants, Non-ferrous metallurgy, foundry and heat treatment furnaces.

Prodorite branded anti-corrosive material is used in highly acidic or basic environments. CUMI is a major player in this industry, serving a range of chemical process and effluent treatment industries. The Business' Poly Concrete Cells (Tanks) are also used in copper and zinc extraction units worldwide.

Composites are primarily glass or carbon fibre reinforced polymer (CFRP) products manufactured through vacuum infusion, pultrusion, filament winding, grating and hand lay-up methods. The new growth areas addressed by CUMI include CFRP drone parts and defence applications.

Our milestones

1967

Set up the facility to manufacture bonded super refractories for high-temperature applications in Tiruvottiyur.

1977

Set up the Electrocast Refractory plant in Palakkad, Kerala. Exited this business in 2001.

1985

Entered a joint venture with Morgan UK to manufacture ceramic fibres that extended the working temperature range up to 1200 °C.

1992

Executed the greenfield expansion of the bonded refractories plant in Ranipet.

1994

Set up a plant for manufacturing castables in Vizag (exited in 2002).

2001

Set up CIRIA India, a joint venture with Morgan Thermal Ceramics, for refractory design, procurement and installation.

2007

Completed a green field expansion in Ranipet for bonded refractories, anti-corrosive carbon products and polymer composites. The acquisition of VAW provided a competitive platform to enter nitride bonded refractories.

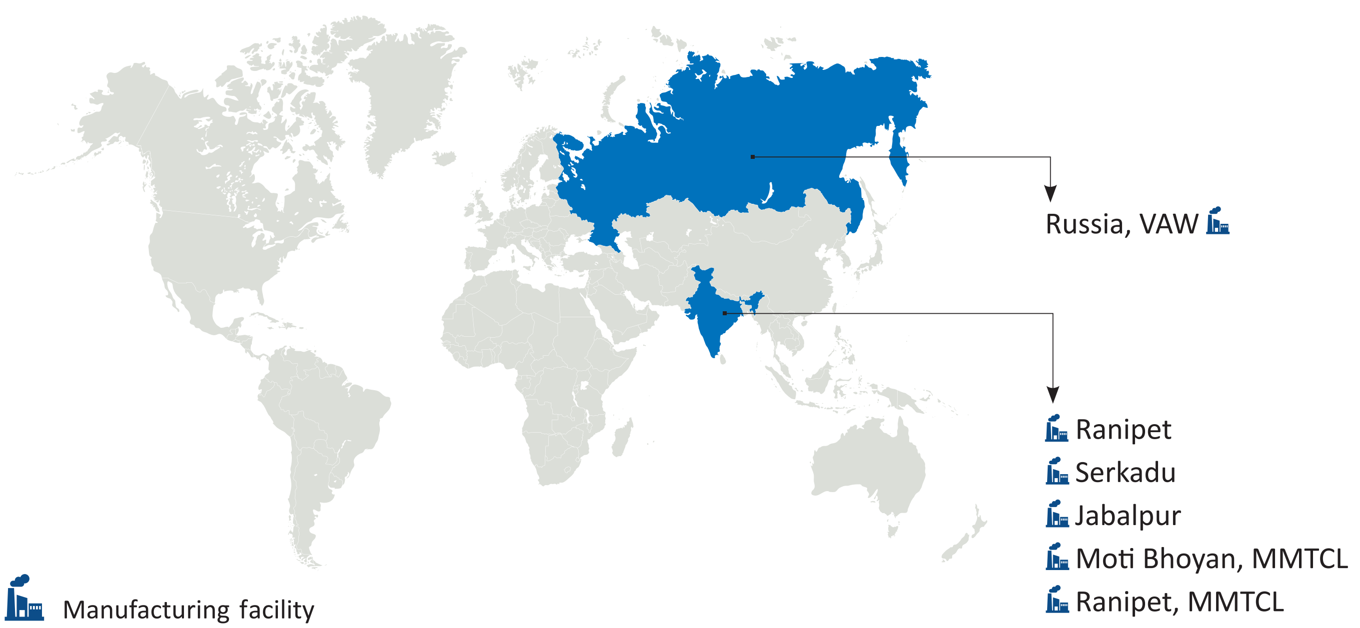
2008

The fast-growing steel industry provided an opportunity to enter castables refractories with the acquisition of a plant in Jabalpur.

2011

Murugappa Morgan Thermal Ceramics expanded operations with a greenfield plant to make spun ceramic fibres and converted products in Moti Bhoyan, Gujarat.

Global presence: Super Refractories



CUMI India

Execution team with bottom block assembly with 23 meter length X 14 meter width dimension

Overview

Super Refractories has focused on growth and enhancing its capabilities to design, manufacture and install large and complex refractory shapes for the glass, power generation, steel and chemical process industries.

Leveraging the success in the domestic market and strong performance references, the business significantly increased exports, achieving notable market growth in Europe, the Americas and the Middle East. In Q1 FY25, the division will add a state-of-the-art 1750°C kiln and 600 MT electric screw press, which will increase the production capacity of high alumina refractories for critical applications in the petrochemical and chemical processing industries.

The corrosion protection vertical experienced a significant export growth in the Middle East, Africa and ASEAN regions, particularly in fertiliser applications for the engineered carbon liners and coatings. The business also expanded into non-ferrous applications, such as zinc and cobalt, aligning with our strategy to broaden our industry presence beyond copper.

The division continued to develop its portfolio of FRP and CFRP composites for structural and advanced applications. The business engaged in new projects utilising advanced design techniques to reduce the weight of high-strength structural drone parts.

Volzhsky Abrasive Works (VAW)

Our senior leadership team and Board of Directors at Volzhsky Abrasive Works plant in Russia

Overview

VAW expanded its market presence in spite of uncertainties and challenges. The introduction of oxide-bonded products to the Indian market encountered customer acceptance. Sales of nitride-bonded refractories reported modest improvement.

The business ventured towards sales of locally sourced fused cast refractories to Indian customers through the parent company CUMI Refractories. VAW began manufacturing and selling castables in small volumes to Russian steel and cement customers, with expectations of volume growth in 2024.

The business established its trough mass product with a major steel customer and aims to extend this success to other steel customers.

Murugappa Morgan Thermal Ceramics Limited (MMTCL)

A technician handling high-temperature, high-performance thermal insulation product

Overview

MMTCL achieved over 12% growth, driven by increased volumes in established and emerging markets. Demand remained robust across sectors including iron and steel, non-ferrous metals, chemical process industries and ceramic units. The passive fire protection segment performed creditably, especially in novel application areas (marine environments, data centers, cable tray protection and fireproofing requirements for metro stations nationwide).

MMTCL has positioned itself as a key domestic supplier of thermal runaway solutions to the growing electric vehicles industry. The Company embarked on its most substantial expansion at its Gujarat site. This project, slated for completion in 2024, was funded through accruals.

Significant steps were also taken towards long-term sustainability. The Company sourced around 50% of its power needs from green sources. The commissioning of an annealing oven in Gujarat marked a pivotal shift towards eliminating fossil fuels use.

MMTCL remained committed to community development through engagements addressing education, skill enhancement, healthcare and plastic recycling.

Advanced Materials

For over six decades, CUMI has built businesses around a few well-known properties of oxides and carbides, like the hardness and high melting points. As electric mobility, clean energy technologies and energy storage solutions emerge, it calls for developing and using materials and applications that create maximum impact while leaving the world a better place. Some of these transformational materials are graphene, synthetic graphite, ceramics for hydrogen electrolysers, carbon fibre composites, boron carbide and high-purity silicon carbide.

Graphene is a material that possesses a wide range of possibilities including mechanical strength, electrical and thermal conductivity, and corrosion resistance. Phase Change Materials (PCM) store energy during phase transitions (solid/liquid/gas). The phase change nature of organic and inorganic chemical formulations provides many solutions that address thermal storage challenges in vaccine transport, cold chain logistics and temperature management of buildings.

It is in these areas of materials science that CUMI has been working on that will contribute to building the organisation, India's reliance and the progress of the world.

Silicon Carbide at VAW, Russia

Graphene

Graphene Oxide

Overview

Graphene-based products are contributing to high performance, sustainability and eco-friendliness. The Company entered this business through brand Grafino®, a suite of seven graphene-based products.

During the year, four fundamental variants found applications across coatings, composites and the energy space.

A ground-breaking addition was the introduction of a master batch of Grafino® RG, tailored for applications in biocompatible packaging materials. By enhancing barrier properties and strength, graphene integration prolongs the lifespan of bioplastics and reduces plastic waste.

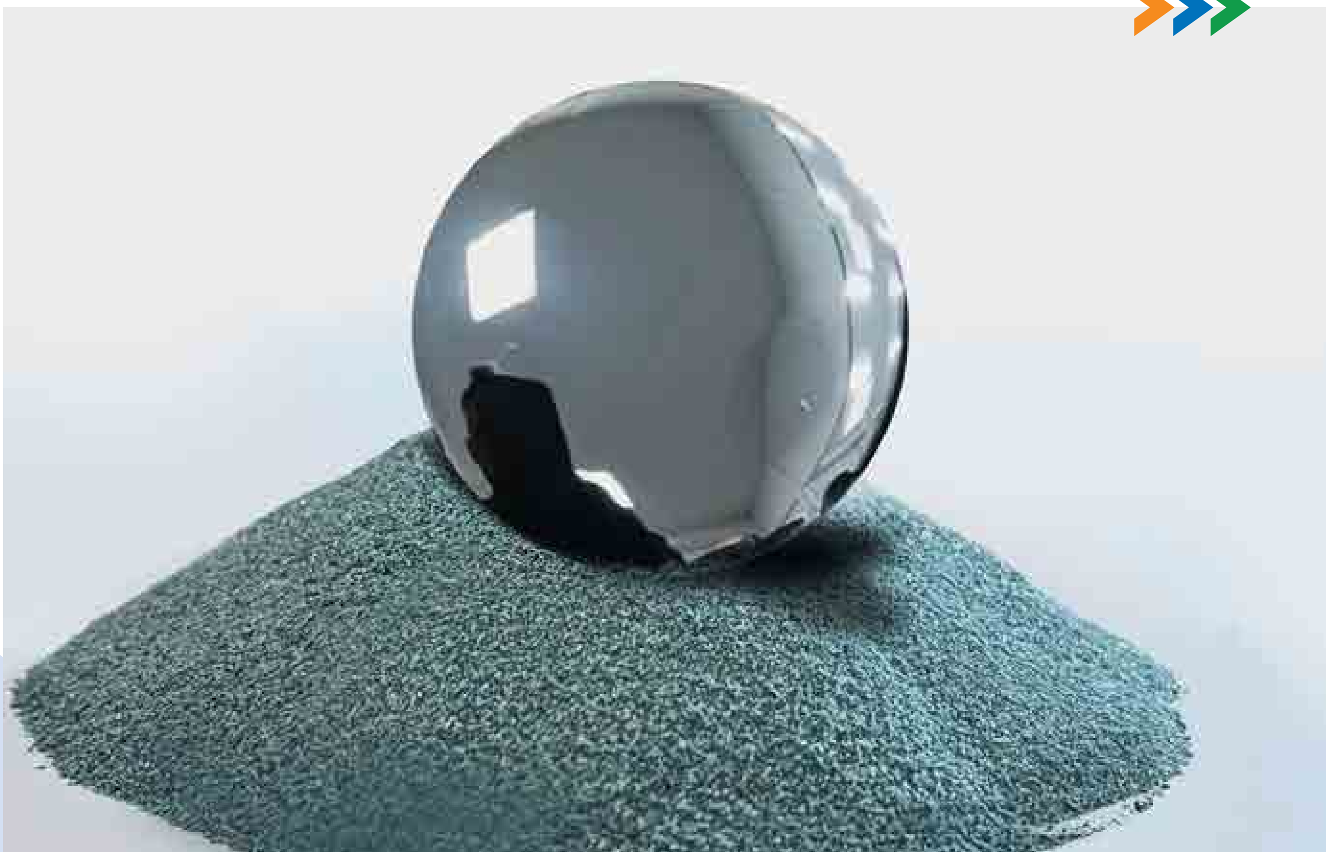
Grafino® Car Care, a convenient ready-to-use product for car detailing, offers superior scratch resistance, water repellence, reflectivity and anti-graffiti properties, reducing water and detergent consumption while preserving vehicle longevity.

The Grafino® Adlatx product range optimises the performance of natural and synthetic latex-based products. These formulations support waterproofing compounds by enhancing strength and reducing water vapour transmission. By extending the lifespan of structures in waterproofing applications, these products reduce the need for material-intensive repairs.

Grafino® Crete serves as a concrete additive applicable across concrete types - from standard to ultra-high strength applications. Graphene integration boosts strength and corrosion resistance, providing structural engineers options to enhance durability or reduce concrete consumption.

CUMI is committed to nano-technology research and development, which holds promise for advancing sustainability. The Company maintains active collaborations with more than 30 industries and 15 global institutes. Ongoing research focuses on sustainable solutions for tyres, high-performance composites, conductive coatings and energy storage. CUMI filed two patents during the year under review.

High purity silicon carbide



High purity silicon carbide grain and single crystal for use in power electronics

Overview

Silicon carbide (SiC) is emerging as a potential alternative to silicon (Si) semiconductors in select applications, owing to enhanced voltage handling, reduced dimensions or weight and heightened operational capabilities at high temperatures. The industrial production of silicon carbide (SiC) semiconductors relies on the sublimation growth method (physical vapor transport method).

The significance of high purity raw materials cannot be overstated in the sublimation growth process for generating single SiC crystals. These materials are crucial for ensuring the consistent formation of quality crystals possessing requisite electrical, structural and reliability properties critical to modern semiconductor devices.

To address the stringent requirements of semiconductor applications, the production of high purity silicon carbide (SiC) raw materials necessitates planning and execution across stages. Our focus has been on establishing a robust production process for high purity raw materials within the silicon carbide semiconductor value chain.

During the year under review, significant strides were made in establishing production-scale furnaces and implementing multiple post-processing procedures to manufacture high purity silicon carbide powder. Trial scale supply was initiated in the Asia-Pacific, while discussions are underway with customers in Europe.

Phase change materials

Range of PLUSS phase change material products

Overview

Phase Change Materials (PCMs) are one of the most effective mediums of thermal energy storage (TES) as they are highly cost effective, stable and environment friendly. PCMs have a wide applications in building construction, cold-chain transportation/ storage, solar energy storage and temperature-controlled packaging for food, pharmaceuticals etc.

TES technology eliminates the dependency on instantaneous electricity for heating or cooling applications and also allows more control over the end use without relying on electric power for the purpose of heating and cooling from the grid or electric batteries or diesel generators.

Large order from a European thermal packaging company

PLUSS secured a significant order from a leading European thermal packaging company, marking a substantial milestone with an estimated annual recurring revenue potential of USD 2 Million. This order is likely to be centred around the supply of PLUSS' Phase Change Material (PCM), designed to maintain temperatures ranging from 2°C to 8°C and 15°C to 25°C. This achievement highlights PLUSS' prowess in delivering effective thermal packaging solutions vital for preserving the integrity of temperature-sensitive goods, particularly in critical industries like pharmaceuticals and food.

Product validation and approval for Li-ion battery thermal management

PLUSS attained validation and approval for its passive thermal management solution tailored for lithium-ion batteries. This validation, likely to be endorsed by prominent Original Equipment Manufacturers (OEMs), signifies that PLUSS' technology adheres to stringent industry standards and specifications. This recognition not only highlights the reliability and efficacy of PLUSS' offerings but also signals a promising revenue trajectory during the current financial year.

Other businesses

SEDCO TAKING ENERGY PLACES

SEDCO operates a 5 MW, natural gas-based power plant at Nallur, Mannargudi (Taluk), South India. The Company procures natural gas from ONGC and generates power for captive use by the various industrial units of its investors. SEDCO believed that the future would be powered by renewable energy. Hence, it entered into new and renewable energy solutions, including solar systems (on-grid, off-grid, and hybrid), solar water heaters, solar street lighting, solar water pumping systems, battery storage, solar-powered EV charging infrastructure, and Energy Management solutions.

During FY24, the gas business encountered challenges, stemming from sharp increases in gas prices along with generating, operating and transmission charges. A one-time non-operational charge of ₹64 Million impacted operations. Despite these adversities, the team demonstrated efficiency in managing gas-based power plant operations while pursuing cost-saving initiatives.

In response to the prevailing challenges, the business intensified its focus on the solar segment, securing its largest single order (3.6 MWp). This project signifies a strategic shift towards renewable energy solutions. Approximately 1.5 MWp of solar systems, owned and operated by SEDCO, were installed across CUMI factory locations. These systems generated over 1,700,000 units of electricity from clean sources, equivalent to the conservation of 19,800 trees and a reduction of 685 tonnes of CO_2 emissions. The share of the solar business increased to ~35% in FY24 compared to ~13% during the previous year.

net access your anchor partner to success

NetAccess achieved a sales revenue of ₹573 Million for FY 23-24 and onboarded several large customers in the IT services segment. NetAccess completed a major automation project implementation across sugar mills for a significant public sector client.

The partnerships with OEMs were renewed and we are actively working to graduate these collaborations to the next level.

Moving forward, we will continue to focus on Network, Cloud and Cyber Security to drive business growth.

ESG and CUMI

1.8 MW Ground mounted solar panels in Kalamassery campus

CUMI's Sustainability Goals for 2025

Energy Intensity

25% Target by 2025

20% Actual by 2024

Water Intensity

25% Target by 2025

21% Actual by 2024

GHG Intensity

25% Target by 2025

26% Actual by 2024

Waste Intensity

25% Target by 2025

31% Actual by 2024

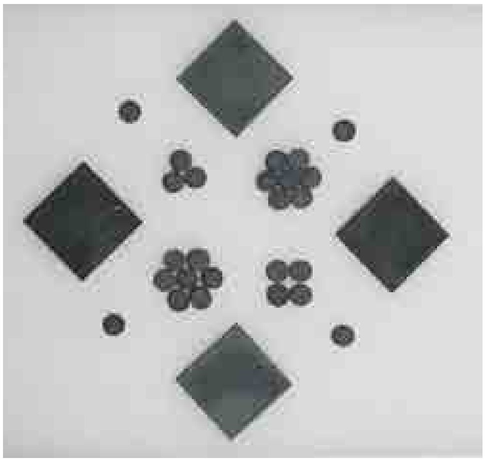
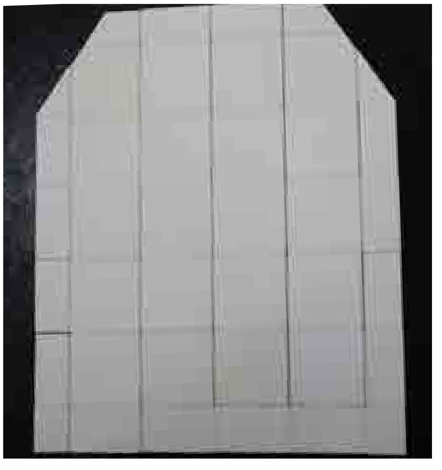
Product innovations at CUMI

Industrial Ceramics


Rubberised RbSiC panels for ballistic protection for vehicle

Certified for STANAG 4569 Level II armour protection for vehicle.

Panels are made with RbSiC ceramics and weather resistant rubber with polyurethane coating and painting.

Rb(SiC+B4C) products for Engineered ceramics and Ballistic body armour

The composition offers high strength and high hardness with low areal density.

CUMI's ceramic solutions along with an appropriate fibre backing structure makes personal armours strong and resilient.

Super Refractories

BELL Furnance - Firing Hood

Taken initiative to provide Thermal Audit, condition monitoring of high temperature equipment at customer end. This will help them monitor the condition of the equipment, maintain safety, improve productivity and efficiently control operations routine maintenance.

Abrasives

Speed 500 Diamond Blades

Diamond wheel designed with a uniquely formulated bond with special processing, that offers significantly reduced cutting time, while offering 2x performance over the best-in-class competing product for the wall chasing application

Abrasives

CUMI Nxt and Promax range of Snagging wheels

High performance Zirconia range of Snagging wheels with strong resin filler combination that offers fast grinding with 3-4x working life over most competing wheels.

Phase change materials

PLUSS Celsure® XL VIP Pallet Shipper

The latest offering by PLUSS, the Celsure® XL VIP (Vacuum Insulated Panels) is a groundbreaking innovation, set to redefine the standards of pharmaceutical shipping and storage. Designed to meet the growing demands of the global pharmaceutical market, these VIP pallets offer unmatched reliability, affordability, and sustainability.

Crafted with precision using premium materials and incorporating the latest in VIP technology and phase change material (PCM), the pallets ensure temperature integrity during transit and storage.

The pallets are sustainable solutions by being reusable and lower cost with a superior payload-to-volume ratio. They provide operational ease by seamlessly transitioning between air and road transport, ensuring uninterrupted supply chain operations.

Research and development at CUMI

477
Trademarks

84
Patents

61
Designs

CUMI has systematically built its R&D capabilities across businesses. Scientific capabilities are nurtured through engagements with research and academic institutions. This has created a culture of innovation, which represents the heart of CUMI.

Consolidated excluding joint ventures

Business excellence

Talent management at CUMI

Graduate Engineer Trainee (GET) having hands on experience on Lathe Machine

Overview

At CUMI, the human resource function drives organisational success through collaboration, capability enhancement and cultural alignment with the Company's values. The HR team works closely with business units to align human assets for high performance, designing initiatives to enhance talent and capability across functions and levels. CUMIs commitment to institution building is evident in the establishment of robust practices and processes.

CUMI values

In FY 24, the company conducted 16 workshops across 10 locations, engaging over 300 employees. The Company encouraged honest conversations about personal values and facilitated alignment with the corporate values.

Capability building

At CUMI, a leading materials science solutions provider, the Company prioritised continuous learning and skill development. Operating as a learning organisation, CUMI aligned learning needs with business goals and long-term strategy.

- Designed and delivered training programmes aligned with business needs, covering productivity improvement, talent development, and succession planning.
- Launched the YOLO programme for Graduate Engineering Trainees, a year-long development journey for new engineers.
- Rolled out the CUMISEAD programme for first-time managers and individual contributors, combining classroom training, assignments, and coaching sessions.

Digital initiative: CUMIverse learning management system (LMS)

In September 2023, the Company launched CUMIverse, a new learning management system (LMS). Recognising the imperative of technological advancement in a digital landscape, LMS became vital for organisational efficiency, productivity and employee development. Comprising over 30 e-learning modules covering behavioural, technical and functional areas,

Performance Management System (PMS)

- Introduced an online mid-year feedback process and conducted a compensation benchmark study to ensure competitive salaries.

Corporate Social Responsibility (CSR) at CUMI

A CCSD student being recognised at an event by CII

Overview

Corporate Social Responsibility (CSR) stands as a cornerstone of CUMI's ethos, reflecting its commitment to societal well-being alongside business growth. Guided by The Murugappa Way, CUMI prioritises initiatives in education, healthcare and environmental sustainability. Through direct implementation and collaboration with registered agencies, CUMI endeavours to uplift communities, especially the underprivileged, aligning with national development objectives.

CSR spend

57.8

₹ Millions, total amount spent on CSR activities for FY 2023-24

Education initiatives (Direct implementation)

CUMI recognises the critical role of education in promoting socio-economic development. The CUMI Centre for Skill Development (CCSD) exemplifies this commitment, providing specialised training to rural youth from marginalised backgrounds. Established in 2012 at Hosur and expanded to Edapally and Ranipet, CCSD offers three-year skill development programmes aligned with National Council on Vocational Training syllabus. The students receive stipends and boarding facilities, enabling them to earn while learning and enhancing their employability.

The CUMI Centre for Skill Development, created with the purpose of building skills and transforming lives, has seen 485 students since its inception in 2012. The students are trained in trades such as turners, fitters, machinist grinders, electricians and machine tool maintenance mechanics. 401 students completed course. The current batch comprises 84 students, spread across Hosur and Kochi, of whom several received job offers from leading companies.

Healthcare support

Pediatric cardio surgery: CUMI collaborates with Sri Sathya Sai Sanjeevani Hospitals to support paediatric cardio surgeries, addressing congenital heart diseases among economically disadvantaged children.

Oncology support at GKNM Hospital: Through the G. Kuppuswamy Naidu Memorial Hospital Trust, CUMI extends assistance to paediatric oncology treatment, catering to children from underprivileged backgrounds.

Education (Through AMM Foundation)

CUMI's partnership with AMM Foundation emphasises its commitment to educational empowerment. Contributions to Vellayan Chettiar Higher Secondary School, Tiruvottiyur, aim to provide quality education to marginalised communities. It supports Murugappa Youth Football Academy (MYFA), by engaging with BVB Febballakademie GmbH (Germany) specialised firm for football coaching. It provides quality football coaching, skill development and imparts life skills to children from economically disadvantaged backgrounds.

Environmental sustainability

CUMI prioritises environmental sustainability through its support for Shri AMM Murugappa Chettiar Research Centre (MCRC). Recognised for its research excellence, MCRC focuses on sustainable solutions in agriculture, energy and environment, addressing challenges such as climate change impact on biodiversity. Projects include marine research in Lakshadweep and Andaman Islands, as well as the conservation of traditional rice varieties.

Road ahead for CUMI

CUMI team across geographies along with Board of Directors

Overview

India's growth is expected to remain robust, supported by macroeconomic and financial stability. This growth outlook is anchored primarily on the digital revolution, a facilitating regulatory environment supportive of entrepreneurship, measures targeted at economic upliftment of the most vulnerable sections of the society, developing niche and complex manufacturing sectors while building the supporting physical infrastructure, and efforts directed at diversifying its export basket and moving toward higher value–added products. Reforms undertaken over years by the government have formed the foundation of a resilient, partnership-based governance ecosystem and have restored the ability of the economy to grow healthily.

The manufacturing landscape in India is experiencing a notable uptick in investment, particularly in sectors like automobiles, infrastructure, electronics and textiles fuelling the manufacturing industry's growth in India. Consequently, India is poised for sustained brisk growth in the coming years. All of this augurs well for CUMI as the next decade of development will rely heavily on sustainable materials and materials science solutions. Among other markets where CUMI operates, North America and Australia continue to show good demand, especially in the automotive and mining industries. In Russia, the demand for locally manufactured products is a significant growth driver.

CUMI is on its transformational journey as we are leaping fast towards our goals laid down for 2030. We have also strengthened the leadership team at global level recently. Apart from the core industries that drive demand, aerospace and defence, energy, semi-conductors, environment, and mobility would be growth areas. The future holds great promise for CUMI.

Board of Directors

Long Term Strategy meeting at Chennai in March 2024
(From left to right) Sujjain S Talwar, Aroon Raman, Soundara Kumar, M M Murugappan, Sanjay Jayavarthanavelu, Sridharan Rangarajan, P S Raghavan

Mr. M M Murugappan

Chairman (68 years)

Mr. Murugappan holds a Master of Science degree in Chemical Engineering from the University of Michigan, USA. Besides serving as the Chairman of Carborundum Universal Limited, Cholamandalam MS General Insurance Company Limited, Cholamandalam Financial Holdings Limited, Cyient Limited, Murugappa Water Technology and Solutions Private Limited and as the Chairman of the Board of Governors of The Indian Institute of Management Indore, he is on the Boards of Carsons Cumberbatch Srilanka, Ambadi Investments Limited and The IIT Madras Research Park. Mr. Murugappan is a member of the American Institute of Chemical Engineers, Indian Institute of Chemical Engineers, Plastics & Rubber Institute, and a fellow of the Indian Ceramic Society. He is a trustee of the Murugappa Group's CSR arm – AMM Foundation.

Mr. Sanjay Jayavarthanavelu

Non-Executive Independent Director (55 years)

Mr. Sanjay Jayavarthanavelu holds a Master's degree in Business Administration from Philadelphia University, USA. Currently, he is serving as the Chairman and Managing Director of Lakshmi Machine Works Limited and as the Chairman of Super Sales India Limited. He is also on the Boards of several companies viz., The Lakshmi Mills Company Limited, Lakshmi Electrical Control Systems Limited, Lakshmi Ring Travellers (CBE) Pvt. Limited, Lakshmi Life Sciences Pvt. Limited, Chakradhara Aerospace and Cargo Pvt. Limited etc.

Mr. Aroon Raman

Non-Executive Independent Director (64 years)

Mr. Aroon Raman holds a Master's degree in Economics from Jawaharlal Nehru University, New Delhi and a MBA from Wharton School, USA. He was the Managing Director of Raman Boards and Raman Fibre Science Private Limited. He was also on the Board of Sundaram Finance Limited. Besides this, he has served as the Chairman of Confederation of Indian Industry, Karnataka and is currently on the Boards of various companies including Lakshmi Machine Works Limited, Telos Investments & Technologies Private Limited, Wheels India Limited, Brigade Enterprises Limited, TVS Automobile Solutions Private Limited, Trichur, Sundaram Santhanam & family Private Limited and EduTech NTTF Private Limited.

Mr. P S Raghavan

Non-Executive Independent Director (68 years)

Mr. Raghavan holds a Bachelor's degree in Physics from St. Stephen's college, Delhi as well as in Electronics & Communications Engineering from the Indian Institute of Science, Bangalore. After joining the Indian Foreign Service in 1979, he held various diplomatic assignments in Moscow, Warsaw (Poland), London (UK), Ho Chi Minh City (Vietnam) and Pretoria (South Africa). He has also served as India's Ambassador to Russia, Czechia and Ireland. In the Government of India, he has been Joint Secretary in the Prime Minister's Office dealing with Foreign Affairs, Nuclear Energy, Space, Defence & National Security and Secretary in the Ministry of External Affairs, overseeing (inter alia) India's external economic relations. He is the Chairman of the National Security Advisory Board of India. He is also a Distinguished Fellow of the Vivekananda International Foundation. Besides CUMI, he is an Independent Director on the Board of Indian Terrain Fashions Limited.

Mr. Sujjain S Talwar

Non-Executive Independent Director (60 years)

Mr. Sujjain Talwar is a qualified solicitor in India and England & Wales. He has close to three decades of experience as a corporate and infrastructure solicitor in India and abroad. He is the founding partner of Economics Law Practice, a law firm that has consistently been ranked as a top 10 law firm, with over 150 lawyers and offices in 6 cities. Mr. Talwar has in the past worked with reputed law firms such as Crawford Bayley, Pinsent Masons etc. He has been named as a leading individual for his 'depth of knowledge' 'innovative approach' and 'timely deliverables' by the Legal 500.

Mrs. Soundara Kumar

Non-Executive Independent Director (69 years)

Mrs. 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 the State Bank of India as a Direct Recruit Officer and served for more than 39 years both in 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, Rajapalayam Mills Limited and Shanti Gears Limited.

Mr. Sridharan Rangarajan

Managing Director (58 years)

Mr. Sridharan Rangarajan is a member of the Institute of Chartered Accountants of India, a graduate member of the Institute of Cost Accountants of India and he also holds a Bachelor's degree in Commerce from Madurai University. He has over 35 years of overall experience in various fields like banking, manufacturing, contracting, service and distribution businesses. He is associated with the Murugappa Group since June 2011 as the Chief Financial Officer of CUMI till January 2018 after which he took over as the President and Group CFO of the Murugappa Group. He is currently on the Boards of Cholamandalam Financial Holdings Limited, Wendt (India) Limited, Murugappa Morgan Thermal Ceramics Limited, Cholamandalam MS General Insurance Company Limited, E.I.D Parry (India) Limited, Parry Agro Industries Limited, PLUSS Advanced Technologies Limited, Net Access India Limited and Sterling Abrasives Limited. He has also served on the Board of Timken India Limited.

CUMI's senior leadership team: India

Our senior leadership team during a meeting at Volgograd, Russia

(From left) Shyam C Raman, Srikanth C, Ajit Kolhe, Rammohan R, Rekha S, Sridharan Rangarajan, Sivakumaran M V, Padmanabhan P, Prathap Kumar, Raghavendra Pai B, Sushil Bendale, Bhaskharan Kannun

CUMI's senior leadership team: Global

Adrian Gansen

Chief Operating Officer RHODIUS Abrasives GmBH

Beth Gardner

Head-Ceramics, CUMI America Inc.

Gerrit van Wyk

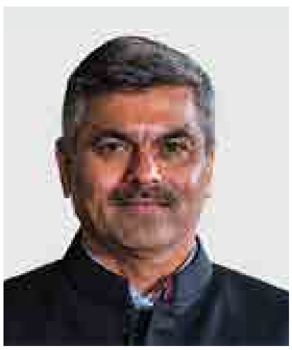
Chief Executive Officer, Foskor Zirconia (Pty) Limited

Jürgen Neubert

Managing Director and Chief Executive Officer, RHODIUS Abrasives GmbH

Markus Massa

Chief Financial Officer, RHODIUS Abrasives GmBH



Nirav N Parikh

Managing Director, Sterling Abrasives

Nitin Bichkar

President- Abrasives, CUMI America Inc.

Ralf Blechschmidt

Managing Director, CUMI AWUKO Abrasives GmbH

Samit Jain

Managing Director, PLUSS Advanced Technologies Limited

Sergey Kostrov

General Director, Volzhsky Abrasive Works

Sergey Petrosyan

Director, CUMI International Limited

Trevor Allen

Managing Director, CUMI (Australia) Pty Limited

Financial Highlights

(₹ Million, unless otherwise stated)

Summary information		Consolidated performance					Standalone performance				
		2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
a	Net Sales	46282	46010	32896	26041	25694	25932	24732	21916	16493	16231
b	EBITDA *	8593	7659	5968	5121	4614	5399	4963	4115	3174	3069
c	PBIT *	6686	5785	4822	4126	3569	4672	4218	3465	2559	2399
d	PBT	6502	5799	4765	3946	3505	4631	4316	3455	2445	2395
e	PAT	4613	4140	3334	2843	2724	3504	3309	2545	1840	1913
f	Net Fixed Assets	13917	13698	9057	6754	6540	5741	5322	4527	4293	4344
g	Net Working Capital	14914	12879	8751	12433	9869	6704	4169	3178	8503	6799
h	Non Current Investments	1716	1612	1378	1271	1212	10394	10475	9685	2507	2458
i	Shareholders Networth	31257	28206	23638	21315	18584	22975	20065	17407	15348	13671
j	Loan Funds	1127	2301	2122	430	616	-	1040	1630	-	-
	Ratio Analysis										
A	**Performance Ratios**										
1	EBITDA / Net Sales %	19	17	18	20	18	21	20	19	19	19
2	PBIT / Net Sales %	14	13	15	16	14	18	17	16	16	15
3	Asset Turnover times	1.20	1.32	1.14	1.12	1.25	1.76	1.84	1.51	1.15	1.33
4	Return on Capital Employed %	20	20	20	20	19	21	21	20	18	18
5	Return on Equity %	16	16	15	14	15	16	18	16	13	14
6	International Revenue (net) share %	54	56	45	49	49	24	26	23	25	24
B	**Leverage Ratios**										
1	Interest Cover (times)	47	33	106	143	73	130	33	423	1171	872
2	Debt Equity Ratio (times)	0.04	0.08	0.09	0.02	0.03	-	0.05	0.09	-	-
3	Debt / Total Assets (times)	0.03	0.06	0.06	0.02	0.03	-	0.04	0.07	-	-
C	**Liquidity Ratio**										
1	Current Ratio (times)	3.20	2.74	2.13	3.67	3.79	3.41	2.01	1.62	3.90	4.65
D	**Activity Ratio**										
1	Inventory Turnover days	69	63	64	68	74	52	58	58	69	75
2	Receivable Turnover days	52	44	53	62	65	54	53	54	64	66
3	Creditors No. of days	50	49	57	51	42	41	48	53	53	46
4	Cash Cycle days	71	58	60	79	97	65	63	59	80	95
E	**Investor related Ratios**										
1	Earning Per Share (₹)	24.27	21.80	17.57	15.01	14.39	18.44	17.43	13.41	9.71	10.11
2	Dividend Per Share (₹)	NA	NA	NA	NA	NA	4.00	3.50	3.50	3.00	2.75
	- Interim	NA	NA	NA	NA	NA	1.50	1.50	1.50	1.50	2.75
	- Final (proposed and paid in subsequent year)	NA	NA	NA	NA	NA	2.50	2.00	2.00	1.50	-
3	Dividend Payout %	NA	NA	NA	NA	NA	21.7	20.1	26.1	30.9	32.5
4	Price to Earnings Ratio	47	39	44	21	23	-	-	-	-	-
5	Enterprise Value / EBITDA	25	21	24	11	13	NA	NA	NA	NA	NA
6	Enterprise Value / Net Sales	4.66	3.49	4.41	2.18	2.31	NA	NA	NA	NA	NA

*excluding exceptional income/expenses (Net)

Glossary

A	Performance Ratios	
	EBITDA/Net Sales %	EBITDA = PBT + Interest + Depreciation - Exceptional items Net Sales = Gross Sales - Excise duty on Sales
	PBIT/Net Sales %	PBT + Interest - Exceptional items
	Asset Turnover times (excluding Investments)	Net sales/Average of Total assets excluding Investments
	Return on Capital Employed %	PBIT/Average Capital Employed
	Return on Equity	PAT/Average of Shareholder's Funds
B	Leverage Ratios	
	Interest Cover times	EBITDA/Interest cost
	Debt Equity Ratio	Total Debt/Shareholders Funds
	Debt/Total Assets	Total Debt/Total Assets
	Total debt	Long term borrowings, Short term borrowings & Current maturities of Long term borrowings
C	Liquidity Ratio	
	Current Ratio	Current Assets/Current Liabilities
D	Activity Ratio *	
	Inventory Turnover days	Average Inventory / (Turnover/365)
	Receivable Turnover days	Average Receivables / (Turnover/365)
	Creditors No of days	Average Trade Creditors / (Turnover/365)
	Cash Cycle days	Inventory Turnover + Receivables Turnover - Creditors No of days
	* - based on Turnover and average of opening/closing parameters	
E	Investor related Ratios	
	Price to Earnings Ratio	Average share of monthly high low/EPS
	Enterprise Value/EBITDA	Total Enterprise Value^/EBITDA
	Enterprise Value/Net Sales	Total Enterprise Value^/Net Sales
	^ Enterprise Value	Market Capitalisation + Loan funds + Non controlling interest - Cash & Cash equivalents

Corporate Information

BOARD AND COMMITTEES

Board of Directors

M M Murugappan, Chairman (DIN 00170478)

Sanjay Jayavarthanavelu (DIN 00004505)

Aroon Raman (DIN 00201205)

P S Raghavan (DIN 07812320)

Sujjain S Talwar (DIN 01756539)

Soundara Kumar (DIN 01974515)

Sridharan Rangarajan, Managing Director (DIN 01814413)

Committees of the Board

Audit Committee

Sanjay Jayavarthanavelu, Chairman

Sujjain S Talwar

Aroon Raman

Soundara Kumar

Nomination and Remuneration Committee

Sanjay Jayavarthanavelu, Chairman

Aroon Raman

P S Raghavan

Corporate Social Responsibility Committee

Aroon Raman, Chairman

P S Raghavan

Sridharan Rangarajan

Risk Management Committee

P S Raghavan, Chairman

Aroon Raman

Sridharan Rangarajan

Stakeholders Relationship Committee

M M Murugappan, Chairman

P S Raghavan

Sridharan Rangarajan

BANKERS

State Bank of India

Standard Chartered Bank

Bank of America

The Hongkong and Shanghai Banking Corporation Ltd.

MANAGEMENT COMMITTEE

Sridharan Rangarajan, Managing Director

C Srikanth, Business Head - Abrasives

M V Sivakumaran, Business Head - Electrominerals

Prathap Kumar, Business Head - Industrial Ceramics

Raghavendra Pai, Business Head - Super Refractories and Prodorite

Shyam C Raman, President & Chief Human Resources Officer - Designate

Bhaskharan Kannun, Head - Human Resources

Sushil Bendale, Chief Financial Officer

P Padmanabhan, Chief Risk Officer and Head - Global Taxation

Rekha Surendhiran, Company Secretary

Ajit Kolhe, Head - Information Technology

R Rammohan, Head- EHS

COMPANY SECRETARY

Rekha Surendhiran

Carborundum Universal Limited

Parry House, 43, Moore Street,

Chennai 600 001

Tel: +91-44-30006141; Fax: +91-44-30006149

E-mail: rekhas@cumi.murugappa.com

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP

REGISTRAR AND SHARE TRANSFER AGENT

M/s. KFin Technologies Limited

Unit: Carborundum Universal Limited

Selenium Building, Tower-B,

Plot No. 31 & 32, Financial District, Nanakramguda,

Serilingampally, Hyderabad, Telangana - 500 032

Tel.: +91-40-67162222, Fax: +91-40-23420814

Toll Free no.: 1800-345-4001

E-mail: einward.ris@kfintech.com;

Website: https://www.kfintech.com

Directors' Report

Your Directors have the pleasure in presenting the 70th Annual Report together with the Audited Financial Statements for the year ended 31st March 2024. The Management Discussion & Analysis Report which is required to be furnished as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the Listing Regulations) has been included in this Report to avoid duplication and overlap.

ECONOMIC OVERVIEW & COMPANY PERFORMANCE

Economic Overview

Geopolitical implications of the Russia-Ukraine crisis, conflict in Middle East and Red Sea disruptions continued to prevail during the year and impact global supply chain. This led to high uncertainty and volatility across economies globally. The prices of commodities, food, energy and fertilisers which rose sharply during FY23, softened a bit after central banks responded with monetary policy tightening to contain inflation. During FY24, global growth proved resilient, with inflation declining faster than anticipated. Economic growth was divergent across countries, with strong growth in the United States (US) and emerging markets which was offset by a slowdown in most European countries, mainly Germany. Recent economic indicators point to some moderation of growth and global trade remaining subdued. Further, the Red Sea crisis has increased shipping costs sharply and lengthened delivery times, disrupting production schedules and rising price pressures.

Global Gross Domestic Product (GDP) growth is projected to ease from 3.1% in 2023 to 2.9% in 2024, before recovering to 3.0% in 2025. Annual GDP growth (2.5% in 2023) in the US is supported by household spending and strong labour market conditions but is expected to moderate to 2.1% in 2024 and 1.7% in 2025. Euro area GDP growth is projected to be 0.6% in 2024 and 1.3% in 2025, with activity held back by tighter monetary policy in the near term and adverse effects of the energy price shock. Growth in China is expected to ease from 5.2% in 2023 to 4.7% in 2024 and 4.2% in 2025, despite additional policy stimulus, reflecting subdued consumer demand, high debt, and a weak property market. The emerging-market economies continued to grow at a solid pace, despite tighter financial conditions, reflecting the benefits of improved macroeconomic policy frameworks, and strong investment in infrastructure in many countries. India and Indonesia are both expected to expand steadily over the next two years, helped by strong investment growth, with GDP rising by more than 6¼ % and 5% per annum respectively (source - OECD, Economic Outlook, Feb 2024).

Global inflation, a key concern over the past two years, is showing signs of easing. Global headline inflation fell from 8.1% in 2022 to an estimated 5.7% in 2023 and is projected to decline to 3.9% in 2024. However, food price inflation remains a critical issue, exacerbating food insecurity and poverty, particularly in developing countries.

The Indian economy registered sustained growth on the back of increasing domestic demand, government impetus to infrastructure spending and export growth, also enhanced by the continuing 'China Plus One' sourcing strategy of global players. The Indian economy witnessed a great year, closing 2023 with a GDP of US$ 3.73 trillion, and a projected GDP growth rate of 6.3 % against the global average of 2.9 %. As India is geared to become a US$ 5 trillion economy by 2027, the calendar year 2023 saw decent manufacturing sector growth, supported by strong growth in the steel, cement, and automobile manufacturing sectors. The infrastructure and real estate sectors have performed well while the construction sector recorded decent growth. The manufacturing sector has an estimated potential to grow into a US$ 1 trillion industry by 2025-26, driven by the government's 'Make in India' initiative, which is further aided by multiple industry-promoting schemes such as the Production-Linked Incentive (PLI) scheme.

Company Performance

Revenues

During the year, the standalone revenues grew by 4.9% and the consolidated revenues by 0.6%. One of the key reasons for flat growth at consolidated level is the weakening Rouble against INR at VAW, our Russian subsidiary representing 19.4% of consolidated CUMI. VAW's revenue in Rouble FY23 was converted into INR at 1.23 in FY23 against 0.92 in FY24. At constant exchange rate of FY23, overall growth of CUMI would have been 7.0% instead of 0.6%.

The Company began its financial year with a solid start in all three business segments. On one side there were positive signs of improvement across economies with inflation coming down, re-opening of China, easing of supply chain disruptions, and stronger than expected aggregate demand, while on the other side some economies were struggling with aggressive interest rate hikes, geo-political tensions, and recessionary trends. Despite these challenges, the Company's performance yet again speaks about strong demand for its quality products/ solutions, manufacturing and research capabilities, and timely execution in domestic and overseas markets.

For the Abrasives segment, consolidated revenues grew by 2.7% at ₹20910 million compared to last year. Standalone Abrasives was at ₹11503 million and grew by 3.9% compared to last year. Industrial and precision segments had good growth. Retail segment was below last year and was impacted due to low priced imports from China and competition from new entrants. Sales for Russian subsidiary, Volzhsky Abrasive Works grew significantly in local currency but resulted in de-growth when converted into INR. CUMI America performed well, while the domestic subsidiary, Sterling Abrasives had marginal growth. The German subsidiaries Rhodius and Awuko were able to deliver a single digit growth when converted to INR compared to last year despite softening in demand in parts of Europe and aggressive price competition in the market.

Electrominerals, on a consolidated basis for FY24, had sales of ₹15447 million compared to ₹16338 million during last year. Standalone Electrominerals was at ₹7411 million, and it grew by 5.6% compared to last year. Volume growth in Aluminas and Silicon Carbide has been good, but price realisations were impacted due to low-priced imports. Sales of the Russian subsidiary, Volzhsky Abrasive Works grew significantly in local currency on account of product mix, exchange rate, and increase in price and volume. However, when converted to INR, it shows a lower performance because of weaker Rouble in FY24 against FY23. Foskor Zirconia, South Africa had lower sales volumes compared to last year. This is majorly on account of postponement of offtake by their major customers and price pressure from Chinese suppliers.

Consolidated Ceramics for FY24 grew by 4.8% to ₹10767 million, whereas standalone Ceramics grew by 5.6% to ₹8813 million compared to ₹8342 million during last year. Refractory, Wear Ceramics and Metallised Cylinders' businesses combined grew in double digits but with de-growth in Engineered Ceramics business, overall standalone segment resulted in a 5.6% growth. Subsidiaries in Australia and America registered very good growth.

Standalone business, which grew by 4.9% to ₹25932 million in FY24, was majorly driven by growth from Electrominerals segment at 5.6%, Ceramics segment at 5.6% and Abrasives segment at 3.9%.

The subsidiaries in other segments including PLUSS Advanced Technologies Limited (PLUSS) and Southern Energy Development Corporation Limited (SEDCO) grew in double digit compared to last year, while Net Access India Limited de-grew marginally.

The following table summarises the standalone and consolidated revenues - both segment and geography wise:

(₹ Million)

	2023-24		2022-23		Growth
	% share	Amount	% share	Amount	%
Standalone					
Abrasives	44	11503	45	11069	4
Ceramics	34	8813	34	8342	6
Electrominerals	29	7411	28	7020	6
Eliminations	(7)	(1795)	(7)	(1699)	(6)
Total	**100**	**25932**	**100**	**24732**	**5**
India	76	19687	74	18400	7
Rest of the world	24	6245	26	6332	(1)
Total	**100**	**25932**	**100**	**24732**	**5**

(₹ Million)

	2023-24		2022 - 23		Growth
	% share	Amount	% share	Amount	%
Consolidated					
Abrasives	45	20910	44	20353	3
Ceramics	23	10767	22	10273	5
Electrominerals	33	15447	36	16338	(5)
Power	1	327	1	259	26
IT services	1	573	1	585	(2)
Others	1	617	1	542	14
Eliminations	(5)	(2359)	(5)	(2340)	1
Total	**100**	**46282**	**100**	**46010**	**1**
India	46	21427	44	20321	5
Rest of the world	54	24855	56	25689	(3)
Total	**100**	**46282**	**100**	**46010**	**1**

The Company's consolidated revenues from India grew by 5% and from rest of the world de-grew by 3% due to Rouble depreciation.

Manufacturing

The manufacturing team played a vital role in focused production planning and order execution to create a faster growth momentum. The core product segments continued to run at full capacity. Continued focus on Total Productive Maintenance (TPM) helped the Company improve the quality of its products and operate plants efficiently while reducing the overall cost of operations. Capital expenditure across all geographies was directed at capacity expansion, facilities for new products, quality enhancement, line balancing, and general infrastructure.

Earnings & Profitability

The Company's standalone financial results are summarised in the table below:

(₹ Million)

	As % of Sales	2023-24	As % of Sales	2022-23	Increase %
Sales		**25932**		**24732**	**5**
Other Operating Income		400		367	9
Revenue from Operations		**26332**		**25099**	**5**
Other Income		454		319	43
Total Income		**26786**		**25418**	**5**
Expenses					
Cost of material consumed	40	10299	40	9991	3
Purchase of stock in trade	4	911	3	718	27
Movement of Inventory	0	35	(0)	(27)	(229)

(₹ Million)

	As % of Sales	2023-24	As % of Sales	2022-23	Increase %
Employee benefits expense	10	2584	10	2369	9
Finance Cost	0	42	1	150	(72)
Depreciation and amortisation	3	726	3	745	(2)
Power & Fuel	9	2307	9	2295	1
Other expenses	20	5251	21	5110	3
Total Expenses	**85**	**22155**	**86**	**21351**	**4**
Profit before tax and exceptional item	**18**	**4631**	**16**	**4067**	**14**
Exceptional item	-	-	1	249	
Profit before tax	**18**	**4631**	**17**	**4316**	**7**
Profit after tax	**14**	**3504**	**13**	**3309**	**6**
Total Comprehensive Income	**13**	**3399**	**13**	**3236**	**5**

Standalone profit before tax stood at ₹4631 million as compared to ₹4316 million during the previous year.

The Company uses a variety of raw materials for its products - Bonds, Cotton Yarn, Grains, Calcined Alumina, Tabular Alumina, Brown fused Alumina, White fused Alumina, Silicon Carbide, Mullite, Pet Coke, Bauxite, and Zircon Sand amongst others. The sourcing is a prudent mix of indigenous and imported materials. Aided by judicious sourcing and optimising throughout in production, material consumption continued to improve during the year marginally. Significant improvement in specific material and energy consumption was recorded across businesses. Also, 1.8 MWp of solar system was commissioned at Edappally location.

Power and fuel cost increased by 0.5%from ₹2295 million in the preceding year to ₹2307 million during the current year.

Employee benefits expense increased from ₹2369 million in the preceding year to ₹2584 million during the current year.

Except for the Electrominerals segment, the Profit before finance cost, exceptional items and tax expanded in all segments due to an increase in revenue, more favourable cost structures and better realisation in some segments. The Electrominerals segment was impacted due to the pricing pressures in the market.

Finance costs were at ₹42 million compared to ₹150 million in the previous year. Total Comprehensive Income increased from ₹3236 million to ₹3399 million.

The consolidated profit before tax and exceptional item (before share of Associate & Joint ventures) entity-wise is represented below:

(₹ Million)

	2023-24	2022-23
CUMI Standalone	4631	4067
Subsidiaries including step down subsidiaries:		
Indian		
Net Access India Limited	45	45
Southern Energy Development Corporation Limited	(94)	(47)
Sterling Abrasives Limited	195	220
PLUSS Advanced Technologies Limited	(187)	(179)
Foreign		
CUMI (Australia) Pty Limited	378	282
CUMI International Limited	256	103
Volzhsky Abrasive Works	1965	2046
Foskor Zirconia (Pty) Limited	(102)	104
CUMI America Inc.	247	174
CUMI Middle East FZE	(13)	(10)
CUMI Abrasives & Ceramics Company Limited	(18)	(47)
CUMI Europe s.r.o.	0	1
CUMI Awuko Abrasives GmbH	(298)	(457)
Rhodius Abrasives GmbH#	(155)	(398)
Total of Subsidiaries	**2219**	**1837**
Inter Company Eliminations	(786)	(727)
Consolidated profit before tax and share of profit from Associate and Joint ventures	**6064**	**5177**
Consolidated profit after tax attributable to owners	**4613**	**4140**

Consolidated

On a consolidated basis, the profit before tax and exceptional item (before share of profit from Associate and Joint Ventures) increased to ₹6064 million from ₹5177 million. Profit after tax and non-controlling interests has increased to ₹4613 million from ₹4140 million. The performance of the subsidiaries is detailed separately in this Report.

Financial Position

An overview of the Company's financial position - on a standalone and consolidated basis is given below: (₹ Million)

Financial position	Standalone			Consolidated		
	31.03.2024	31.03.2023	% change	31.03.2024	31.03.2023	% change
Net Fixed assets (including goodwill and Right of use assets)	5741	5322	8	16391	16142	2
Investments - Non-current	10393	10475	(1)	1716	1612	6
Other Assets						
- Inventories	3612	3795	(5)	8502	8989	(5)
- Trade receivables	3786	3897	(3)	6790	6274	8
- Cash and cash equivalents	1726	99	1640	5549	3964	40
- Other assets	662	796	(17)	2571	2263	14
Total assets	**25920**	**24384**	**6**	**41519**	**39244**	**6**
Liabilities (Other than loans)	2945	3279	(10)	7742	7458	4
Net assets	**22975**	**21105**	**9**	**33777**	**31786**	**6**
Sources of funding:						
Total equity attributable to owner	22975	20065	15	31257	28206	11
Non - Controlling interest	-	-	-	1393	1279	9
Loan outstanding:						
- Long term borrowings	-	-	-	275	429	(36)
- Short term borrowings (including current maturities of long time borrowings)	-	1040	(100)	852	1872	(54)
Total loans	**-**	**1040**	**(100)**	**1127**	**2301**	**(51)**
	22975	**21105**	**9**	**33777**	**31786**	**6**
Loans (net of cash and cash equivalents)	**(1726)**	**941**	**(283)**	**(4422)**	**(1663)**	**166**

On a consolidated basis, the total equity attributable to owners as on 31st March 2024 was ₹31257 million. There was an increase (net of dividend) to the extent of ₹3051 million. Non-controlling interest was at ₹1393 million and Liabilities (other than loans) was at ₹7742 million.

The loans outstanding decreased to ₹1127 million from ₹2301 million. Net fixed assets (including goodwill and Right of use assets) increased to ₹16391 million during the current year from ₹16142 million in the previous financial year.

Cash Flow

The Company's cash flow is healthy. The following table summarises the Company's standalone and consolidated cash flows for the current and previous year: (₹ Million)

Cash flow	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Cash flow from Operations	5114	4395	8112	5927
Taxes paid	(1106)	(955)	(2097)	(1625)
Cash flow from operating activities	**4008**	**3440**	**6015**	**4302**
Capital Expenditure (Net of disposal)	(1226)	(1564)	(2343)	(3006)
Cash flow from other investing activities	456	(558)	478	434
Cash flow from investing activities	**(770)**	**(2122)**	**(1865)**	**(2572)**
Cash flow from financing activities	**(1611)**	**(1377)**	**(2140)**	**(1334)**
Net increase/(Decrease) in Cash & Cash equivalents	1627	(59)	2010	396
Net Cash and Cash equivalents at the beginning of the year	**99**	**158**	**3964**	**3475**
Effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	-	-	(425)	93
Cash and Cash equivalents at the end of the year	**1726**	**99**	**5549**	**3964**

On a standalone basis, net cash generation from operations was ₹4008 million in FY 2023-24 compared to previous year's ₹3440 million. Net cash outflow on account of investing activities was ₹770 million majorly towards capital expenditure. Net cash outflow on account of financing activities was ₹1611 million which is attributable primarily to repayment of borrowings. The net increase in cash and cash equivalents was ₹1627 million against the net decrease of ₹59 million in FY 2022-23.

Key Financial Ratios (on a standalone basis)

Parameter	2023-24	2022-23	Favourable/ (Adverse) in %	Comments
R O C E (%)	20.4	21.2	(4)	Reduction is due to inclusion of exceptional income in last year
Debt Equity (times)	-	0.05	100	Due to repayment of entire current borrowings.
PBT (%) to Sales*	17.9	16.4	9	Increase due to better profitability.
Asset turnover (times)	1.76	1.84	(4)	There is no significant movement
Receivable turnover (days)	54	53	(2)	At the same level
Inventory turnover (days)	52	58	10	Improved due to effective inventory management
Interest Coverage Ratio (times)	130.1	33.0	294	Significant reduction in Finance costs consequent to repayment of borrowings during the current year resulting in better coverage for the year
Current Ratio (times)	3.4	2.0	70	Due to repayment of entire current borrowings.
Operating Profit Margin (%)*	16.1	15.2	6	Increased efficiency and product mix
Net Profit Margin (%)	13.5	13.4	1	Stable margin
Return on Net Worth (%)	16.3	17.7	(8)	Reduction is due to inclusion of exceptional income in last year

**excluding exceptional income/expenses (Net)*

SHARE CAPITAL

The paid-up equity share capital as on 31st March 2024 was ₹190.26 million. The capital increased during the year by ₹0.32 million, consequent to allotment of shares upon exercise of Stock Options by employees under the Company's Employee Stock Option Plan 2016.

DIVIDEND

Considering the past dividend payout ratio and the current year's operating profit, the Board has considered it appropriate to recommend a final dividend of ₹2.50/- per equity share of ₹1/- each. It may be recalled that in January 2024, an interim dividend at the rate of ₹1.50/- per equity share of ₹1/- each was declared and paid in February 2024. This aggregates to a total dividend of ₹4.00/- per equity share of ₹1/- each for the year. The Company's Dividend Policy is available at https://www.cumi-murugappa.com/wp-content/uploads/2019/02/dividend-distribution-policy.pdf. The dividend paid as well as being recommended for the year ended 31st March 2024 is in line with this policy.

TRANSFER TO RESERVES

An amount of ₹500 million has been transferred to the General Reserve of the Company as on 31st March 2024.

PERFORMANCE OF BUSINESS SEGMENTS

The business profile, market developments, and current year performance are elaborated in the following sections:

Abrasives

Business Profile

This SBU is in the business of engineering surfaces. It manufactures and distributes rigid and flexible abrasives and adjacent products that are used in the generation of precision, functional, or enduring surfaces. The key product segments are Bonded Abrasives, Coated Abrasives, Metal Working Fluid, Super Abrasives and allied products.

Rigid or Bonded Abrasives products grind, clean, scour, abrade or remove solid material through a rubbing action. Bonded Abrasives are made using Glass Bonds (vitrified), Rubber Bonds or Phenolic Resin Bonds. Coated Abrasives are hard synthetic minerals coated onto paper, fibre, cloth, or film and finally formed into different shapes, sizes and types according to application needs. Abrasive materials and abrasive products are utilised in several end user industries such as Automobiles, Auto Ancillary, Metalworking, Building and Construction, woodworking, Railways, Aerospace and General Engineering.

This business has over seven decades of experience in abrasives manufacturing, application engineering and distribution. Strong Research & Development backed by application engineering and supported by multi-generation channel partners are the strengths of this business. Over the years, the Company has a cutting edge in this business as it has built world class facilities with strong processes.

The competitive advantage of the business comes from its raw materials sourced from the Electrominerals business of the Company and from the best suppliers within India and across the world. These inputs are then formulated, and the products are designed based on a deep understanding of the end-use applications and supplied through robust distribution and retail networks.

Cost competitiveness is the overarching strategy for the business while ensuring that the supply requirements and changing needs of the market are met in full.

The business has eleven manufacturing plants located across India, Russia, and Germany.

Earlier, the Company acquired the assets of AWUKO Abrasives Wandmacher Gmbh & Co. KG (AWUKO) in FY22. Awuko is a market leader in leather and wood applications, and it has sufficient capacity for Coated Abrasives. This helped CUMI to gain access to Coated Abrasives capacity in Europe with a global distribution base and an experienced process and application engineering team. During same year CUMI acquired Rhodius Abrasives and took control of the company effective from 1st April 2022. Rhodius manufactures best quality cutting and grinding discs globally. They lead in product innovation and quality with unique professional segment product suite. They have a proprietary production process setting industry benchmark. They have a strong legacy of seven decades of successful business serving more than 100 countries.

The marketing entities in North America, Middle East, France, South America, South Korea, Netherlands, and distributors across the globe provide strong market reach in India and over 55 markets globally.

Industry Scenario

The Indian market has been continuously witnessing a shift from manual grinding methods to mechanised processes, ushering in opportunities for new products in the Coated Abrasives segment. The Bonded Abrasives segment constitutes a key consumable in the Construction and Transportation industries, which has demonstrated high growth in the past decade due to rapid urbanisation and an increase in disposable income.

After a muted Q2, industrial activity in India increased in Q3 and positive trends were seen in Automotive sales - Passenger Vehicles (PV) and Tractors, compared to FY 2022-23. Cement production and Steel consumption both realised growth in Q3, after remaining subdued in previous months - positive signs for construction, infrastructure, and SMEs. However, owing to substantial slowdown in global economies, export linked businesses such as hand tool manufacturing, handicrafts, steel tube manufacturing, tractor exports continue to languish leading to lower production and thus lower consumption of abrasives.

Entry of several Paint Manufacturers in the abrasives segment relying on cheap imported products from China impacted the Company as well as other India based manufacturers.

Sales Overview

The Abrasives business on a standalone basis recorded revenues of ₹11503 million compared to ₹11069 million in the previous year and on a consolidated level recorded revenue of ₹20910 million as compared to ₹20353 million in FY23.

The growth in automotive industry contributed to the growth in Precision as well as Industrial Abrasives business. The Industrial Abrasives business grew faster than the market through customer share gain and entirely high-volume growth in some select product groups like Thin Wheels and Flaps & Mops. Very highly competitive intensity continued in the Retail business, and this led to volume stress in this vertical.

The business had better price realisation compared to last year. Better product mix and better operational efficiencies helped the business to have better margins. The cost optimisation projects which were initiated in FY23 related to design-to-value, packaging cost improvements, process efficiencies, and automation continued to deliver value in FY24.

The business continued to make steady progress in building distribution leadership, a key strategic pillar for the Company's growth. The appointment of new channel partners and expansion of dealer network across India helped the business. Substantial ground steps were taken to reign in counterfeit sales. Industrial business has focused on tracking derived demand, customer conversion, and sub-dealer motivation programs. With the continued efforts to re-invest and reinforce, brand rationalisation exercises have been undertaken.

New products continued to be developed and introduced in the market meeting the needs of customers. Process led innovation and stage gate methodology were implemented to enhance the success rate of new product launches. The business has invested substantially in upskilling the team to enable the team to navigate the changes and to deliver the results.

Manufacturing

The segment continued its focus on products made with high performance grains by working in co-ordination with the Electrominerals business. This helped to build a competitive advantage by developing and establishing a new range of products.

The focus on Coated Abrasives for FY24 was to improve the cost competitiveness to meet the relentless pressure in market pricing due to entry of non-abrasive players with cheaper imported products. While there was a drop in input prices, the availability and lead time took a hit due to various geo-political issues. Investments were made in an in-house cloth processing facility to improve quality and reduce lead time. Investments were also made in conversion and automation on the shop floor.

Bonded Abrasives continued with expansion of the QRM methodology (Quick Response to Manufacturing) for its Make-to-order line segments which helped in reducing factory lead time. A pilot level plant for manufacturing Super-Abrasives was also operational from the second half of the year and products are getting acceptance in the market. Investments were made in automated presses in the Thin Wheel line and in-house testing and quality control equipment to improve quality and consistency. The emphasis was also on enhancing safety at the workplace and enhancing Environment Social Governance (ESG) performance. Liquid fuel to Piped Natural Gas- (PNG) initiatives were also completed at Bonded facility in Hosur, Tamil Nadu.

The business successfully obtained from the Organisation for the Safety of Abrasives, Germany, the right to use "oSa" certification for specified Thin Wheel products produced in factories at Maraimalai Nagar and Uttarakhand after a stringent evaluation process. Learnings from the same is also being adopted in other specific product lines.

The elements of Industry 4.0 have been imbibed in the day-to-day operations to leverage the gains of IOT and data analytics. A pilot project for implementing IOT was successful in one factory and the horizontal deployment of the same across other locations is being taken up.

Key Financial Summary

(₹ Million)

Particulars	Standalone			Consolidated		
	2023-24	2022-23	Change (%)	2023-24	2022-23	Change (%)
Revenue	11503	11069	4	20910	20353	3
Segment results (PBIT)	1955	1512	29	1817	1047	74
Capital employed	4424	3697	20	13863	13503	3
Share to total revenue of CUMI (%) (without eliminations)	44	45		45	44	
Share to segment results (PBIT) of CUMI (%)	42	36		29	19	

Ceramics

Business Profile

The Ceramics business comprises of the Industrial Ceramics and the Refractories product groups.

Industrial Ceramics

Industrial Ceramics business offers Advanced Ceramics & High-Performance Materials in over 30+ unique formulations for demanding and cutting-edge applications. The products deliver superior wear, electrical, corrosion, and ballistic performance across a wide range of applications in Mining & Mineral Processing, Power & Energy Systems, Mobility (Electric & ICE), Semiconductors & Electronics, and Defence & Aerospace. The business is built on a strong foundation of technology, advanced manufacturing, design, and application engineering.

The operations are carried out through manufacturing/service facilities located in India, Australia, and the USA. The subsidiaries in North America, Middle East and China also support this business in increasing market reach.

The Industrial Ceramics business based out of India is largely a global business and majority of the sales volumes are through exports. The Company is one of the major players in India, USA, Australia and Europe along with presence in specific product groups in Japan and China.

The Industrial Ceramics business has three product groups - Wear Protection Materials, Precision Engineered Ceramics, and Metallised Ceramics, for various industrial applications.

The business offers Wear Protection products & services to extend equipment life across a variety of industries such as Mining & Mineral Processing, Steel, Power, Cement and Bulk material handling. The business has expanded its product offerings and developed new applications across key industry segments like port handling and non-ferrous industries. A solutions-based approach in solving customer problems through on-site wear audits, superior design & simulation, on-site installation services, enhances equipment performance, productivity, and life. A Prototype remote monitoring system of version-1 enabling the Company/its customers to forecast maintenance/ changeover of equipment has been tested. Version-2 with enhanced capability has been developed and is under testing and planned to be launched commercially in FY25.

The Company is a leader in the Australian market and has executed key projects in mining & port handling segments. The business expanded its customer base with robust growth in America, Europe, Middle East and Japan.

Precision Engineered Ceramics are used in emerging applications with a strong sustainability focus - such as Solid Oxide Fuel Cells, Hydrogen Electrolyzers, and Electrical Mobility. A strong focus on agile product development and continuous process innovation have helped the division roll out new products in collaboration with leading global customers in the USA, Japan, and India. Capabilities have also been developed for the manufacture of advanced components for the Semiconductor equipment industry.

The Company is a pioneer in India in the field of Metallised Ceramics and is today a strategic supplier for Global OEMs in the field of power distribution and also in Vacuum Electronics. With the objective of becoming a leader in Metallised Alumina Cylinders for Vacuum Interrupters, the business has been continuously enhancing capacities through new equipment and process innovations. The business has intensified its presence in the mobility segment. The mobility segment is growing strongly driven by the demand from the aftermarket (in ICE technologies) and from the Electric Vehicle (EV) Industry. During the year, the business also made a strong foray into the high-speed bullet train project in India, with the supply of Advanced Ceramic Inserts.

The business has also been entering adjacencies and transformational spaces in Advanced Ceramics & Materials. The facility for Silicon Carbide and Non-Oxides is being further expanded to cater to the growing demands from industries such as Defence, Chemical processing / Fluid Handling, and others.

New forming capabilities - Hydraulic press for near-net forming, Isostatic Press for larger diameter and longer parts, enhanced capabilities in Ceramic 3D Printing - have been added during the year, to enable manufacturing of next generation of Ceramics for diverse applications.

Refractories

Super Refractories and Prodorite business addresses the thermal and corrosion protection across a wide range of Industries. Deep knowledge of materials, application engineering, and the ability to engineer shapes to meet critical operational conditions add superior value to our customers and stakeholders.

The business has three product groups - Super Refractories, Anti-corrosive and Composites.

Super Refractories are advanced materials that can withstand extremely high temperatures in the range of 18500C and harsh thermal/chemical environments making them the choice of materials for thermal protection of critical assets in applications such as metallurgy, glass, and chemical processing. Super Refractories are made from high purity raw materials such as alumina, zirconia, and silicon carbide.

Our strong knowledge of application engineering enables us to understand critical customer problems, this coupled with on-site thermal audits, and design techniques involving Finite Element Analysis (FEA), Computational Fluid Dynamics (CFD), and Thermal imaging solves critical thermal problems for our customers.

The Company is a leading player in specialised fired refractory, both dense and insulation bricks, intricate shaped items, Monolithics and pre-cast pre-fired Refractories. The key user industries for Refractory business are Iron & Steel, Glass, Carbon black, Cement, Ceramics, Petrochemicals, Thermal power plants, Non-ferrous metallurgy, Foundry, Heat treatment furnaces etc.

Anti-corrosives

Prodorite branded Anti-corrosive material is used in highly acidic or basic environments. The Company is a major player in this industry, serving a wide range of Chemical process industries and other industries dealing with the treatment of effluents. The Company's product range includes Acid resistant wall and floor tiles, Carbon bricks, Tiles, Anti-corrosive Lining, Epoxy and PU Flooring, Screeding, PU and Epoxy Coatings, and Waterproof construction chemicals. The Company's Polymer Concrete Cells (Tanks) are also used in Copper and Zinc extraction units across the world.

The business uses a solution-based approach in helping our customer's critical assets from harsh corrosive environments, using a combination of application engineering, on-site corrosion audit and design & simulation knowledge to engineering shapes that offer an optimum fit and performance.

Composites

Composites are primarily Glass or Carbon Fibre reinforced polymer products manufactured through vacuum infusion, pultrusion, filament winding, grating, and hand lay-up methods. The product range includes large Chemical storage tanks, Chimneys, Flue Gas Desulphurisation (FGD) spray headers, Abrasion resistant Anti-corrosive pipes & Gratings, Windmill nacelle covers and nose cones, Automotive and Railway body panels, gratings, pallets, cable trays, flooring, chequered plates, roof sheets, chimney ladders, platforms, bridges, louvers, fencing etc.

Carbon Fibre Reinforced Composites (CFRP) are advanced materials manufactured by embedding Carbon Fibre into a Polymer matrix. These composites are valued in applications where strength-to–weight ratios are crucial, such as in Aerospace, and Defence segments. The dedicated dust free facility for manufacturing of structural parts is certified for EN 9100-2018 (Equivalent to AS 9100D of the Society of Automotive Engineers (SAE) and the JIS9100 -Japanese Aerospace Quality Group).

Industry Scenario

Industrial Ceramics

The market for Wear Protection products - Mining, Mineral Processing, Cement, Steel, and others - remained buoyant during the year in India, Australia, USA and other key regions.

Solid Oxide Fuel Cells and Hydrogen market went through challenges due to a slower ramp of Hydrogen, and slowdown in some regions.

The Metallised Ceramics vertical supplies predominantly to the Power Distribution segment. The demand is expected to increase because of the push towards renewable energy and growing electrification (mobility, industry, buildings); transport (electric vehicles) and ageing infrastructure requiring modernisation.

Refractories

The demand for thermal protection of critical assets in core segments like Steel, Glass, Chemical processing, Carbon Black and Cement remained strong throughout the year.

The business executed large projects in Glass, Carbon black, Steel, and Heat treatment industries. Mega trends of urbanisation, infrastructure development and global rebalancing will drive the growth of refractory consumption.

However, the domestic market continues to experience considerable inorganic consolidation.

During the year, the business made significant progress in the global market in line with our strategic intent to go global. We have expanded into key markets in Europe, USA, and the Middle East.

The business will continue to differentiate ourselves from the competitors through superior value addition through application engineering and design.

Anti-Corrosive and Composites

The business saw a resurgence in demand in Chemical industries, especially for fertiliser plants due to increased production of specialty crop nutrients. The demand resulted in significant growth in acid resistant liners and carbon products. During the year, the business was able to gain a significant market share in the Middle East and Africa.

The business continue to see opportunities for corrosion protection in non-ferrous metals like copper and zinc, where the Company's Polymer Concrete Cells (PCC) are used in both electro-chemical refining and electro-winning processes. Sustainability and policy-driven intervention will also lead to increased recycling of metals and recovery of non-ferrous and noble metals from E-Waste, resulting in increased usage of the electro-winning process.

The business also made significant gains in the supply of structural parts in Fibre Reinforced Polymer (FRP) for windmill nacelle covers. Power generation through wind will continue to grow with push towards cleaner sources of energy. Significant demand for offshore windmills is also expected.

Sales Overview

Revenues of the Ceramics business at consolidated level were at ₹10767 million as compared to ₹10274 million in FY23. At Standalone level, it increased by 6% from ₹8342 million to ₹8813 million on the back of good orders from Refractory, Wear Ceramics, and Metallised Cylinders.

Industrial Ceramics

The Wear Protection business grew strongly driven by the demand from Australia and USA - there was a strong focus on driving volume growth and continuous product innovation. The global power distribution market continues to grow steadily and the bussiness cemented its position in this market by ramping up volumes of Metallised Cylinders for this segment. While the Solid Oxide Fuel Cells and Electrolyzer market went through a slowdown, the division focused on derisking by ramping up volumes and capabilities in Mobility and Defence.

Refractories

The Demand for Refractories will continue to grow strongly in the domestic market in the core industries of Glass, Iron and Steel, Carbon black, Chemical processing, and Heat Treatment.

Sustainability will be a key driver in process changes in the user industries. The usage of alternate fuels like hydrogen in DRI plants, fast firing kilns in Ceramic industry, will reshape the usage of Refractories. An example of focusing on optimising ware to kiln furniture ratio in the ceramic industry for increasing the quality, efficiency and capacity of kilns will drive the demand for Low Thermal Mass Kiln Furniture systems, a key area where the business is developing strong capabilities.

Waste to energy and usage of alternate fuels like hydrogen will need high-purity Refractories to protect key process equipment. The business is developing products to address specific requirements of our key customers.

The business has grown significantly in export markets in key industries of Glass, Chemical processing and Heat treatment. With focused efforts in business development and agile customer engagement, business will continue to grow in exports and domestic markets.

Anti-Corrosive and Composites

Demand for Anti-Corrosive and Composite products will continue to grow strongly in the domestic market in Chemical industries. The business executed large orders in the Middle East and Africa during the year, besides entering new segments of conductive floor coating and industrial floor coatings with new products.

Business is continuing to invest in applications for Carbon Fiber Composites, especially for the drone industry demand for advanced composites will significantly increase due to the Indian Governments' policy of "Atma Nirbhar Bharat".

The demand of copper and non-ferrous metals, copper refining will drive the requirement for Polymer Concrete Cells and corrosion protection of Floor and structures. Increased usage of electro-refining and electro-winning will drive the requirement for Polymer Concrete Cells. The business has strong capabilities in design and development to cater to changing needs of the customers.

Manufacturing

Industrial Ceramics & Refractories

The focus of the business was on volume growth in core segments and building capacities & capabilities for emerging segments.

The Wear Ceramics vertical sustained the focus on volume growth through debottlenecking and process innovations. The work on a new Tunnel Kiln for Engineered Ceramics vertical progressed well during the year - preparing the division to address the demand from emerging segments. The manufacturing lines for Metallised Cylinders were run at high utilisations during the year to meet the growing demand. The focus on quality improvements and reduction of rejections continued in a structured manner, helping the business improve its cost competitiveness.

During the year, the business-initiated state-of-the-art shuttle kiln for high alumina specialty refractories and an electric screw press for servicing orders of high strength refractories. These will be operational in FY25.

The business also strengthened Quick Response Manufacturing to improve lead time, and asset turnover and has seen benefits in both Refractories and Composites.

Key Financial Summary (₹ Million)

Particulars	Standalone			Consolidated		
	2023-24	2022-23	Change (%)	2023-24	2022-23	Change (%)
Revenue	8813	8342	6	10767	10274	5
Segment results (PBIT)	2213	2048	8	2856	2507	14
Capital employed	4237	4236	0	6085	5918	3
Share to total revenue of CUMI (%) (without eliminations)	34	34		23	22	
Share to segment results (PBIT) of CUMI (%)	47	49		46	46	

Electrominerals

Business Profile

The Minerals business of the Company spans India, Russia, and South Africa with eight manufacturing facilities including Maniyar (hydel power plant) and Okha (Bauxite mines) covering product groups - Fused Alumina [comprising Brown Fused Alumina (BFA) & its variants and White Fused Alumina (WFA)], Silicon Carbide (crude, macro and fine), Monoclinic Zirconia, Calcia Stabilised Zirconia and Alumina Zirconia. The Company also manufactures a range of 'specialties' like Surface and thermally treated grains, Solgel derived Alumina called Azure S, Speciality Alumina and Ceramic fine powders for niche markets. To enhance its operational competencies, the business has installed a 1.8 MW captive solar plant and operates a 12 MW Hydel power plant to insulate the operations from fluctuations in power tariffs.

The business continues its strategy by focusing on aggressive growth in the domestic and export market while catering to the requirements of internal customers. With a diversified product portfolio, the Electrominerals business provides customers with application specific products and solutions, aimed at attaining improved product performance, value and profitability. Business ensures this through speedy execution of projects, yield and efficiency improvement initiatives, enhanced asset utilisation and undertakes joint product development programs with customers. New initiatives of the business in the areas like Thermal spray powders, Zirconia variants and Monocrystalline Alumina, etc., would pave the next growth face for the mineral products. The business also spearheads its Research and Development through a Department of Scientific and Industrial Research (DSIR) approved research facility located at Kochi.

While the business focuses on regular operations with sweating of assets, value creation through process modification and improved asset utilisation, it progressively builds its capabilities and infrastructure for catering to the emerging transformational areas of opportunities like Graphene, High Purity Silicon Carbide, Battery materials and related areas through tie-ups for technology and by commissioning pilot scale plants. The Graphene facility started functioning and discussions are in progress with Technology Institutes for Joint Product Development, and commercial sales for selective applications. The trials for developing high purity SiC have given encouraging results and resulted in commercial sales.

In the year 2023-24 business set its target for various sustainability initiatives and commenced its sustainability journey to become more responsible to the society in terms of bringing better environmental controls, carbon footprint reduction and conservation of water. The business has engaged with the Confederation of Indian Industry (CII) for carbon footprint measurement and reduction in line with the Company's policy. The business in pursuit of its initiatives for carbon footprint reduction is also exploring opportunities for sourcing green energy by tying up with Solar/Hybrid Power producers under ISTS mechanism.

Volzhsky Abrasive Works (VAW), Russia, is the single largest silicon carbide producer at one location globally with capacity of 90,000 tonnes per annum. VAW also invests in process improvements regularly resulting in a clean environment.

Foskor-Zirconia in South Africa has portfolio of fused minerals into Zirconia for Ceramics and Refractories. This also provides feedstock to manufacture the high-performance Alumina-Zirconia Abrasive grains in the future.

Key user industries for this business are Abrasives, Refractories, Steel, Brake linings, Nuclear energy, Wooden Laminates, Friction composites, Diesel Particulate Filter, semi-conductor and others.

Industry Scenario

The business could see a stable demand for mineral products due to the good performance of the domestic Auto, Construction and Steel sector, whereas the price war with the manufacturers from China has dampened the spirit and opportunity for scaling up of products, markets, and applications. The continued focus of the Government on infrastructure spending and the continued growth of Steel industry has pushed the demand for Abrasives and Refractory products in the domestic market. The ongoing regional conflicts between countries and the red-sea challenges are imposing operational challenges on the business for scaling up of exports to Europe.

The expansion of Crushing & Grinding facility of SiC at Koratty, installation of a new continuous Ball Mill, Heat treatment and other infrastructures would equip the Mineral business to increase its product variants and cost positions. The Okha facility in Gujarat would continue to produce various grades of bauxite materials using local resources.

The business has been adding more value-added products to its portfolio since last few years. On similar lines, transformational products like Graphene is another opportunity where we have been tested & approved for selected applications in coatings, composites and energy and the business expects to scale up in the coming years. On High Purity Silicon Carbide, the production trial has been completed.

Sales Overview

The Electrominerals business on consolidated basis recorded a revenue of ₹15447 million as compared to ₹16338 million in FY23. At standalone level, business recorded revenue of ₹7411 million compared to ₹7020 million in the previous year.

The growth in the business can primarily be attributed to the good performance of domestic Abrasives and Refractory customers, who are the major consumers of Electrominerals. This could be evident from the stable performance reported by the user industries like Construction, Automobile, and Steel segments during the year. While sales to internal customers registered a moderate growth, export business registered a de-growth due to the prevailing geo-political situations and dumping by exporters from certain geographies on account of the drop in their internal consumption. The business expects that the earnest attempt put in by the business in terms of compliance with the environmental compliance and reduction in carbon footprint reduction would augment the opportunities with external and domestic customers in the coming years.

The Russian subsidiary ran at near full capacity. The business recorded higher sales in local currency compared to last year on account of sales volume, price realisation and mix resulted in sales growth. On full year basis, the mix towards Russia sales volumes domestically has increased to 59% compared to 57% during last year and which used to be around 45% before Russia-Ukraine conflict.

The Zirconia business at Foskor Zirconia reported lower sales on account of postponement of offtake by their major customers and price pressure from Cross border supplies.

Manufacturing

Manufacturing strategies focused mainly on improving throughout by efficient operations supported by waste reduction through TPM initiatives and value creation through grain treatments. Continued focus on innovation, TPM measures enabled the business to be competitive and efficient in bettering its performance. The focused Joint Development Programs in selected areas with customers brought faster scaling up and co-solutions. Attempts on new product development and speedy resolution of customer complaints would yield further results in the coming days.

During the year Kakkanad won Kerala Industrial Safety awards under category 5, CUMI Edapally won the award for outstanding safety performance (Sreshta Suraksha Puraskar) in the 53rd National Safety Day celebrations under the small factories category, Boehmite plant won the same award under micro factories category, while WFA SEZ plant won Suraksha Puraskar award under micro factories category. The boehmite plant won the F&B safety award under toolbox talk category and CUMI Edappaly plant team won the second prize for the tabletop mock drill event in the National Safety Day celebrations.

The investment made in grain processing and material handling in plant 1 and plant 2 have resulted in increasing material availability. This would further enhance the critical grit availability of WFA and BFA from Minerals business. The establishment of alternate materials for quartz and carbon would support the Silicon Carbide business to be competitive and environmentally compliant. Business has also embarked on a project for controlling the emissions in SiC operations in line with its commitment to emission control and safety compliance in plant operations.

The year saw volatility in the availability and price of critical raw materials like Alumina, and the continued dumping of materials from other jurisdictions across product segment would be addressed through efficiency improvement, usage of alternate materials etc.

Foskor Zirconia, which is into production of Monoclinic Zirconia and Calcia Stabilised Zirconia had lower sales compared to last year which led to lower utilisation. The Silicon Carbide operations at VAW were at their full capacity. Sales volumes from all 3 segments - Silicon Carbide, Abrasives and Refractories - grew compared to last year.

The business has started commercial sales of Graphene variant from its facility and has identified various applications where a potential scaling up is imminent. The production trial of High Purity Silicon Carbide has been completed and initial sales also started with select customers.

Key Financial Summary

(₹ Million)

Particulars	Standalone			Consolidated		
	2023-24	2022-23	Change (%)	2023-24	2022-23	Change (%)
Revenue	7411	7020	6	15447	16338	(5)
Segment results (PBIT)	703	985	(29)	2374	2753	(14)
Capital employed	2677	2536	6	8900	9209	(3)
Share to total revenue of CUMI (%) (without eliminations)	29	28		33	36	
Share to segment results (PBIT) of CUMI (%)	15	23		38	51	

FINANCE

During the year, the Company generated ₹4008 million cash surplus from its operations on a standalone basis. All debts have been serviced on time. The Company was a debt free company as on 31st March 2024. The capital expenditure program of ₹1235 million and investments in subsidiaries of ₹11 million were financed from internal accruals.

The Company continued to have a reasonable cash generation during the year, due to prudent capital expenditure and efficient working capital management. The debt at the consolidated level decreased to ₹1127 million. The cash and cash equivalent level (net of borrowings) at a consolidated level stands at ₹4422 million.

The debt-equity ratio for the Company was nil at standalone and 0.04% at consolidated level. The Company's Balance Sheet remains robust and it augurs well for the growth in the prevailing conditions.

The credit ratings of the Company, 'A1+' for short-term borrowings and 'AA+ Stable' for long-term borrowings were re-affirmed by CRISIL. Over the years, the Company has been resorting to a prudent mix of rupee and foreign currency borrowings to finance its operations and achieve a reduction in financing costs. The finance cost at a standalone level is at ₹42 million compared to ₹150 million last year. The Company earned ₹11 million by investing surplus cash available for short term.

At a consolidated level, the finance cost reduced to ₹183 million from ₹235 million. The decrease in borrowings has resulted in lower finance costs. The capital expenditure program of ₹2353 million was financed majorly out of internal accruals.

With the Indian entity enjoying a significant natural hedge, a cautious approach was adopted to hedge the remaining exposures. The Company adopts prudent tax management policies.

There are no material changes and commitments, affecting the financial position of the Company which have occurred between 31st March 2024 and the date of this Report.

INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARDS

The Company, its Subsidiaries, Joint Ventures and its Associates in India adopted Ind AS with effect from 1st April 2016 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 notified by the Ministry of Corporate Affairs on 16th February 2015.

INTERNAL CONTROL

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The controls have been designed and categorised based on the nature, type and risk rating so as to effectively ensure the reliability of operations with adequate checks and balances. The Internal Audit team – external as well as internal evaluates the effectiveness and adequacy of internal controls, compliance with operating systems, policies and procedures of the Company and recommends improvements, if any. Significant audit observations and the corrective/preventive action taken or proposed to be taken by the process owners are presented to the Audit Committee. A periodic review of adherence to the agreed action plan is carried out. The scope of Internal Audit is annually determined by the Audit Committee considering the inputs from the Statutory Auditor and the Management.

Capital and revenue expenditures are monitored and controlled with reference to approved budgets. Investment decisions are subject to detailed evaluation and formal approval according to schedule of authority in place. A periodical review of capital expenditure with reference to benefits forecasted is done. Physical verification of assets is also periodically undertaken.

The Audit Committee reviews the overall functioning of Internal Audit on a periodical basis. The Committee also discusses with the Auditors periodically their views on the financial statements including the financial reporting system, compliance with accounting policies & procedures, adequacy and effectiveness of the Internal Control Systems in the Company.

During the year, the Board basis the recommendation of the Audit Committee had re-appointed M/s. Deloitte Touche Tohmatsu India LLP as Internal Auditors of the Company.

INTERNAL FINANCIAL CONTROLS

Internal Control is a process, effected by an entity's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance - as defined by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission (appointed by SEC, USA).

As per Section 134(5)(e) of the Companies Act, 2013, the term 'Internal Financial Controls' (IFC) means the policies and procedures adopted by the Company for ensuring:

(a) orderly and efficient conduct of its business including adherence to company's policies;

(b) safeguarding of its assets;

(c) prevention and detection of frauds and errors;

(d) accuracy and completeness of the accounting records; and

(e) timely preparation of reliable financial information.

The three key components of IFC followed by the Company are:

i. **Entity Level controls (ELC)** that the Management relies on to establish the appropriate "tone at top" relative to financial reporting are - Code of Conduct, Enforcement of Delegation of Authority, Hiring and Retention practices, Whistle blower mechanism and other approved policies and procedures.

ii. **Process Level controls (PLC)**, to ensure that processes are predictable, stable and consistently operating at the targeted level of performance, with only a normal variation are classified into Manual or IT - Dependent or

Automated Controls. They are also classified as Preventive or Detective.

iii. **General IT Controls** to ensure appropriate functioning of IT applications and systems built by the Company to enable accurate and timely processing of financial data are - User Access rights management and Logical access; Change management controls; Password policies and practices; Patch management and License management; Backup and Recovery of data.

The adequacy of Internal Financial Controls is ensured by:

- Documentation of the risks and controls associated with the major processes;
- Validation and classification of existing controls to mitigate risks;
- Identification of improvements and upgrades to the controls;
- Improving the effectiveness of controls on residuary risks through data analytics;
- Performing testing of controls by the independent Internal Audit;
- Implementation of sustainable solutions to Audit observations.

The Audit Committee periodically reviews Internal Financial Controls to ensure that they are adequate and are operating effectively.

HUMAN RESOURCES

The Human Resources (HR) team collaborates with businesses in the execution of their strategies by strengthening the human asset base for delivering high performance. HR Team endeavors to design initiatives for effectiveness, impact, and influence to build talent and capability across different functions and levels. The HR team is not only committed to building the capabilities of human assets but also to firmly establishing practices and processes for institution building.

Living our Values: This year, the Company spent time bringing an awareness and common understanding about our purpose and values to employees. Through 16 workshops across 10 locations covering over 300 employees, we encouraged employees to have honest conversations about their personal values and create an aligned understanding on the Company's values and how to live by the same. The topics covered in the workshop included personal values, psychological safety and deep insights into the Five Lights.

Employee Safety and Health: At CUMI safe workplace is not just a requirement but a fundamental shared value driving our operations. The Company prioritises the safety and well-being of all its employees.

Safety Drives across Businesses: Safety is a top priority and considering the growing significance of EHS in running operations in a sustainable manner, the entire organisation structure was reviewed and a dedicated EHS function has been established to promote the culture across the organisation.

An Ergonomic study in the Engineering Ceramic Spark plug crack testing area, a Heat Stress study at METZ 1 Quality final inspection room and periodic Safety Audits and Inspections were conducted at Industrial Ceramics, Hosur. In Electrominerals, a mock drill on workplace safety violations, and a training with demo on 'Working at heights' were conducted in Kakkanad. Training on safe operations in lifting tools & tackles with a mock drill was also conducted. The Company has initiated an e-learning course with assessment on the theme of safety accompanied by an e-certification for employees at Abrasives. At Super Refractories, a 'Powered Air-Purifying Respirator' system in dust prone areas to avoid dust exposures was implemented. The Company also participated in the EHS Excellence award assessment conducted by CII.

Capability Building: The Company's L&D function understands the dynamic nature of business and learning. We therefore, design and deliver interventions to achieve robust competencies and a skilled workforce. The L&D framework is designed in line with our strategic focus areas of our business including productivity improvement, optimising organisation structure, people capability enhancement, talent development and succession planning. We collaborate with business leaders and learners to improve our framework and design contextualised learning interventions which help achieve excellence and build capability in line with business requirements.

Your Own Learning Opportunities (YOLO) – Graduate Engineering Trainees (GET) Programme: a campus-to-corporate programme designed to systematically and effectively manage the transition of newly joined Graduate Engineers into the workplace. YOLO is a year-long development journey covering role grooming, capability building, function orientation & preparation to take on roles. During the year, 19 GETs who have joined us are currently undergoing the programme.

CUMISEAD: a customised program for first time managers and individual contributors. This programme was rolled out with the objective of enhancing self-awareness, improving interpersonal effectiveness, and driving impactful results through systematic and structured behavioral tools and techniques. The intervention started with a "Manager as Coach" workshop to help the reporting managers coach participants through the 6-month learning journey. The program is a combination of classroom training, assignments, action learning projects, and one-on-one coaching sessions. Three batches have been completed, covering 64 employees across Abrasives, Super Refractories, Industrial Ceramics, Electrominerals businesses, and Wendt (India) Limited. All the participants have taken an action learning project based on the learned competencies.

Value Selling: a customised program for Sales and Marketing employees conducted for Abrasives, Industrial Ceramics & Super Refractories.

The programme's objectives include:

- learn a structured process of value selling
- understand the logical framework to sell premium offerings and solutions
- build confidence to be able to sell premium
- sell solutions and not mere products
- present the value of craftsman automation in a structured manner

Over a 10-month period, 111 employees in the Sales & Marketing function across Abrasives, Industrial Ceramics & Super Refractories were covered. Participants learning implementation was reviewed by Business Heads, HR Head and Faculty.

Need Based Interventions: These individual-focused programmes (sometimes Business Unit - specific) are designed to enhance functional competencies and capabilities.

Training Need Identification Process: Training needs and learning goals are collated from discussions with Business as well as the performance management process. Accordingly, the Company's Annual Training Calendar (ATC) is developed. Training programmes are thus customised and categorised as Behavioural, Technical & Generic programmes. During FY 2023-24, 15 programs like Design of Experiments, Quality Function Deployment, Cost Effective Automation, Problem-Solving Techniques, 7 QC Tools & Problem Solving Tools, APQP & Total Cost Management in Technical/Functional and Managerial Effectiveness, Time Management, Communication and Presentation skills, Relationship Management, Strategic Thinking & Influencing Skills in Behavioural were conducted.

Catalyst is a voluntary, self-directed mentoring programme where employees directly sign up for dialogues with mentors, continued its role in people development. During the year, we have assigned Catalyst mentors to 19 Graduate Engineer Trainees.

Digital Initiative: In September 2023, the Company successfully implemented a new Learning Management System (LMS) - *CUMIverse*. In today's rapidly evolving digital landscape, the implementation of LMS is not just a strategic decision but a vital necessity.

CUMIverse signifies our commitment to leveraging cutting-edge technology to streamline learning processes, facilitate knowledge dissemination, and empower our workforce in this digital era. *CUMIverse* enables us to optimize resource utilisation, track progress, and adapt swiftly to changing business needs.

Over 30 e-learning modules in Behavioral, Technical, and Functional are available on the platform.

The *CUMIverse* boasts of superior features with User-Friendly Interface, Personalised Learning Paths Multiple Training Modes, Learner Engagement and effective tracking mechanism.

Orgvantage: CUMI had implemented Orgvantage survey – a diagnostic tool to understand the employee's perception on various advantage drivers namely customer centricity, innovation, talent advantage, execution certainty, digital advantage and speed. 876 employees of CUMI and its Joint Ventures & Subsidiaries participated. The results are worked on to initiate actions towards building an engaged workforce.

Every quarter, the Company recognises and rewards employees across functions for completed projects in the previous quarter. These projects include Cost Saving, First Time Right, New Product Introduction establishment, Sales topper (region-wise), Best support to business, Best New Product Introduction / New Product Development Launch and Process improvement projects. 'You made a difference' is a quarterly recognition programme conducted in Electrominerals Business to recognize special contributions of employees.

During the year, every business celebrates days of importance including Independence Day, Ayudha Pooja, Safety Week, Quality Month, Republic Day, and Women's Day.

Additionally, various sports activities were conducted across our plants for our employees physical well-being. Winners and winning teams are recognised with prizes and certificates. The Company actively promotes employee participation in various marathon competitions. In FY 2023-24, we have sponsored three marathons with over 100 employees participating.

CUFEST: The Company's Annual Fest is both a competition and a celebration of our quality and best practices across businesses and geographies. During this intensely competitive and much-awaited event, teams of employees from all businesses compete in the categories of SGA (Small Group Activity), Kaizen, CFT (Cross Functional Team), Innovation in Product and process, and functional excellence like HR, Sales and Marketing, Application Engineering, IT & Digital, SCM & Commercial, and Finance. The jury consists of prominent industry experts. A total of 380 employees participated from the Company, its Subsidiaries and associates and 201 employees emerged winners across different categories.

Muthiah Memorial Business Excellence Award (MMBEA): This award has been instituted in memory of the late Shri MM Muthiah, former Managing Director who implemented many new projects, thus laying a strong foundation for the Company's future ventures. The MMBEA recognises our Business Units' consistent pursuit of business excellence. In the year 2023, Industrial Ceramics won in the large business category and Murugappa Morgan Thermal Ceramics Limited won in the small business category.

Employee Relations

Maintaining cordial employee relations is crucial for fostering a positive work environment and maximising productivity. To prioritise this aspect in the organisation, we have open communication, employee recognition and appreciation, conflict resolution mechanisms, work-life balance initiatives, training and development opportunities, fair and consistent treatment, employee involvement and empowerment, social and recreational activities. In 2023, we signed long term settlement in Electrominerals Division, Koratty.

Talent Acquisition & Talent Management

Hiring fresh talent and developing future leaders, especially at the middle management level, demonstrates a forward-thinking approach to talent management and succession planning. Implementing robust recruitment and selection processes to identify high-potential candidates who align with the Company's values and long-term goals. Developing a thorough onboarding process ensures a smooth transition for new hires into the organisation. This includes orientation sessions, introductions to key stakeholders, plant visits and providing resources and support to familiarise with their roles and responsibilities.

Identifying high-potential employees at the Deputy Manager level is a strategic move to nurture future leaders within the organisation. The identification has been done through Performance-Potential Matrix. The performance data over the past two years was considered. The potential for future growth was identified with an external tool to access the Intelligence. The Individual Development Plan (IDP) has been completed for all the Hi-Potential employees in collaboration with their reporting managers. It enabled discussions on areas like career aspirations, strengths, areas for development, and long-term goals. The quarterly review of the IDPs have also been completed. The progress on the IDP journey is also measured by the employee's growth and progress in the current role and identifying potential future roles for movement. This ensures a strong talent pipeline for sustained organisational success.

Performance Management System (PMS)

To drive a performance-oriented culture within the organisation, the comprehensive performance management and reward system has been reviewed and improved. By completing the goal-setting process for 2023-2024 and the appraisal process for 2022-2023 in July 2023, the employees have been facilitated with clear objectives aligned with organisational goals and they receive timely feedback on their performance. Following the performance appraisal process, rewards are distributed among qualifying employees based on the Performance Appraisal and Review Committee (PARC) review & recommendations. These rewards include salary revisions, promotions, salary corrections for critical talent, and one-time cash rewards for exceptional contributions.

The introduction of an online mid-year feedback process enhances the performance-oriented culture by providing employees with regular feedback on their performance. This process also promotes transparency and trust by allowing employees to see feedback and comments online from their reporting managers and providing an option to agree or disagree. Disagreements are addressed through facilitated discussions involving the Reviewing Officer and HR, wherever required.

A compensation benchmark study was also done using an external agency to ensure that remuneration structure of the Company is aligned with the market trend. Incentive payouts have been made based on the Balanced Scorecard (BSC), which aligns individual performance with organisational objectives and Key Performance Indicators (KPIs).

Mid-term review also provides for remuneration review, and promotions, ensuring that employees are recognised and rewarded for their performance and contributions on time, further reinforcing the performance-oriented culture.

These initiatives demonstrate our commitment to fostering a culture of performance excellence, transparency, and fairness in its reward and recognition practices. By aligning performance management processes with organisational goals and providing opportunities for ongoing feedback and development, the Company effectively motivates and retains talent while driving strategic objectives.

COMMUNICATIONS

A robust and effective communication function plays a pivotal role to align people to the organisation's purpose and build a collaborative culture. In the past year, there has been a clear rhythm and channels to enable connection and collaboration from the shop floor to the Board room. Each initiative has a defined frequency thus establishing a communication rhythm to engage, build trust and alignment.

CUMI Samachar: Quarterly business update which contains highlights and a quote from each Business Head worldwide.

Social Media Management - LinkedIn: Built a unique look, feel and tone of voice for the digital medium. Focused on creating people- and brand-centric messages - through micro-interviews, employee & product posts, and brand information, re-engineered the Company's social media image and built visibility for the brand among the target audience.

In 2023-24, we have acquired 15,636 unique visitors (individuals who visit LinkedIn pages or profiles for the first time within a particular timeframe). The 56 posts we have published have had 184,750 unique impressions (Number of times posts were shown to unique signed in members). This has led to 3,752 new followers being added organically.

Communication Town Halls: Conceptualised, redesigned the Managing Director's virtual half-yearly organisation-wide communication meetings for a global audience. Styled as dialogues, these meetings were streamlined to be precise, sharp, clarifying and engaging.

Synchronicity: Created a platform to reinforce the innovation culture in the Company through strong networked teams. Synchronicity has become a fraternity for the Technologists across the Company and its subsidiaries. Every month, they come together to present the progress of their long-term strategy projects as well as the learning experiments conducted. Colleagues across businesses have gotten to know each other, their work, achievements and build networks of extended resources to lean on for dialogue, solutions and project support.

ACHIEVEMENTS AND AWARDS

The Company continued to be a proud recipient of several awards and recognitions reiterating its commitment to excellence.

- CUMI has been recognised as one of the Best Managed Companies by Deloitte India.
- The Electrominerals business of the Company obtained a Bronze rating from Ecovadis for its sustainability practices, and has also received the National Energy Management Award from Dr. Ashok Kumar, DG of the Bureau of Energy Efficiency, Delhi.
- Long-term partnership Award from SMS group for servicing OEM for servicing OEM over the last 25 years as a reliable partner for Wear Protection in the Steel Industry in India and Russia.
- The Abrasives business received oSa certification for its Maraimalai Nagar and Uttarakhand Plants.
- Abrasives was awarded the Manufacturing Champion Award in the Merit category for Total Cost Management.
- Boehmite plant won the same award under the micro-factories category.
- WFA SEZ plant won the Suraksha puraskar award under the micro-factories category.
- Boehmite plant was awarded the F&B safety award under the toolbox talk category.
- The Ceramics business received the "Industry Disruptor" Award from Autodesk Imagine.
- CUMI Won 2nd place in 33rd National Award for Innovative Training Practices - 2022-23 conducted by Indian Society for Training & Development.

The total staff on rolls of the Company (including Joint Ventures and Subsidiaries) as at 31st March 2024 was 6191 with 3806 employees in India (previous year 6015 with 3771 employees in India).

PERFORMANCE OF SUBSIDIARIES

The Russian subsidiary recorded sales of 9716 million rouble against 8067 million rouble during the previous year. Sales grew by 20%, which includes, 15% due to product mix, exchange rate, and price realisation and 5% because of volume increase. The operations are running well and there has been an increase in sales volumes compared to last year: 4% in Silicon Carbide, 15% in Abrasives and 6% in Refractories. However, when converted to INR, it shows downward performance because of stronger Rouble during FY23 where it was at one Rouble equivalent to ₹1.23 on an average, whereas it has become much weaker at ₹0.92 in FY24. Profits increased significantly to 1612 million rouble compared to 1239 million rouble during last year. Capacity utilisation is very good and VAW was able to sell more in Russia.

Foskor Zirconia, South Africa, recorded a sale of ZAR 379 million compared to ZAR 440 million in the previous year. This is majorly on account of postponement of offtake by their major customer and price pressure. The loss after tax stood at ZAR (17) million against ZAR 60 million in the previous year. This was because of lower sales; intentional price drops to compete in the market and increased input costs.

In CUMI Australia, the business in Lined Equipment continued to be good on the back of an increase in demand for mineral processing. The Company's revenues grew from AUD 30.1 million to AUD 34.7 million registering the highest recorded revenues in the Company. Profit after tax was AUD 4.9 million against AUD 3.6 million during last year.

Sterling Abrasives reported marginal growth in revenues at ₹1410 million compared to last year's sales of ₹1381 million. Profits after tax decreased to ₹139 million from ₹165 million. Continuing higher Agri acreage owing to good monsoon conditions, higher reception for certain new products among end users as well as enhanced exports helped growth in sales.

Post the conscious call of tapering down the operations in CUMI Abrasives and Ceramics Company Limited (CACCL), the subsidiary in China, the market is being served directly from India.

The sales of CUMI America during the year improved to USD 20 million as against USD 18 million last year, driven by an increase in sales of both Bonded Abrasives and Industrial Ceramics thereby improving profits. The profit after tax decreased from USD 2.16 million to USD 2.07 million.

For CUMI Middle East, sales decreased from USD 1.0 million to USD 0.4 million. Loss for the year was at USD 0.15 million against a profit of USD 0.13 million during the previous year.

Southern Energy Development Corporation Limited (SEDCO), the gas-based power generation subsidiary recorded a sale of ₹327 million as against ₹259 million last year. The business made a loss after tax of ₹122 million as compared to loss after tax of ₹44 million during last year on account of the significant increase in gas prices and other generating & transmission charges, and one-time non-operational loss of ₹64 million.

Net Access India Limited, which provides IT facility management and other allied services de-grew from ₹585 million to ₹573 million. The profits de-grew from ₹34.4 million to ₹33.9 million.

CUMI International Limited, Cyprus recorded a revenue of USD 4.9 million representing mainly dividend income as against last year's income of USD 6.1 million.

CUMI Europe s.r.o. is not in operation.

PLUSS Advanced Technologies Limited recorded a revenue of ₹617 million as against ₹542 million for the previous year and loss after tax for the year was at ₹128 million as against ₹137 million (post acquisition) for the previous year under acquisition accounting. Losses for the current year were reduced from ₹38 million to ₹31 million on an actual basis.

CUMI Awuko Abrasives GmbH recorded sales of EUR 9.1 million sales, which is 3% lower compared to last year and the losses at EUR 2.25 million against EUR 3.67 million during last year.

Rhodius Abrasives GmbH sales dropped by 2% to EUR 63.3 million from EUR 64.5 million during last year. Due to the softening of demand in parts of Europe, there was a drop in volume to an extent of 8%, while price mix and price enabled a 6% gain resulting in net drop of 2%. The loss after tax was EUR 1.5 million against loss of EUR 3.7 million during last year.

The interesting point to note here is that if we exclude PPA write off of EUR 2.8 million, Rhodius was close to break-even operationally.

Rhodius Schleifwerkzeuge Verwaltungsgesellschaft mbH (RSV), Germany is a subsidiary of RAG and during the year the merger of RSV with RAG was approved and published in the commercial register in line with the German regulations. As a consequence of this merger, RSV ceased to be a subsidiary of the Company.

ENTERPRISE VALUE ADDITION

The Company has been able to continuously add value, the summary of which is given below: (₹ Million)

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Generation of Gross Value added (excludes exceptional items(net))	**7963**	**7201**	**6275**	**5153**	**5044**
Breakup on Application of Value added					
Payment to Employees and Directors	2606	2389	2169	1982	1979
Payment to Shareholders (on payment basis)	665	665	569	284	757
Payment to Government	1123	1050	899	638	709
Payment to Lender	-	-	-	-	-
Towards replacement and expansion	3569	3097	2638	2249	1599
	7963	7201	6275	5153	5044

- Gross value added is Revenue Less Expenditure (excluding depreciation + expenditure on Employees & Directors' service + Long term interest)
- Payment to Government is Current tax + Dividend distribution tax.
- Towards replacement and expansion is Retained earnings + Depreciation + Deferred tax.

RISKS, CONCERNS AND THREATS

The Company has constituted a Risk Management Committee aligned with the requirements of the Companies Act, 2013 and Listing Regulations. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

The Company has a robust business risk management process to identify, evaluate and mitigate risks impacting business including those which may threaten the existence of the Company. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risk trends, exposure, and potential impact analysis at a Company level as also separately for the business segments. The Company also has developed a structured risk management policy encompassing the risk management objectives, principles, process, responsibility for implementation, maintenance of risk registers, review of risk movements, risk reporting framework etc. The Risk Management Committee continued to review the risks and mitigation plan as per the adopted Charter and Risk Management Policy. The Enterprise Risk Management (ERM) framework which was reviewed and upgraded last year is now automated. While the Committee continued to review the risks and mitigation plan as per the adopted Charter and Risk Management Policy, during the year, the development plan for the cyber security framework for the Company was considered by the Committee. The Cyber security framework developed last year is under review for alignment with the overall digital strategy and roadmap identified for transformation as a part of Long term strategy. Hence, the Company is in process of establishing a IT security framework commensurate with its size and operations and the next few years will be working on the implementation of the framework and its gradual extension to global entities. Besides this, the review of geopolitical risks in the volatile global market conditions and periodic risk register review continued.

Mr. P Padmanabhan, Chief Financial Officer has been identified by the Board to lead the risk management function as the Chief Risk Officer of the Company from 4th May 2024.

Risk management also forms an integral part of the Company's business plan.

The Company operates across various technology platforms and product verticals built over the years. Relative advantages and disadvantages of such technologies are studied and advances are tracked. Any new technology may impact the performance of the Company in the long run. The Company seeks to address these technology gaps through continuous benchmarking of the existing manufacturing processes with developments in the industry and in this connection has made arrangements with technical research institutions and technology consultants. The Company continues to make investments in the next level of Industry 4.0 in select modules. Industry 4.0 is the current trend of automation and data exchange in manufacturing technologies.

The requirements of power for the Company are majorly driven by the requirements of the Electrominerals business. The power requirement is partly met out of own generation from the Maniyar Hydroelectric plant. The entire production of power from Maniyar is utilised by the Electrominerals business. Apart from this, electricity is generated at the Company's subsidiary SEDCO and consumed at all its locations in Tamil Nadu. The rest of the requirement for electricity is managed by purchase from respective State Electricity Boards. Utilisation of power remains one of the key factors which can impact profitability either favourably or adversely based on the changes in the power cost. Pending the extension of the tenure for the hydroelectric project in Kerala which is due for renewal in 2024 as well as the pressure on the gas based electricity business in SEDCO and as part of its strategy to build competitiveness, the Company continues to look for opportunities to add to its captive power generation including green power in terms of Solar. Recently, Electrominerals business has commissioned a 1.8 MWp ground mounted solar power system at its plant in Edappally. In parallel, businesses are exploring to increase the share of cleaner sources of energy through power purchase agreement with third parties. In Russia, the Silicon Carbide operations which also consumes large quantities of power sources it from local utility. In India, the Company is also exploring alternate power sources and towards this has commenced installation of clean energy sources such as solar for its captive consumption. Around 1.5 MWp capacity of solar systems (owned and operated by SEDCO) at various factory locations of the Company, generated around 17,00,000+ units of electricity from cleaner sources in FY24, equivalent to saving 19,800 trees and reducing 685 Tons of CO2 emissions. Also, the Company's subsidiary, SEDCO which was generating gas based electricity expanded its business model to service customers for solar based electricity, thus reducing the dependence on a single source of energy.

The requirement of fuel is driven by the high-temperature processes in the Abrasives and Ceramics businesses and any increase in the cost of fuel impacts profitability. Hence, the Company has put in place plans and implemented energy conservation measures to improve its competitiveness. Kindly refer Annexure D of the Directors' Report for energy conservation measures undertaken.

The Company uses various raw materials such as Bauxite, Calcined Alumina, Zirconia sand, Raw Pet coke, Quartz and Graphite which have high price volatility. This is addressed through annual contracts to cover volatility due to price fluctuations and also mitigated through programs to identify alternative sources. The severe price discrimination in the markets caused by players in geographies outside of India is impacting the business and there is a need for suitable policy interventions to protect the local manufacturers.

The Company deals with multiple currencies and is thus exposed to exchange risk on account of adverse currency movements. Foreign Exchange risk in foreign denominated loans, imports and exports is mitigated by adopting a country-based forex policy, periodic monitoring and use of hedging instruments. Efforts are being taken to manage both exports and imports to ensure that at a Company level, there is a natural hedging mechanism.

As a risk mitigation measure to address cyber security threats, the Company does quarterly penetration assessment testing for all internally and internet-facing applications. The security threat awareness is periodically published to create awareness among employees and stakeholders for handling the risk proactively. The security process is included as an important step in the IT policy of the Company. There is a considerable amount of work undertaken on scoping of information specific to the role defined to prevent any data or information leak, through continuous monitoring on the business-critical IT assets. Considering in some locations the hybrid mode of work has become the new normal, data security and protection against the risk of phishing, malware attacks were given priority. Awareness mailers were disseminated across to mitigate risk of such attacks and a requisite infrastructure upgrade to support the remote working conditions in a secured manner was initiated.

As mentioned earlier, the Company has established a cybersecurity framework as a part of its IT Strategy. We are partnering with external expertise to assist in deployment of this framework for both IT and OT capabilities.

The Company's input materials are not commoditised and do not warrant any specific hedging to be undertaken. With respect to output materials, adverse impact of changes in commodity prices on user industries could impact the sales which are mitigated by the development of alternate products, establishing a new range of applications etc., as detailed above. The other mitigation measures for dealing with increase in fuel costs, non-availability of raw materials etc., have been dealt with separately in above paragraphs.

The risks associated with COVID-19 pandemic are considerably reduced. However, pandemic risk is now an identified risk with appropriate mitigation plans. The priority for the Company continues to be the safety and health of all its employees and other stakeholders with minimal disruption to operations.

The COVID-19 pandemic is on a decline and globally the situation has returned to almost normalcy. Hence the risks associated with the same reported until 2022 is not being specifically disclosed in this Report. However, the risks across operations, human resources, IT, supply-chain etc., which were identified earlier and which could potentially impact in the event of an emerging variant or any subsequent pandemic and the mitigation plans continue to be on the risk radar of the Company.

BUSINESS OUTLOOK AND OPPORTUNITIES

Robust high-frequency indicators of the Indian economy underpin the strong growth momentum and are expected to be in an expansionary zone in the coming years. The government's sustained emphasis on capex and improving external situations will bolster the economic momentum. Also, the government has focused on sectors that can capitalise on India's competitive advantage in resources and skills, tap into local-market opportunities, and help the country climb higher on the manufacturing value chain globally. The Production Linked Incentive (PLI) scheme, tax incentives, the ease of effecting business reforms, the national infrastructure program, and the national logistics plan had been announced with the intent to boost manufacturing, improve logistics to reduce costs and save resources, and gain from positive externalities. Notwithstanding the same, the Company continues to explore and identify alternate and new opportunities for its various product segments across all its businesses in sectors including Clean energy, Semi-conductors, Defence, Digital, etc., to drive growth.

The Company continued its focus on growth from core businesses, expansion through acquisitions, and working on emerging areas like Clean energy, Electric mobility, Semi-conductors, and Advanced manufacturing. The key strategies have been outlined in the Performance of Business Segment section.

FIXED DEPOSITS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and no amount of principal or interest was outstanding as on the Balance Sheet date.

LOANS AND INVESTMENTS

The particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given below:

(₹ Million)

Description	As on 31.03.2023	Movement (Net of Deletions)	As on 31.03.2024
Loans given by the Company	-	-	-
Corporate guarantee given by the Company	295.55	2.88	298.43
Investments made by the Company	10475.22	(81.70)	10393.52

RELATED PARTY TRANSACTIONS

The Company as per the requirements of the Companies Act, 2013 and Regulation 23 of the Listing Regulations has a Policy for dealing with Related Parties. The Securities and Exchange Board of India vide the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 notified on 9th November 2021 has significantly amended the monitoring framework for dealing with Related Parties by listed entities. Consequentially, the Company has amended its existing policy on dealing with Related Parties on 29th March 2023 duly factoring the processes and procedures to be established to supervise the expanded list of transactions with the extended list of Related Parties.

In line with its policy, all Related Party transactions both under the Companies Act, 2013 as well as the Listing Regulations are placed before the Audit Committee for its review and approval. Prior approval of the Committee is obtained on a quarterly basis for transactions that are foreseen and are repetitive in nature. Omnibus approvals in respect of transactions that cannot be foreseen are also obtained as permitted under the applicable laws and the thresholds are periodically reviewed. The list of Related Parties is reviewed and updated periodically as per the prevailing regulatory conditions. Considering the enhanced regulatory purview of monitoring the related party transactions at the subsidiary level, compliance awareness sessions continue to be conducted across the organisation including the subsidiaries as well as establishment of a reporting framework by the subsidiary companies, both overseas and domestic.

The details of transactions proposed to be entered into with Related Parties are placed before the Audit Committee for approval on an annual basis before the commencement of the financial year. Thereafter, a statement containing the nature and value of the transactions entered into by the Company with Related Parties is presented for quarterly review by the Committee. Further, revised estimates or changes, if any to the proposed transactions for the remaining period are also placed for approval by the Committee on a quarterly basis. Besides, the Related Party transactions entered during the year are also reviewed by the Board on an annual basis.

During the Audit Committee meeting held on 25th March 2024, the estimated transactions of the subsidiary companies with their Related Parties as well as those envisaged with the Related parties of the Company were placed before the Audit Committee of the Company. The approval of estimates and revisions to this list of transactions is planned in the same manner as done for the parent company (detailed above).

All transactions with Related Parties under the Companies Act, 2013, entered during the financial year were in the ordinary course of business at arm's length and hence, no particulars are required to be entered in the Form AOC-2. Further, all transactions entered into with Related Parties during the year even at arm's length basis in the ordinary course did not exceed the thresholds prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 or Listing Regulations or the Company's Policy in this regard and hence, no disclosure was required to be made in Form AOC-2. Accordingly, there are no contracts or arrangements entered into with Related Parties during the year to be disclosed under Sections 188(1) and 134(3) of the Companies Act, 2013 in Form AOC- 2. The form is enclosed as Annexure E to this report.

There are no materially significant Related Party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large.

The Company's policy on dealing with Related Parties as approved by the Board is available on the Company's website at the following link https://www.cumi-murugappa.com/wp-content/uploads/2023/05/Policy-on-Related-Party-Transactions.pdf. None of the Directors and KMPs had any pecuniary relationship or transaction with the Company other than those relating to remuneration in their capacity as Directors/Executives and corporate action entitlements in their capacity as shareholders of the Company.

CORPORATE SOCIAL RESPONSIBILITY

All Corporate Social Responsibility (CSR) activities undertaken by the Company are rooted in the principle, "towards prosperity in harmony with people and planet". The Company believes that social responsibility is not just a corporate obligation that has to be carried out, but rather an opportunity to make a difference. All the CSR programmes are aimed at inclusive growth and sustainable development of the community.

The Company continues to engage in Corporate Social Responsibility activities directly as well as through implementation agencies registered with the Central Government, in line with its stated CSR policy.

The economic growth of India has gained considerable momentum in the last two decades and the manufacturing sectors have shown a great deal of buoyancy. However, despite the vast young population, there is a huge mismatch between the skill requirement for the industries and available skilled manpower. The huge number of people entering industrial employment every year and their low preparedness vis-a-vis the growing demand for skill is a concern to be addressed and in this area, the Company has established its direct CSR programme for skill development of the youth from underprivileged sections of the community.

The Company had set up the CUMI Centre for Skill Development (CCSD) in the year 2012 at Hosur, to build a skill bank of a technically competent and industry-ready workforce from the less privileged sections of society. During the FY 2015- 16, the Company replicated this model in Edapally, Cochin. During the FY 2018-19, the Company along with its Joint Venture - Murugappa Morgan Thermal Ceramics Limited replicated this model in Ranipet, Tamil Nadu. CCSD provides specialised training based on the National Council on Vocational Training syllabus for rural youth drawn from socially and underprivileged sections of society. Three-year training is imparted with a stipendiary payment and free boarding facilities, thus enabling the enrolled students to earn while they learn. The job-oriented skill training enhances their employability and aids in uplifting their socio-economic status. The technically trained students can be employed by any industrial entity once they complete the training programme. The Company continues to harness the potential of CCSD centres so far established. The Company takes pride in informing that few students have earned accolades at national/regional level for their par excellence performance in academic and technical areas. However, during the year no fresh intake of students in CCSD, Ranipet was made owing to subdued response due to the nature of courses offered there.

In addition to the CCSD, the Company has also been contributing to the cause of health and education by making grants to AMM Foundation. Further, during the year, grants were also made to Shri A M M Murugappa Chettiar Research Centre (MCRC) for research in environmental studies.

During the year, the CSR activities through agencies in the healthcare sector, Education and Environment study which involved grants for:

Health

The Company continued its support in conducting pediatric cardio surgeries at Sri Sathya Sai Sanjeevani Hospitals. Sri Sathya Sai Health Education Trust established in May 1970 started Sri Sathya Sanjeevani Hospitals in 2012 primarily to address congenital heart disease by providing free medical support including surgery to needy children from economically weaker sections. The year saw a substantial increase in the number of surgeries performed by the sponsorship of the Company.

Support to G.Kuppuswamy Naidu Memorial Hospital Trust, Coimbatore: The Trust had been set up in 1948 and in the year 1952 established not for profit hospital. The Oncology department is well established and caters to the needs of treating nearly 6-70 children under the pediatric oncology department. This is provided free of cost for children between the ages of 0 to 18 years from less privileged sections of society. The support of the Company was used for the benefit of 25 children.

Education(AMM Foundation)

The grant to AMM Foundation towards education sector was through contributions to Vellayan Chettiar Higher Secondary School, Tiruvottiyur (VCHSS) - which has been making a difference in the field of education for over 50 years. The school runs with the vision - to provide Quality Education with good virtues, for the underprivileged and marginalised communities around Tiruvottiyur. As part of Skill development, a CSR Spend is made towards coaching the students of Murugappa Youth Football Academy (MYFA) by engaging BVB Febballakademie GmbH, a firm from Germany specialised in football coaching. The objective of MYFA is to:

- provide quality grassroot level football coaching to children from economically disadvantaged communities.
- To impart life skills like honesty, discipline, leadership, teamwork, respect etc. through the medium of football and sport.

Environment

Shri AMM Murugappa Chettiar Research Centre (MCRC), Chennai is a non-Governmental voluntary,non-profit research organisation, established in 1973 and registered under the Societies Registration Act of 1860. MCRC is recognised by the Department of Scientific and Industrial Research (DSIR), Government of India, as an independent Scientific and Industrial Research Organisation (SIRO). MCRC was a Technology Resource Centre for Council for Advancement of People's Action and Rural Technology (CAPART), Government of India and continues to strive for Excellence in Rural Development under Department of Science and Technology (DST) Core Support Programme.

MCRC strives to develop sustainable solutions using appropriate science and technology interventions with key focus areas of Food, Energy and Environment for the Development (FEED) of rural India. To realise this goal, the Centre has been working on research programmes that focus on minimisation of chemicals and water use in agriculture, effective utilisation of bioresources including microbials and creating wealth from waste for development of eco-friendly products.

During the year, the Company supported MCRC for Research and Development on Impact of Climate Change on Biodiversity. The project objectives are:

- Climate change studies through marine research in Lakshadweep.
- Climate change studies through marine ecosystem research in Andaman islands.
- Cultivation and conservation of Traditional rice varieties.

Apart from the above, the Company had undertaken local community assistance programmes at various plant locations which included Education & Child development, Health care, Youth empowerment, Women empowerment, Educational sponsorships of underprivileged children, livelihood programs for women, sports, recreation, and support for basic infrastructure for the public utility and schools, etc.

The Company's CSR policy is available on the Company's website at the following link https://www.cumi-murugappa.com/wp-content/uploads/2024/02/CSR-Policy-2021.pdf Annual report on the CSR activities in the prescribed format is annexed hereto as Annexure B and forms part of this Report.

The Company in line with the Companies Act, 2013, formulated an annual action plan, which was approved by the Board of Directors, in pursuance of the CSR Policy of the Company, based on which spending on CSR activities were undertaken for FY 2023-24. The Company spent ₹63.38 million towards CSR activities and no amounts remain unspent at the end of the year.

As at 31st March 2024, the CSR spend made directly and through implementing agencies has been utilised in full and hence, the Company is in compliance with the provisions of Section 135 of the Act and the rules referred therein.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

The Company's ethical and responsible behaviour complements its corporate culture. Being a public listed company, the Company recognises that its accountability is not limited only to its shareholders from a financial perspective but also to the larger society in which it operates. In November 2018, the Ministry of Corporate Affairs (MCA) constituted a Committee on Business Responsibility Reporting ("the Committee") to finalise business responsibility reporting formats for listed and unlisted companies, based on the framework of the National Guidelines on Responsible Business Conduct (NGRBC). Through its report, the Committee recommended that Business Responsibility Reporting (BRR) be upgraded to Business Responsibility and Sustainability Reporting (BRSR) where disclosures are based on ESG parameters, compelling organisations to holistically engage with stakeholders and go beyond regulatory compliances in terms of business measures and their reporting. SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalisation) from fiscal 2023, while disclosure was voluntary for fiscal year 2022. The Company is ranked 254 position as per the market capitalisation at NSE as on 31st March 2024. The Business Responsibility and Sustainability Report for the year ended 31st March 2024 in terms of Regulation 34(2) of the Listing Regulations is annexed to this Report as Annexure C and this report describes the initiatives undertaken under the Environment/Social/ Governance aspects.

GOVERNANCE

Board of Directors and Key Managerial Personnel

As at 31st March 2024, the Board of the Company comprised 7(Seven) Directors of which majority 5 (Five) are independent.

Mr. M M Murugappan, Director retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment. A proposal for his re-appointment is included in the Notice convening the 70th Annual General Meeting for consideration and approval by the shareholders.

Further, during the year, Mr. N Ananthaseshan, Managing Director took an early retirement and stepped down from the Board of the Company at the close of business hours of 2nd August 2023. Mr. Sridharan Rangarajan who was Whole Time Director - Finance and Strategy took over as the Managing Director of the Company from 3rd August 2023.

The Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the Listing Regulations. In the opinion of the Board, all the Directors appointed/re-appointed during the year are persons with integrity, expertise and possess relevant experience in their respective fields.

All the Independent Directors of the Company have registered their names in the Independent Director's Databank as required under the Companies Act, 2013 and the Rules referred therein. The Independent Directors are also required to take up an online proficiency self-assessment test within two years from the date of inclusion of their name in the Independent Directors' databank with an exemption provided to Directors fulfilling the criteria prescribed under the Act and the Rules referred therein. The completion of the online proficiency self-assessment test is exempted for most of the Directors. Some of the Independent Directors including those required to do so have completed the self-assessment. Mr. P S Raghavan and Mrs. Soundara Kumar (though being exempt) have completed their proficiency self-assessment within the timelines.

As on the date of this Report, Mr. Sridharan Rangarajan, Managing Director, Mr. P Padmanabhan, Chief Financial Officer and Ms. Rekha Surendhiran, Company Secretary are the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

Board Meetings

During the year, 8 (Eight) Board Meetings were held, the details of which are given in the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees as per the evaluation framework adopted by the Board on the recommendation of the Nomination and Remuneration Committee. Structured assessment forms were used in the overall Board evaluation comprising various aspects of the Board's functioning in terms of structure, its meetings, strategy, governance and other dynamics of its functioning besides the financial reporting process, internal controls and risk management. The evaluation of the Committees was based on their terms of reference fixed by the Board besides the dynamics of their functioning in terms of meeting frequency, effectiveness of contribution etc.

Separate questionnaires were used to evaluate the performance of individual Directors on parameters such as their level of engagement and contribution, objective judgement etc., The Managing Director's evaluation was based on leadership qualities, strategic planning, communication, engagement with the Board etc.

The Chairman was also evaluated based on the key aspects of his role. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman, the Board as a whole and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting held during the year.

The Board evaluation process continues to be conducted in a paperless mode.

Policy on Appointment and Remuneration of Directors

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has formulated the criteria for Board nominations as well as the policy on remuneration for Directors and employees of the Company.

The criteria for Board nominations lays down the qualification norms in terms of personal traits, experience, background and standards for independence besides the positive attributes required for a person to be inducted into the Board of the Company. Criteria for induction into Senior Management positions have also been laid down.

The Remuneration policy provides the framework for remunerating the members of the Board, Key Managerial Personnel and other employees of the Company. This Policy is guided by the principles and objectives enumerated in Section 178(4) of the Companies Act, 2013 and reflects the remuneration philosophy and principles of the Murugappa Group to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The policy lays down broad guidelines for payment of remuneration to Executive and Non-Executive Directors within the limits approved by the shareholders. Further details are available in the Corporate Governance Report.

The Board Nomination criteria and the Remuneration policy are available on the website of the Company at https://www.cumi-murugappa.com/policies-disclosure/.

Composition of Audit Committee

The Audit Committee of the Board comprises 4 (Four) members and all the members are Independent Directors. Mr. Sanjay Jayavarthanavelu is the Chairman and other members are Mr. Aroon Raman, Mr. Sujjain S Talwar, and Mrs. Soundara Kumar. During the year, five (5) Audit Committee meetings were held, the details of which are provided in the Corporate Governance Report. Mr. Sridharan Rangarajan who was part of the Committee, voluntarily stepped down from the same after taking charge as the Managing Director of the Company.

Statutory Auditors

In line with the requirements of the Companies Act, 2013, the Company, with the approval of the shareholders at the Annual General Meeting held on 1st August 2022, re-appointed M/s. Price Waterhouse Chartered Accountants LLP (Reg. No. FRN 012754N/N500016) (PWC) as the Statutory Auditors of the Company to hold office from the conclusion of 68th Annual General Meeting until the conclusion of the 73rd Annual General Meeting (AGM) on a remuneration of ₹75,00,000/- (excluding out of pocket expenses incurred by them in connection with the Audit and applicable taxes) for the FY 2023-24 and the remuneration decided by the Board for the subsequent years based on the recommendation of the Audit Committee.

As required under Regulation 33 of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by M/s. Price Waterhouse Chartered Accountants LLP on the Financial Statements of the Company for the year ended 31st March 2024 is provided in the financial section of the Annual Report.

There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their report. The auditors have commented on the availability of the audit trail to which the Company's response is as follows:

The Company's ERP RVW6X which is the key accounting software for maintaining books of account has feature of recording audit trail at transaction and database level. The transactional level log was available as a part of initial deployment. With new audit requirement, table level audit trail was activated during the year to track changes at the database level and was made available from 6th November 2023.

During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, and hence there are no details to be disclosed under Section 134(3)(ca) of the Act.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company is required to maintain cost accounting records in respect of products of the Company covered under CETA categories like Organic and Inorganic chemicals, Electrical or Electronic machinery, Steel, Plastic and Polymers, Ores and Mineral products, other Machinery, Base Metals etc. Further, the cost accounting records maintained by the Company are required to be audited.

The Board, on the recommendation of the Audit Committee, had appointed M/s. S Mahadevan & Co. (Firm No. 000007), Cost Accountants, Chennai to audit the cost accounting records maintained by the Company under the said Rules for the FY 2023-24 on a remuneration of ₹5,00,000/-. Further, they have also been appointed by the Board to conduct the cost audit for the FY 2024-25 at a same remuneration of ₹5,00,000/- excluding out of pocket expenses incurred in connection excluding the out of pocket expenses & applicable taxes .

The Companies Act, 2013, mandates that the remuneration payable to the Cost Auditor is to be ratified by the shareholders. Accordingly, a resolution seeking the shareholders' ratification of the remuneration payable to the Cost Auditor for the FY 2024-25 is included in the Notice convening the 70th Annual General Meeting.

Secretarial Audit

M/s. R Sridharan & Associates, Practising Company Secretaries, Chennai was appointed as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the FY 2023-24. The report of the Secretarial Auditor is annexed to and forms part of this Report as Annexure F. There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditor in the Report.

In terms of Regulation 24A of the Listing Regulations, there is no material unlisted subsidiary incorporated in India. Material unlisted subsidiary for the purpose of this Regulation is a subsidiary whose income/net worth exceeds 10 per cent of the consolidated income/net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year. Hence, there is no requirement for a Secretarial audit to be conducted for any of the Company's subsidiaries in India.

Compliance Management

The compliance management system, KOMRISK tracks compliances across the various factories and offices of the Company. This tool has a comprehensive coverage of the various applicable laws including auto updation based on the regulatory changes from time to time.

Corporate Governance

In terms of Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on Corporate Governance including the certificate from a Practising Company Secretary confirming compliance is annexed to and forms an integral part of this Report.

CEO/CFO Certificate

Mr. Sridharan Rangarajan, Managing Director and Mr. P Padmanabhan, Chief Financial Officer have submitted a certificate to the Board on the integrity of the Financial Statements and other matters as required under Regulation 17(8) of the Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(3)(c) of the Companies Act, 2013, the Board to the best of its knowledge and belief and according to the information and explanations obtained by it confirms that:

- in the preparation of the annual accounts, for the financial year ended 31st March 2024, applicable accounting standards have been followed and no material departures have been made from the same;
- the accounting policies mentioned in Note 3 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,

2013 for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;

- the annual accounts have been prepared on a going concern basis;
- that internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNUAL RETURN

The Annual Return in Form MGT-7 is available at https://www.cumi-murugappa.com/annual-return/.

SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information on Energy Conservation, Technology Absorption, Expenditure incurred on Research & Development and forex earnings/outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to and forms part of this Report as Annexure D.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

PARTICULARS OF EMPLOYEES

The information on employees and other details required to be disclosed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report as Annexure A.

Under the Company's Employee Stock Option Scheme 2007 (ESOP Scheme 2007), no Option grants have been made since February 2012 and all Options granted under the Scheme have been vested and accordingly exercised or lapsed. The Employee Stock Option Plan 2016 (ESOP Plan 2016) was implemented in February 2017 with the approval of the shareholders and currently governs the grant of options to employees. During the year, eligible employees were granted in aggregate 225,000 options under the ESOP Plan 2016. The disclosures with respect to options granted under the ESOP Scheme 2007 and ESOP Plan 2016 are contained in the Corporate Governance Report. Further, the disclosures relating to Stock Options as per Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 as repealed at present and superseded by Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with the circular issued by SEBI on 16th June 2015 have been provided on the Company's website and is available in the link https://www.cumi-murugappa.com/policies-disclosure/. Both ESOP Scheme 2007 and ESOP Plan 2016 are in compliance with the Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 as repealed at present and superseded by Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

OTHER CONFIRMATIONS

No application under the Insolvency and Bankruptcy Code, 2016 (IBC) was made on the Company during the year. Further, no proceeding under the IBC was initiated or is pending as at 31st March 2024. There was no instance of one time settlement with any Bank or Financial Institution.

The Company has complied with provisions relating to the constitution of the Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

The Board gratefully acknowledges the co-operation received from various stakeholders of the Company viz., customers, investors, channel partners, advisors, suppliers, government authorities, banks and other business associates during the year. The Board also places on record its sincere appreciation of all the employees of the Company for their commitment and continued contribution to the Company.

On behalf of the Board

Chennai
May 3, 2024

M M Murugappan
Chairman

ANNEXURE A

Statement of Employees' Remuneration

A. The details of top ten employees (employed throughout the year) in terms of remuneration drawn during the financial year 2023-24 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows (listed in alphabetical order):

Name and Age (years) 1	Designation/ Nature of duties 2	Gross remuneration paid (₹) 3	Qualification & experience (years) 4	Date of commencement of employment 5	Previous employment 6
Bhaskharan Kannun (58)	Head- Human Resources	81,88,150	MSW (Personnel Management) (35)	29-10-2020	Tube investments of India Limited
Ninad Gadgil (53)	Head - Abrasives	1,97,84,397	BE (Electronics) & PGDBM (Marketing) (29)	04.11.2019	Country Business Leader - Health Care, 3M India Limited
Narayanan R (58)	Vice President-Finance -Abrasives	80,14,534	ACWA, ACS (33)	19.03.1998	Cutfast Abrasives Limited
Padmanabhan P (56)	Chief Financial Officer	89,85,005	B.Com, Grad CWA, ACA, PGDFM (36)	01.07.1994[(d)]	-
Rajeev Singhal (56)	Vice President – FG Sourcing Abrasvies	82,23,326	PGDBA (33)	25.07.1991[(d)]	-
Ramesh Kalyanaraman (55)	Vice president- Technology Abrasives	73,73,954	BE, MBA (33)	06-07-1990 [(d)]	-
Rekha Surendhiran (46)	Company Secretary	87,92,040	B.Com, ACS,PGDFM,MBL (24)	23.08.2013	Cholamandalam MS General Insurance Co. Ltd.
Sivakumaran M V (52)	Head-Electrominerals	95,94,622	M.Sc, MBA & M.Tech (27)	01.07.1996[(d)]	-
Sridharan Rangarajan (58)	Managing Director	2,96,26,537	B Com, ACA, Grad CWA (38)	22.06.2011	CFO, Indian Operations - TIMKEN
Vijayalakshmi D (58)	Vice President - Corporate Communications	1,50,53,779 $	B.Sc Physics (35)	21.01.2010	Ogilvy Public Relations

$ As the employee retired on 31st March 2024 the remuneration includes the full and final settlement including the retiral/post-retiral benefits.

B. Details of employees who were employed for part of the year and earning eight lakh and fifty thousand rupees per month apart from the top ten employees:

Name and Age (years) 1	Designation/ Nature of duties 2	Gross remuneration paid (₹) 3	Qualification & experience (years) 4	Date of commencement of employment 5	Previous employment 6
Ananthaseshan N (61)	Managing Director	2,48,49,621*	M.Sc (Applied Science), M.Tech Material Science (37)	19.02.1986[(d)]	-

* As the employee retired at the closing hours on 2nd August 2023 the remuneration is for the period 1st April 2023 to 2nd August 2023 and includes the full and final settlement including the retiral/post-retiral benefits.

Notes:

a) Remuneration as shown above includes salary, allowances, Company's contribution to provident, superannuation and gratuity funds, medical facilities and perquisites valued as per income-tax rules and excludes any perquisites arising from exercise of stock options as there is no payout by the Company. During the year, no Options were granted under the Employees Stock Option Scheme, 2007. During the year, eligible employees were granted in aggregate 225,000 Options under the Employee Stock Option Plan 2016. The employee-wise grant details are available in the disclosure under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 uploaded on the website of the Company. The Employee Stock Options granted to employees in the earlier period are accounted based on fair value as per Indian Accounting Standards. Remuneration includes the perquisite arising from buy back of vehicle as per Company Car policy.

b) The employment of the above persons is whole time in nature and terminable with 3 months' notice on either side.

c) The above-mentioned employees are not relatives (in terms of the Companies Act, 2013) of any Director of the Company. Further, no employee of the Company is covered by the Rule 5(2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (employee holding by himself or with his family shares of 2% or more in the Company and drawing remuneration in excess of the Managing Director). Hence, the details required under Rule 5(3) (viii) is not applicable.

d) Date of joining as graduate engineer trainee / management trainee.

e) The remuneration details are for the period 1st April 2023 to 31st March 2024 and all other particulars are as on 31st March 2024.

f) None of the employees of the Company other than those listed above were in receipt of remuneration for the FY 2023- 24 in excess of one crore and two lakh rupees per year or eight lakh and fifty thousand rupees per month. With respect to employees who were employed for part of the year and received remuneration not less than eight lakhs and fifty thousand per month whose details are disclosed above, they had superannuated/resigned from the Company during the year and the remuneration includes their retirement/settlement benefits.

C. The details of remuneration during the financial year 2023- 24 as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows:

(i) Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name	Designation	Ratio
Mr. M M Murugappan	Chairman	15.24
Mr. Sanjay Jayavarthanavelu	Independent Director	3.19
Mr. Aroon Raman	Independent Director	3.17
Mr. P S Raghavan	Independent Director	4.13
Mr. Sujjain S Talwar	Independent Director	3.12
Mrs. Soundara Kumar	Independent Director	3.12
Mr. Sridharan Rangarajan	Managing Director	42.93

(ii) Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Name	Designation	Increase (%)
Mr. M M Murugappan	Chairman	-
Mr. Sanjay Jayavarthanavelu	Independent Director	18.92
Mr. Aroon Raman	Independent Director	9.50
Mr. P S Raghavan	Independent Director	22.84
Mr. Sujjain S Talwar	Independent Director	34.38
Mrs. Soundara Kumar	Independent Director	26.47
Mr. Sridharan Rangarajan	Managing Director	23.08
Mr. P Padmanabhan	Chief Financial Officer	18.73
Mrs. Rekha Surendhiran	Company Secretary	19.25

- The Directors' remuneration comprises commission and sitting fees for attending the meetings of the Board. In view of the continuing enhancement of the roles, duties, and responsibilities of the Non-Executive Directors under the dynamic regulatory regime, the Board at its meeting held on 8th May 2023 had reviewed the Commission payout for Non-Executive Directors which had been last revised in the year 2019-20. Based on the recommendation of the Nomination and Remuneration Committee, the Board approved an increase in the commission payable to Non-executive Directors excluding Chairman from the FY 2023-24. The increased commission payment has been provided for in the FY 2023-24 and will be paid after the accounts are adopted by the General Body in July 2024. The remuneration of the Non-executive Directors includes the commission provided for during the year. Hence, the increase in the remuneration of the Non-Executive Directors reflected in the table above is proportionate to the increase in the commission payable to them from FY 2023-24. There is no other change in the remuneration structure of the Non-executive Directors.

- Executives Remuneration for the FY 2022-23 and FY 2023-24 have been adjusted duly factoring the LTA availed status and the vehicle buyback as per the Company's Car policy.

(iii) Percentage increase in the median remuneration of employees in the financial year: 4.93 per cent (employees who were in employment for the whole of FY 2023-24 & whole of FY 2022-23 considered for this purpose in the respective financial years).

(iv) Number of permanent employees on the rolls of the Company as on 31st March 2024: 2238

(v) The average annual increase in salaries of employees was 10.38% compared to a decrease in managerial remuneration of 10.43%. The decrease in managerial remuneration is due to the changes in the Board composition during the year in terms of the number of Executive Directors in the Board. Hence, the confirmation with respect to exceptional circumstances for increase in managerial remuneration does not arise.

(vi) The Company affirms that the remuneration is in compliance with its Remuneration policy.

On behalf of the Board

Chennai
May 3, 2024

M M Murugappan
Chairman

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	Brief outline on CSR policy of the Company	The Company recognises the significance of its sustainable growth benefiting all stakeholders including the society in which it operates. CSR is imbibed into Company's values and beliefs and thereby into all business activities several decades even before the compulsory spend was mandated in the Companies Act, 2013. The Company continues to perform its CSR obligations directly through its skill development centre as well as indirectly through contributions to recognised implementing agencies in the field of Education and Healthcare, in addition to pursuing activities for the benefit of community around its local areas of operations. In line with its objectives and practices, the CSR policy focuses on Health, Education and Skill Development. The policy is uploaded on the website of the Company.

2. Composition of CSR Committee

Sl. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Aroon Raman	Chairperson / Independent & Non-Executive Director	3	2
2.	Mr. P S Raghavan	Member / Independent & Non-Executive Director	3	3
3.	Mr. N Ananthaseshan*	Member /Managing Director	2	2
4.	Mr. Sridharan Rangarajan **	Member/Managing Director	1	1

*Mr. N Ananthaseshan retired from the Company and stepped down from the Board as Managing Director effective 2nd August 2023.

**Mr. Sridharan Rangarajan was appointed as Managing Director and became the member of the CSR Committee effective 3rd August 2023.

3. Provide the web-link where Composition of CSR committee, CSR Policy and projects approved by the board are disclosed on the website of the company:
   (i) Composition of the CSR Committee: https://www.cumi-murugappa.com/wp-content/uploads/2023/08/committee-composition-.pdf
   (ii) CSR Policy: https://www.cumi-murugappa.com/wp-content/uploads/2024/02/CSR-Policy-2021.pdf
   (iii) CSR Projects: https://www.cumi-murugappa.com/wp-content/uploads/2024/02/CSR-projects-for-the-FY-2023-24.pdf

4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Though the Company is not required to conduct a formal impact assessment of its CSR projects, the activities which are on an ongoing project continue to be part of its overall CSR programmes only after due assessment is undertaken. The expansion of the skill development centre from Hosur to areas such as Ranipet, and Cochin over the last few years is a testimony to this effect. While the CSR programme was able to be carried on fullfledged in Hosur and Cochin, the subdued response in Ranipet and associated adminstrative constraints resulted in a lower impact of the programme in this region. Consequently there has been no fresh intake of students in CCSD Ranipet during the year. The Company recognises growth to be inclusive and undertakes a lot of community initiatives in and around its plant activities which necessarily does not form part of this report. Initiatives through implementing agencies are also undertaken only basis an assessment of the local requirements.
5.	(a) Average net profit of the Company as per Section 135(5)	₹3168.81 million
	(b) Two percent of average net profit of the company as per section 135(5)	₹63.38 million
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-

(d)	Amount required to be set off for the financial year	₹6.20 million (The Committee and the Board considered setting off ₹4.56 million and ₹1.64 million out of the surplus spends made by the Company in FY 2020-21 and FY 2021-22 respectively.
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	₹57.18 million

6. (a) Amount spent on CSR Projects (both ongoing Project and other than ongoing Project*): ₹ 5,71,75,272

Details of CSR amount spent against ongoing projects for the financial year: Nil

*The details of the projects other than ongoing Project are given as annexure

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹57.18 million

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) Section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
5,71,75,272			Nil		

(f) Excess amount for set off, if any

Sl. No	Particular	Amount (in ₹)
(i)	Two per cent of average net profit of the company as per section 135(5)	6,33,76,125
(ii)	Total amount spent for the Financial Year*	6,33,76,125
(iii)	Excess amount spent for the financial year [(ii)-(i)]**	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

* Includes ₹62,00,853(set-off) from the previous years excess spend made by the Company

** Excess spend set off available from 2020-21 adjusted during 2023-24 is ₹4.56 million

** Excess spend set off available from 2021-22 adjusted during 2023-24 is ₹1.64 million. ₹0.68 million is available for set off till 24-25

7. Details of Unspent Corporate Social responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY-1- 2022-23	-	-	-	-	-	-	-
2	FY-2- 2021-22	-	-	-	-	-	-	-
3	FY-3- 2020-21	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Office
Nil							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

On behalf of the Board

Chennai
May 3, 2024

Sridharan Rangarajan
Managing Director
(DIN: 01814413)

Aroon Raman
Chairman-CSR Committe
(DIN: 00201205)

Annexure to CSR Report

Details of CSR amount spent against other than ongoing projects for the financial year:

S.no	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes / No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes / No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number*
1.	CUMI Centre for Skill Development – Hosur, Cochin and Ranipet	Technical skill training	Yes	Krishnagiri District, Tamil nadu, Ernakulam District, Kerala, Ranipet District, Tamil Nadu		16,647,285	Yes	-	
2.	AMM Foundation – AMM Vellayan Chettiyar Higher Secondary School	School education	Yes	Chennai, Tamil Nadu		1,34,00,000	No	AMM Foundation CSR00000050	
3.	AMM Foundation-Murugappa Youth Football Academy-Center for Excellence	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic Sports	Yes	Chennai, Tamil Nadu		25,00,000	No	AMM Foundation CSR00000050	
4.	Sponsorship for pediatric cardio surgery in Sri Sathya Sai Sanjeevani Hospitals	HealthCare	No	Bangalore, Karnataka		36,00,000	No	Sri Sathya Sai Health and Education Trust/ CSR00001048	
5.	Research & Development on impact of climate change on biodiversity	Rural Development	No	Lakshadweep		150,00,000	No	Shri A.M.M. Murugappa Chettiar Research Centre (MCRC) CSR00000057	
6.	GKNM Trust Hospital Coimbatore for Cancer care	Healthcare	No	Coimbatore, Tamil Nadu		35,00,000	No	Kuppuswamy Naidu Charity Trust for Education and Medical Relief CSR00007900	
7.	Other local area spend in the area including CCTV Installation and other activities	Environmental sustainability/ Rural Development	yes	Krishnagiri, Tamil Nadu		7,24,987	Yes	-	
8.	ASK (Attitude, Skill, Knowledge) centre	Women Empowerment	Yes	Ernakulam & Trichur Kerala		18,03,000	Yes	-	
		Total				5,71,75,272			

*The Company has contributed ₹50 lakhs to the Chief Minister Public Relief Fund towards the rescue and rehabilitation of those affected in the state of Tamilnadu during the December 2023 floods.

ANNEXURE C

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L29224TN1954PLC000318
2.	Name of the Listed Entity	Carborundum Universal Limited
3.	Year of incorporation	1954
4.	Registered office address	43, Parry House, Moore Street, Chennai-600001
5.	Corporate address	43, Parry House, Moore Street, Chennai-600001
6.	E-mail	investorservices@cumi.murugappa.com
7.	Telephone	044-30006161
8.	Website	https://www.cumi-murugappa.com/
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
11.	Paid-up Capital	₹190,257,608
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Rekha Surendhiran, Company Secretary, 044-30006141, rekhas@cumi.murugappa.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure in this report is made on a Standalone basis.
14.	Name of assurance provider	Not Applicable (NA)
15.	Type of assurance obtained	

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture of other non-metallic mineral products - Abrasives	Manufacture, Sale, and Marketing of abrasives for various applications including Bonded, Coated & Super Abrasives	44.25%
2	Electrominerals - Abrasives Grains	Manufacture, Sale, and Marketing of abrasives for various applications including Bonded, Coated & Super Abrasives	21.87%
3	Refractories & Ceramics	Design and Manufacturing of Refractories, Ceramics, Anti Corrosives and Polymers	33.88%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Products/Services	NIC Code	% of total Turnover contributed
1	Abrasives	23993	44.25%
2	Electrominerals	0729	21.87%
3	Refractories & Ceramics	23939	33.88%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	20	10	30
International	Nil	Nil	Nil

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India (28 States and 8 Union territories)
International (No. of Countries)	41 Countries (directly) (Multiple countries across Asia/Europe/America. Predominantly Europe, South-East Asia, Middle East, and North America)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

24%

c. A brief on types of customers

The Company caters to a diverse range of customers across various industries, including Aerospace, Automotive Original Equipment Manufacturer (OEM), Construction, Cement, Food Processing, General Engineering, Iron & Steel, Mining, Mineral Processing, Pharmaceuticals, and Railways. The Company serves both retail and industrial customers through multiple channels across India. The multiple channels include distributors, direct sales, and digital marketing.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1007	924	91.76%	83	8.24%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	1007	924	91.76%	83	8.24%
WORKERS						
4.	Permanent (F)	1231	1211	98.38%	20	1.62%
5.	Other than Permanent (G)	3658	3316	90.65%	342	9.35%
6.	Total workers (F + G)	4889	4527	92.60%	362	7.40%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	2	66.67%	1	33.33%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	3	2	66.67%	1	33.33%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	3	1	33.33%	2	66.67%
5.	Other than Permanent (G)	0	0	0%	0	0
6.	Total differently abled workers (F + G)	3	1	33.33%	2	66.67%

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	1	14
Key Management Personnel	2	1	50

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.34	7.64	11.04	10.47	12.41	10.62	8.04	15.58	11.33
Permanent Workers	4.18	6.25	4.21	4.81	0.00	4.76	4.43	8.00	4.47

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Name of the holding/subsidiaries/associate companies/joint ventures:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Net Access India Limited	Subsidiary	100	No
2	Southern Energy Development Corporation Limited	Subsidiary	84.76	No
3	Pluss Advanced Technologies Limited	Subsidiary	73.42	No
4	Sterling Abrasives Limited	Subsidiary	60	No
5	Cumi (Australia) Private Limited	Subsidiary	51.22	No
6	Cumi International Limited	Subsidiary	100	No
7	Volzhsky Abrasive Works	Subsidiary	98.07	No
8	Foskor Zirconia (Pty) Limited	Subsidiary	51	No
9	Cumi America Inc.	Subsidiary	100	No
10	Cumi Middle East FZE	Subsidiary	100	No
11	Cumi Abrasives & Ceramics Company Limited	Subsidiary	100	No
12	Cumi Europe s.r.o	Subsidiary	100	No
13	Cumi Awuko Abrasives GmbH	Subsidiary	100	No
14	Rhodius Abrasives GmbH	Subsidiary	100	No
15	Pluss Advanced Technologies B.V., Netherlands	Subsidiary	73.42	No
16	Rhodius Nederland B.V	Subsidiary	100	No
17	Rhodius France S.A.R.L.	Subsidiary	100	No
18	Rhodius Korea Inc.	Subsidiary	100	No
19	Rhodius South America Ltd	Subsidiary	100	No
20	Ciria India Limited	Associate	30	No
21	Wendt India Limited	Associate	37.5	No
22	Murugappa Morgan Thermal Ceramics Ltd	Associate	49	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹) – 26,332 Million

(iii) Net worth (in ₹) – 22,975 Million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders**	Yes	52	1	-	2	0	-
Employees and workers	Yes	2	0	-	1	0	-
Customers	Yes	1073	16*	-	1022	0	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)							

** Complaints are pending due to ongoing discussions with the customer(s) for additional information and/or return of materials.*
*** Refer Corporate Governance report for nature of complaints*

The stakeholders can use the grievance redressal policy to raise complaints. All the complaints shall be addressed in line with the grievance redressal mechanism. Refer to the grievance redressal policy using the link below.

https://www.cumi-murugappa.com/wp-content/uploads/2024/04/Stakeholder-Grievance-Redressal-Policy-.pdf

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate change and Climate action obligation	Risk	Climate change is resulting in increasing frequency and intensity of extreme weather events, which can disrupt operations, damage infrastructure and equipment, and lead to supply chain disruptions. In addition, water scarcity is already a significant concern in India, and climate change is expected to exacerbate this issue, which could lead to production disruptions and increased costs. The Company is in a phase where Climate obligations are rapidly evolving. The Indian government is taking steps to address climate change and can expect more regulations to be introduced in the future. The risk could potentially increase the operating costs through carbon taxes or emissions caps. Additionally, the customers, investors, and other stakeholders are increasingly concerned about climate change and are demanding that the Company take necessary action to address it. Failure to take action may result in reputational damage and loss of business.	To mitigate exposure to these risks, the Company is taking proactive measures such as investing in energy-efficient technologies, reducing greenhouse gas emissions, increasing water efficiency, plan to diversify supply chains, and developing contingency plans for extreme weather events. By implementing these methods, the Company can reduce its exposure to climate change risks and enhance long-term sustainability. As a part of the sustainability efforts, the Company is focusing on a significant reduction in water, energy, and waste in the next few years.	Negative
2.	Environmental risks	Risk	Environmental risks, such as air and water pollution, waste generation and disposal, climate change, and resource scarcity, have the potential to affect operations, reputation, and financial performance. Failure to comply with environmental regulations and standards could result in fines, legal action, and reputational damage. Dependence on fossil fuels and increasing energy costs could affect profitability and competitiveness in the long run.	The Company is making continuous efforts to reduce its exposure to environmental risks by transitioning from fossil fuels from liquid-based to gaseous-based fuels. Also increasing purchase and generation of renewable power sources across plants. The Company has installed Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) to treat, reuse, or discharge water in accordance with the norms set by the Pollution Control Board (PCB). As per the obligations under the Extended Producer Responsibilty (EPR) regulation, the Company ensures that the collection of waste generated through third-party engagement. To monitor compliance with environmental regulations, the Company uses the KOMRISK tool, which enables tracking and reporting on environmental performance monthly. Additionally, the Company conducts regular environmental monitoring to ensure that no threat to the environment and to prevent any potential disruption to business operations.	Negative

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Employee turnover and skills	Risk	High turnover rates can lead to increased recruitment and training costs, loss of knowledge and expertise, reduced productivity, and lower employee morale. Moreover, the Company operates in a highly competitive industry, where access to skilled talent is essential for success. The ability to attract, retain, and develop skilled employees is critical to the ability to innovate, meet customer demands, and achieve business objectives. Failure to do so could result in a shortage of skilled labor, which could limit growth potential and put the Company at a competitive disadvantage.	The Murugappa group considers human capital as being very vital for sustainable business operations and growth. Hence, the Company provides training and development programs to allow employees to enhance and refine their skills. By doing so, employees can pursue career advancement while simultaneously contributing towards the organisation's objectives. Various HR practices/processes/ initiatives are part of the employment cycle, which also includes performance-based rewards and recognition mechanisms. Job rotation and training are deployed to develop employee capability besides conducting regular employee engagement initiatives.	Negative
4	Market Preference	Risk/Opportunity	The Company operates in a highly competitive industry space where customer preferences and expectations are constantly evolving. Failure to understand and adapt to these changing market preferences could result in declining sales and market share, impacting overall financial performance and the ability to meet the expectations of its stakeholders. Moreover, the Company operates in a global market where customers are increasingly focused on sustainability and ethical business practices. Failure to align business practices with these changing market preferences could result in reputational damage, lost business opportunities, and legal liabilities.	The Company regularly conducts market research and analysis to understand customer preferences and expectations and adapt the products and services accordingly. Also, it takes steps to strengthen the integration of sustainability aspects in business strategy, operations, and decision-making, reflecting the commitment to responsible and ethical business practices that meet the evolving needs of the stakeholders.	Negative / Positive
5	Technology Risk	Opportunity	Technology plays a vital role in the operations, from process automation and quality control to supply chain management and customer engagement. Failure to keep up with the latest technological trends and innovations could result in a competitive disadvantage and impact the Company's ability to meet customer demands and expectations. Moreover, the operations are becoming increasingly reliant on digital systems and networks, which are vulnerable to cyber threats and disruptions. Cyberattacks and data breaches could result in financial losses, reputational damage, and legal liabilities, which could impact the brand's reputation and stakeholder trust.	The Company has implemented various initiatives to mitigate the risk of technology-related threats. The Company regularly invests in research and development to enhance technological capabilities, improve processes, and develop innovative solutions that meet the evolving needs of the customers. The Company plans to strengthen cybersecurity measures in place to protect its digital assets and ensure the confidentiality, integrity, and availability of data.	Positive

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Data Security	Risk	The Company understands that data security breaches can lead to significant reputational damage, financial losses, and legal penalties. The Company deals with sensitive information such as customer data, supplier information, and intellectual property. If this information is breached or compromised, it can result in a loss of trust with stakeholders and damage to the Company's reputation.	The Company has implemented various measures, such as periodic cybersecurity assessments, data security policies and procedures, and employee awareness to mitigate this risk. By proactively identifying and addressing this risk, the Company is committed to operating in a socially responsible and sustainable manner, protecting reputation, and maintaining the trust of the stakeholders. The Company has planned to deploy a secured data portal which will enhance the security measures besides the deployment of the cyber security framework developed recently.	Negative
7	Data Privacy	Risk	The rapid digitalisation of the economy has made data privacy a significant concern. As a responsible and ethical Company, it is committed to protecting the privacy of the stakeholders and complying with applicable regulations and laws. The unauthorised use or disclosure of personal information can lead to significant reputational damage, financial losses, and legal penalties.	Implementing Access Controls: The Company has implemented access controls to ensure that only authorised personnel have access to sensitive information. Regular Training and Awareness: Conduct regular training and awareness programs for employees to educate them on data privacy best practices, including how to handle sensitive information, how to spot phishing attempts, and how to report suspicious activity. With the advent of the Digital Data Protection laws in the country, employee awareness programs are planned to be conducted besides making process changes to adapt to the requirements of the new law.	Negative
8	Corporate Governance (Transparency and Disclosures)	Opportunity	Corporate governance is a fundamental element of sustainable business operations. The identification of risks and opportunities, policies and operating procedures, implementation, monitoring, checking, and verification of systems and procedures help the organisation to ensure business continuity, and build trust and reputation in the market. Failure to implement adequate Corporate Governance policies can lead to legal and financial penalties, as well as damage the reputation and brand image.	The corporate business conduct policy which encompasses governance principles has been implemented across all operations. The leadership team and operations staff have been trained and continue to be trained. The Company has zero tolerance for any breach of the code of conduct.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management process									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.cumi-murugappa.com/policies-disclosure/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y*	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.			ISO 45001			ISO 14001 & ISO 50001			
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has set a comprehensive sustainability target to reduce its overall environmental footprint and specific targets for reducing its energy consumption, water consumption, waste generation, and circularity.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has achieved progress with respect to its sustainability targets by carrying out the following activities: 1) Installation of roof-top solar power across the plants and offices 2) Purchase of renewable electricity in manufacturing plants from vendors 3) Fuel switch from liquid to gas-based in the boilers and furnaces 4) Implementing waste management process - waste collection, segregation, recycling, reuse, and disposal through certified vendors 5) Setting up of Zero Liquid Discharge Systems and rainwater collection tanks in addition to percolation pits to reuse water in the production process								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Company recognizes the importance of Environmental, Social, and Governance (ESG) factors in creating a sustainable future business and society as a whole. The Company believes that by prioritizing ESG considerations, it can better manage risk, drive long-term value creation, and contribute to a more equitable and prosperous world. ESG principles are embedded into every aspect of the operations, right from the business strategy and decision-making processes to the daily practices and interactions with stakeholders. The Board comprises individuals with diverse backgrounds and experiences, including expertise in ESG issues, which enables us to effectively manage these considerations in the decision-making processes.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The Company has established multiple committees within the Board, including but not limited to the Audit Committee, Corporate Social Responsibility Committee, ESG Committee, Risk Management Committee, and Stakeholders Relationship Committee. These committees play a vital role in ensuring effective governance, risk management, and sustainable development of the organisation. The Company is committed to ESG principles, it has adopted a set of policies and practices that align with the Company's values and goals. Anti-corruption and Anti-Bribery, Code of Conduct, CSR Policy, Equal Employment Opportunity Policy, Policy against Human Trafficking and Child Labour, Stakeholder Grievance Redressal Policy, and Whistle Blower Policy and practices are adopted by the Company to ensure its commitment to ESG principles.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Sridharan Rangarajan Designation: Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has an ESG committee responsible for decision-making on sustainability-related issues. The committee comprises members representing all functions and businesses. The ESG Committee is responsible for implementing the Company's ESG policies and strategies. This involves coordinating with various departments and stakeholders to ensure that ESG considerations are integrated into business operations and decision-making processes. The committee also monitors progress towards ESG goals and identifies areas for improvement, enabling the Company to continuously enhance its ESG performance. Besides this, the Board committees like the Audit Committee, Risk Management Committee, and Stakeholder Relationship committee oversee the initiatives implemented by the Company in ESG matters.								

Y* - The Company encourages the value chain partners also to embrace all the principles and incorporate sustainable business practices. The Company's Environmental, Health and Safety practices, Labour and Human Rights, Ethical Business Practices, and Transparency policies apply to the value chain partners.

#Certain policies of the Company are only available to internal stakeholders, employees and workers.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q

Note: As part of a regular process, the department heads, business leaders, functional heads and senior management staff review the Company's policies to ensure their continued relevance and effectiveness. Any necessary adjustments to the policies and processes are made during this assessment, and the policies are presented to the Board of Directors as needed. The Company and its subsidiaries ensure adherence to applicable regulations and have established a compliance management system to this effect.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, the entity has not carried out an independent assessment/ evaluation of the working of its policies by an external agency Although the Company has not undergone any specific external assessment on the working of its policies, many of which have been in place even before the BRR/BRSR reporting was introduced. The Company has established a robust internal mechanism to ensure compliance with standards and laws. This mechanism will include site-level audits by internal and external persons including in the areas of environment, health, safety, and quality management. The adoption of standards like ISO 9001 for quality management, ISO 45001 for occupational health and safety management, and ISO 50001 for energy management are validated by the agencies outside the entity. The Company has partnered with ESG specialists to assess existing maturity levels and aid in strategy adoption to benchmarked practices and processes. The Company also undergoes validation by its customers on these parameters.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	Anti-Corruption Practices, BRSR Principles, Business Plan and Long-term Strategy, Code of Conduct, Conflict of Interest, Corporate Governance, CSR Activities, Risk Assessment, Regulatory Changes, Safety Training.	100%
Key Managerial Personnel	8	Anti-Corruption Practices, BRSR principles, Business Plan and Long-term Strategy, Code of Conduct, Conflict of Interest, Corporate Governance, CSR Activities, Grievance Mechanism, Occupational Health and Safety Aspects, Prevention of Sexual Harassment (POSH) Policy, Regulatory changes, and Risk Assessment.	100%
Employees	51	Anti-Corruption Practices, Code of Conduct, Diversity Policy, Environment Health and Safety Policy, Ethics and Integrity, Equal Opportunity Policy, Prevention of Sexual Harassment (POSH) Policy, Safe Workplace Practices and Whistleblower Policy. Value workshops on Personal Values, Social Responsibility, Environment Conservation Practices.	48.76%
Workers	87	Anti-Corruption Practices, Code of Conduct, Diversity Policy, Environment Health and Safety Policy, Ethics and Integrity, Equal Opportunity Policy, Prevention of Sexual Harassment (POSH) Policy, Safe Workplace Practices, and Whistleblower Policy.	22.6%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment		Nil		
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policies.**

Yes, the Company has an anti-corruption / anti-bribery policy. The Company strictly prohibits its employees from engaging in any form of bribery and corruption in any business dealings. The anti-corruption and anti-bribery policy, prohibit employees from making any payments, directly or indirectly to any employees or individuals or entity in exchange for business or any other favourable action. The policy is also incorporated as part of contractual agreements with its vendors and suppliers etc. In addition, all the employees of the Company are required to adhere to the Company's code of conduct and confirm the same annually.

https://www.cumi-murugappa.com/wp-content/uploads/2024/04/Anti-Bribery-and-Anti-Corruption-Policy.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

No correction actions were taken since no issues related to fines/penalties/actions were taken by the regulators/law enforcement agencies/judicial institutions in case of corruption and conflict of interest during the financial year.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	40 days	43 days

9. **Open-ness of business.**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	11.1%	9.8%
	b. Number of trading houses where purchases are made from	95	71
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	67.8%	76.4%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	42.3%	41.8%
	b. Number of dealers / distributors to whom sales are made	909	1004
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	21.6%	19.9%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	8.2%	7.8%
	b. Sales (Sales to related parties / Total Sales)	9.3%	8.5%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

#The company has considered the following definition for a Trading house. A trading house (trader), is an entity that specializes in facilitating trade between manufacturers and customers across different regions and countries. The company has considered raw materials purchased from traders within India and globally for completing the details of the above table. Also, the raw materials purchased from related parties are used for quantification in the RPT Section of the above table.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

Though the Company did not conduct any direct awareness or training program for value chain partners on the 9 principles of NGRBC, the Company has created an ESG awareness flyer for its value chain partners and the same was shared with the majority of suppliers. The key aspects covered in the flyer are:

- Environment
- Health and Safety
- Labour
- Human Rights
- Ethical business practice
- Transparency

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company has a code of conduct for its board of directors and senior management, which contains clear provisions governing actual or potential conflicts of interest, that may arise in connection with the Company's business operations. The Company mandates an annual disclosure from its board of directors and senior management, disclosing any interests that they may hold in any other entities. Additionally, the Company undertakes necessary measures to get requisite approvals, in compliance with the relevant laws and regulations, before entering into any transactions with such entities.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	2.53%	4.25%	a) Towards the development of electrolysers for green hydrogen production b) Research on the cold sintering process of ceramics
Capex	8.9%	2.8%	a) Replacement of burners for fuel switch from liquid to gaseous fuels b) Implementation of a dust collection system to reduce dust pollution c) Setting up of solar power generation systems d) Optimisation of fuel use in boilers, kilns, and furnaces e) Installation of LED lights f) Implementation of Energy saving initiatives across all the locations

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No, the Company has not identified and laid down procedures in place for measuring sustainable sourcing as of yet. The selection of suppliers/contractors/others is a starting process in the sourcing and the Company ensures that it ties up with those persons who are aligned with its value system. The business of the Company is focused on harnessing the properties of rare resources of nature to maximize efficiencies for the best possible material science solutions to its customers across varied industries. While the Company does incorporate the processes in a small way in terms of seeking the energy management initiatives of suppliers, sourcing from certified vendors, etc., the long-term plans to support certified vendors in the supply chain, engaging with marginalised suppliers, etc. would further strengthen the ESG framework and aid in establishing robust procedures in place.

b. **If yes, what percentage of inputs were sourced sustainably?**

Not Applicable.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company under EPR regulation is required to manage its e-waste and plastic waste generated from the products. Waste generated from the products and their packaging is safely managed under EPR obligation through third-party engagement which undertakes recycling and coprocessing to manage effectively.

Most of the Company's products before and after use do not contribute to the Hazardous waste. However, the usage of Prodorite leads to the generation of hazardous chemicals. The customers are informed about safety aspects related to its handling and management by providing the Material Safety Data Sheet (MSDS) along with the product.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR for plastic and e-waste applies to the Company. Yes, the waste collection plan is in line with the EPR plan submitted to the Pollution Control Board. Refer to the leadership indicator Question 4, on the EPR plan and the Company's progress toward achieving the target.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Nil					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

No, the organisation did not conduct Life Cycle Assessments (LCA) for any of its products.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Abrasive grains waste	0.28%	0.19%
Ceramics scrap	0.82%	1.03%
Ceramics sludge	0.13%	0.10%
Reclaimed in-house materials	0.45%	0.33%
Refractory waste	0.09%	0.07%

The above table has been quantified based on recycled input material and total material used in production based on the quantity of materials used in production in tonnes. Since the majority of recycled inputs are generated in-house from various divisions and reused within the Company, a financial value has not been ascertained.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	495 MT	Nil	Nil	313 MT	Nil
E-waste	Nil	65 MT	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

The Company has achieved its E-waste EPR target and is aligned with achieving the EPR target for plastic waste based on its commitment to the Central Pollution Control Board (CPCB), India for the financial year 2023-24. The EPR for E-waste applies to the Company from the financial year 2023-24.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	924	924	100%	924	100%	0	0	924	100%	924	100%
Female	83	83	100%	83	100%	83	100%	0	0	83	100%
Total	1007	1007	100%	1007	100%	83	8.2%	924	91.8%	1007	100%
Other than Permanent Employees											
Male	NA										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	1211	1211	100%	1211	100%	0	0	1211	100%	1211	100%
Female	20	20	100%	20	100%	20	100%	0	0	20	100%
Total	1231	1231	100%	1231	100%	20	1.6%	1211	98.4%	1231	100%
Other than Permanent Workers											
Male	3316	3316	100%	3316	100%	0	0	0	0	0	0
Female	342	342	100%	342	100%	342	100%	0	0	342	100%
Total	3658	3658	100%	3658	100%	342	9%	0	0	342	9%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.40%	0.45%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI#	100%	100%	Y	100%	100%	Y
Others - please specify	NA					

#ESI Act 1948 describes that all the establishments covered under the ESI Act and all factories that employ more than 10 employees and pay wages below or up to ₹21,000 per month (₹25,000 for employees with disability) must register with the Employees State Insurance Corporation (ESIC) and contribute towards the ESI scheme. All the employees earning more than ₹21,000 per month are exempted from the ESI contribution. All eligible employees and workers are covered under the Act.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, most of the plants and offices of the entity are accessible to differently-abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016. The Company has created the following infrastructure such as accessible restrooms, adjustable chairs, elevators, and ramps facilities in the majority of plants and offices. The Company is making efforts in other locations to create infrastructures to accommodate the requirements of differently abled employees and workers.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. The Company has an equal opportunity policy and it prohibits discrimination in any form. The policy applies to recruitment, training, working conditions, salary, transfers, employee benefits, and career advancement.

The Company does not discriminate against the employees or workers and job applicants on aspects such as sex, caste, community, religion, age, disability sexual orientation, etc. The Company encourages inclusive growth and supports equal employment opportunity for all job applicants. The requirement criteria for the job applicant are solely based on the merit for selection.

The Company also encourages its employees, contractors, subcontractors, vendors, suppliers, and partners, not engage in any practice that contributes to discrimination in any form.

Please access to the equal opportunity policy through the below link.

https://www.cumi-murugappa.com/wp-content/uploads/2024/04/Equal-Employment-Opportunity-Policy.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	100%	100%	100%
Female	100%	100%	0%	0%
Total	100%	100%	94%*	100%

*One permanent female worker is currently on maternity leave.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes, the Company has a grievance redressal mechanism in place to receive and redress grievances promptly and effectively. The Company ensures that the employees and workers feel valued and heard, and also, they can freely express their concerns. The grievance can be raised with the Human Resources team at the unit level or corporate level or unit-level grievance committees established by the Company. Also, the workers can contact their contractors for any grievances and they shall escalate to the HR team or Grievance Committee. For any sexual harassment-related grievances, any employee can approach the Internal Complaints Committee (ICC) under POSH. They can also approach the ombudsman under the whistleblower mechanism. All the complaints are addressed as per the Grievance Handling Mechanism mentioned in the Grievance Redressal Policy.

7. **Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1007	0	0	967	0	0
- Male	924	0	0	893	0	0
- Female	83	0	0	74	0	0
Total Permanent Workers	1231	592	48%	1191	544	46%
- Male	1211	592	49%	1179	544	46%
- Female	20	0	0	12	0	0

8. **Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	924	331	35.8%	434	46.9%	893	447	50.1%	504	56.4%
Female	83	60	72.3%	52	62.7%	74	58	78.4%	41	55.4%
Total	1007	391	38.8%	486	48.3%	967	505	52.2%	545	56.4%
Workers										
Male	4527	2047	45.2%	951	21%	4250	1130	26.6%	800	18.8%
Female	362	269	74.3%	154	42.5%	283	178	62.9%	147	51.9%
Total	4889	2316	47.4%	1105	22.6%	4533	1308	28.8%	947	20.9%

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	924	798	86.4%	893	772	86.4%
Female	83	67	80.7%	74	60	81.1%
Total	1007	865	85.9%	967	832	86.1%
Workers						
Male	1211	455	37.6%	1179	913	77.4%
Female	20	19	95.%	12	10	83.3%
Total	1231	474	38.5%	1191	923	77.5%

#While performance and career development reviews and discussions are held every year for all permanent employees and permanent workers, the above table depicts the actual number of employees and workers eligible for annual appraisal reviews.

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, an occupational health and safety management system has been implemented by the entity. In addition to that, most of the manufacturing plants are ISO 45001 certified. The Company has recognised all possible safety hazards and risks arising from the business activities by conducting both internal and external safety audits.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Hazard identification and Risk assessment is the basic tool used to identify work-related hazards for both routine and non-routine activities. Job safety analysis is done for high-risk activity and all the control measures are implemented before starting the work. Ergonomics assessments like Rapid Entire Body Assessment (REBA) and Rapid Upper Limb Assessment (RULA) being conducted to assess zero related hazards.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes, the Company has actively promoted a culture of reporting near-miss incidents/unsafe acts among the employees through various digital platforms (safety tree). These incidents are analysed from a central repository to identify potential hazards and take appropriate corrective measures. All sites have well-defined procedures in place for reporting work-related hazards, injuries, unsafe conditions, and unsafe acts. By encouraging reporting and maintaining strict procedures for identifying and reporting incidents, risks related to occupational health and safety are effectively managed and mitigated across the organisation. Safety forums are formulated for each plant comprising of employees and workers. The forum provides an avenue for employees and workers to raise any work-related hazards, and identify corrective measures.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the employees/ workers of the entity have access to non-occupational medical and healthcare services.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	2.29	1.87
Total recordable work-related injuries	Employees	0	0
	Workers	27	22
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

*Including in the contract workforce

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

The health and safety of employees and workers are of utmost importance to the Company, and it has implemented a comprehensive safety management system to ensure a safe working environment at all locations. The measures are summarised below:

- The Company has implemented ISO 45001 PDCA to continuously improve the health and safety management system.
- Safety hazards: The Company has identified all the potential risks and hazards that can emerge from business operations through internal and external safety audits.
- The Company has implemented the following risk mitigation measures such as machinery and equipment safety provisions, only authorised entry to hazard areas, and supply of Personnel Protective Equipment (PPEs).
- Safety SOPs covering procedures to adhere to safe work practices.
- Training and awareness: Various training programs were conducted to create awareness on Health and Safety. Programs such as Fire safety, Emergency preparedness, First aid, Hazard Identification and Risk assessment, PPE awareness, and Behaviour safety were conducted.

The Company has established a safety committee at each location, comprising representatives from employees and workers to oversee safety practices and raise concerns regarding any work-related hazards.

Potential incidents are reported to the Corporate EHS Head by Plant Safety officers and it is being reviewed and the learnings are shared among plants to prevent recurrence.

The Company actively promotes a culture of reporting near-miss incidents/unsafe acts among employees and workers through various digital platforms (safety tree). To prioritise safety at the management level, the Board reviews safety tracks and corrective actions as the first item in each Board meeting. In the event of an accident, a root-cause analysis is conducted and corrective actions are taken to prevent future incidents. Safety training is provided to all employees and workers before they enter the plant premises. Also, a behavior-based safety training to install safety practices as a culture among the workforce is implemented.

Additionally, Hazard Identification and Risk Assessment (HIRA) and working condition assessments are conducted based on the Rapid Entire Body Assessment (REBA) model at select units to identify potential hazards and improve working conditions for employees. To effectively manage and mitigate risks related to occupational health and safety, potential risks identified during the HIRA and REBA assessments. By promoting a culture of reporting near-miss incidents and maintaining strict procedures for identifying and reporting hazards and unsafe conditions, the Company can effectively manage and mitigate risks across the organisation. The Company has also participated in the best safety practices competition and won awards for safety practices, which is a testament to the Company's commitment to ensuring the safety and well-being of employees.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaints reported	0	0	No complaints reported
Health & Safety	0	0	No complaints reported	0	0	No complaints reported

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The organisation takes necessary safety measures to prevent incidents and address any incidents in a systematic manner as per the Occupational Health and Management System.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No).

Yes, all employees are covered through the Employee Deposit Linked Insurance as part of the Provident Fund scheme. The Company provides coverage for all its workers by the regulations stated in the Factories Act. Additionally, all the other permanent workers hired by the Company are covered by the ESI scheme. As per the Employee Deposit Linked Insurance scheme, in the event of the death of an employee, the family will continue to get the last drawn salary of the employee for up to 48 months and continued health insurance coverage for 2 years.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The contract agreements contain all the requirements including a payment clause towards the deduction of statutory dues of the value chain partners. The Company expects all its value chain partners to adhere to the contract agreement. The suppliers are requested to submit proof of remittance of statutory dues (i.e., PF and ESI, etc.)from the previous month along with their invoice. Failure to provide this proof will result in their service payment being withheld until the compliances are met.

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	2	0	1	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   No, the Company does not have specific transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5 **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Company has developed a 'supplier assessment form', which is used for onboarding new direct material, external providers, or manufacturers. According to the supplier assessment form, the suppliers are assessed on the parameters of health and safety practices and working conditions.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   No serious risks or concerns were observed during the financial year.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The Company places a strong emphasis on stakeholder engagement as a means of delivering relevant services to the market. It believes that responsiveness to stakeholder requirements is fundamental to success, as reflected in the Values and Beliefs Spirit of Murugappa Group – The FIVE LIGHTS - Integrity, Passion, Quality, Respect, and Responsibility. The key stakeholders include shareholders and investors, employees, customers, suppliers, local communities, regulators, and government agencies. The Company defines stakeholders as the people who can have an impact on the business, as well as the business having an impact on them. The Company has implemented a stakeholder engagement process to identify and classify the major stakeholders.

   To lead the stakeholder engagement efforts, the Company has established a Stakeholder Relationship Committee at the Board level. The Management team regularly engages with key stakeholders, and different organisational functions are responsible for facilitating consultation with the Board on important stakeholder concerns. The Board conducts regular reviews of stakeholder engagement activities at least once every quarter.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meeting, Shareholder meets, Email, Stock Exchange (SE) intimations, investor/analysts meet/ conference calls, annual report, quarterly results, media releases, Company/SE website etc.	Ongoing	Share price appreciation, dividends, Profitability and financial stability, Robust governance growth prospects and shareholder value creation.
Employees	No	Senior leader's communication/ talk/ forum, periodic communication meetings, goal setting, and performance appraisal meetings/ review, exit interviews, arbitration/ union meetings, wellness initiatives, engagement surveys, email, intranet, flat screens, websites, poster campaigns, inhouse magazines, circulars, quarterly publications and newsletters etc.	Ongoing	Operational efficiencies, improvement areas, long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives, women empowerment and leadership programmes.
Customers	No	Website, distributor/retailer/ direct customer/achievers meet, senior leader customer meets/ visits, customer plant visits, customer audits, club, key account management, trade body membership, exhibitions, complaints management, help desk, plans, customer surveys etc.	Ongoing	Product quality and availability, responsiveness to needs, after sales service, responsible guidelines/manufacturing, customisation, alignment with the mission/vision/ goals of the Company.
Suppliers/ Partners	No	Prequalification/vetting/ introduction/ communication and the partnership meets, plant visits, MoU and framework agreements, trade association meets/seminars, professional networks, contract management/review, product workshops/on-site presentations, and satisfaction surveys.	Ongoing	Quality, timely delivery and payments, (sustainability, safety checks, compliances, ethical behaviour), ISO and OHSAS standards, collaboration and opportunities, effective supply chain management.
Government (MCA, SEBI, PCB, Ministry of Labour and Employment)	No	Advocacy meetings with local state/national government and ministries, seminars, media releases, conferences, and membership with industry bodies (CII, SICCI etc).	Ongoing	Changes in regulatory frameworks, skill and capacity building, employment, environmental measures, policy advocacy, timely contribution to exchequer/ local infrastructure, proactive engagement.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	No	Meets (of community/local authority and town council/committee/location head), community visits and project partnerships with local charities, volunteerism, seminars/conferences.	Ongoing	Communication of Disaster Management Program and Emergency response plan. Also, the Company has discussed monitoring plans to minimise environmental impact in nearby villages/ locations. The Company has consulted with the community to establish various CSR programs such as Social welfare activities, Waste management, integrated water management, clean water, climate change impacts, community development, self-sustainability, livelihood support, and disaster relief.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Various organisational functions in the Company are responsible for different stakeholders, and they facilitate the consultation process with the Board regarding key stakeholder concerns. This process involves periodic Board reviews that are held at least once every quarter, during which the Board engages in discussions with the Managing Director and other senior leaders who represent these functions. This approach ensures that the Board is informed about important stakeholder issues and can provide input and guidance on how the Company can best address them. A brief of items that are being discussed in the meetings are listed below.

   - Investors: Earnings calls are organised every quarter once the financial results of the Company is published. Periodic investor calls/meetings are also conducted. This provides a platform for the investor community to engage with the Management matters concerning the business including economic backdrop, environmental concerns, and social topics. There is also a dedicated ESG link on the website of the Company collating all the relevant ESG disclosures made by the Company across multiple forums for a consolidated viewing by the stakeholders. The Company also in its Annual Report provides a detailed overview of each business and the external topics that are concerning the business and the ESG goals set by the Company. Feedback to the Board is provided during the BRSR report consideration.
   - Leadership team and employees: Consultation revolves around ESG/Sustainability implementation aspects and ongoing activities to keep the team informed and involved in the Company's efforts to improve its ESG performance.
   - Contractors: Consultation on OHS (Occupational Health and Safety) requirements at the site, as well as facility environmental requirements on waste handling and disposal, to ensure that the Contractors are aware of their responsibilities towards ESG.
   - Channel partners: Consultation on product delivery standards and requirements, market requirements, and other relevant inputs to ensure that the channel partners are aware of the Company's ESG expectations.
   - Community: Consultation on disaster management plans, environmental monitoring plans, etc. The Company has installed display boards at the entrance gate to ensure transparent communication of environmental information to the community. This helps the Company to build trust and demonstrates its commitment to environmental and social responsibility.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. The Company is in the process of conducting a materiality assessment to identify ESG-related material topics and to develop a sustainability comprehensive roadmap and strategy. Through the materiality assessment, the stakeholder's interests and priorities shall translate into shaping and developing the sustainability strategy of the Company.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   The Company engages with the community through its NGO partners to access the needs of the community, especially from the vulnerable or marginalised stakeholder groups. The insights from the engagement help in shaping the Corporate Social Responsibility (CSR) programs and initiatives to meet the needs of vulnerable or marginalised stakeholder groups.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1007	1007	100%	967	967	100%
Other than permanent	0	0	0%	0	0	0%
Total Employees	1007	1007	100%	967	967	100%
Workers						
Permanent	1231	1231	100%	1191	1191	100%
Other than permanent	3658	3658	100%	3342	3342	100%
Total Workers	4889	4889	100%	4533	4533	100%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1007	0	0	1007	100%	967	0	0	967	100%
Male	924	0	0	924	100%	893	0	0	893	100%
Female	83	0	0	83	100%	74	0	0	74	100%
Other than Permanent	0	0	0	0	0	0	0	0	0	0%
Male	0	0	0	0	0	0	0	0	0	0%
Female	0	0	0	0	0	0	0	0	0	0%
Workers										
Permanent	1231	0	0	1231	100%	1191	4	0.3%	1187	99.7%
Male	1211	0	0	1211	100%	1179	0	0.00%	1179	100%
Female	20	0	0	20	100%	12	4	33.3%	8	66.7%
Other than Permanent	3658	1128	30.84%	2530	69.2%	3342	1114	33.3%	2228	66.7%
Male	3316	1027	30.97%	2289	69%	3071	1018	33.2%	2053	66.8%
Female	342	101	29.53%	241	70.5%	271	96	35.4%	175	64.6%

3. **Details of remuneration/salary/wages**

a. **Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	25,25,000	1	21,50,000
Key Managerial Personnel	1	89,85,005	1	87,92,040
Employees other than BoD and KMP	761	9,91,085	62	9,12,118
Workers	1,126	4,71,731	1	2,96,916

#The permanent employees and workers employed for the entire FY 2023-24, were only considered for median remuneration calculation.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	5.03%	4.25%

#The gross wages paid to females as % of total wages paid by the entity has been considered for all on-roll permanent employees and permanent workers. The Company did not include other than permanent workers in the calculation, since the other than permanent workers are hired and the wages are paid by third party contractors.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Company has appointed a Human Resources Single Point of Contact (HRSPOCs) at each site. Employees can reach out to the HRSPOCs for any complaints related to human rights, discrimination, etc. The Company has dedicated policies to address the same. The Corporate HR shall conduct a thorough fact-finding investigation and take appropriate action based on the findings. The complainant will be informed of any actions taken as a result of the investigation.

- For any sexual Harassment grievance, the Internal Complaints Committee (ICC) under POSH exists for redressal.
- A dedicated email ID: cumiposhcomplaints@cumi.murugappa.com is available to receive and resolve grievances relating to POSH.
- Workers can raise their grievances through the contractor. If not resolved, can be escalated to the Unit HR.
- Unit-level grievance committees exist at each location.
- Workers can also reach out to the Ombudsman for any whistle-blower matters at ombudsperson@corp.murugappa.com.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Employees can reach out to the Ombudsman for any complaints related to human rights, discrimination, etc., under whistleblower mechanism or even to the Corporate HR/Unit HR. Absolute confidentiality shall be maintained for all complaints. Ombudsman can set up an enquiry to find out the facts and violations, if any. Based on the enquiry report, appropriate action will be taken by the Company.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	The complaint was addressed as per the POSH policy.	1	0	
Discrimination at Workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	1
Complaints on POSH as a % of female employees / workers	0.45%	0.28%
Complaints on POSH upheld	2	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has several mechanisms to prevent discrimination and harassment in the workplace. The code of conduct policy defines the Company's commitment to providing a safe and inclusive workplace for all employees. The HR policies also aim to eliminate discrimination and harassment in the workplace. Regular training and awareness programs on topics such as the Prevention of Sexual Harassment (POSH) and work-related HR policies are conducted. In case any employees face any discrimination, they can approach HR or the ombudsman for assistance. The Company has a POSH policy and an Internal Complaints Committee (ICC) to address any such issues and will conduct a detailed investigation of any such issues.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company as a part of The Murugappa group adheres to the five lights principles i.e. Integrity, Quality, Passion, Respect, and Responsibility. The Company's business agreements and contacts contain clauses related to compliance concerning human rights.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No serious risks or concerns were observed during the financial year.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   The Company has adopted the various measures and processes over the years to address human rights grievances and complaints. During the financial year 2023-24, the Company has adopted the Policy against Human trafficking and Child labour with an objective to protect and advance human dignity and human rights in business practices.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   No, the Company did not conduct any human rights due-diligence during the financial year.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, most of the premises/offices of the entity are accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016 and efforts are being taken to make all plants/offices accessible.

4. **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company has developed a 'supplier assessment form', which is used for onboarding new direct material, external providers, or manufacturers. According to the supplier assessment form, the suppliers are assessed on the human rights parameters.
Discrimination at Workplace	
Child Labour	
Forced/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   No serious risks or concerns were observed during the financial year.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A) (Tera Joules or TJ)	114	145
Total fuel consumption (B) (TJ)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C) (TJ)	114	145
From non-renewable sources		
Total electricity consumption (D) (TJ)	694	585
Total fuel consumption (E) (TJ)	512	671
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) (TJ)	1206	1256
Total energy consumed (A+B+C+D+E+F) (TJ)	1320	1401
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (TJ/ Rupees in million)	0.05	0.06
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (TJ/ Rupees in million USD)	4.28	4.65
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No, the organisation did not carry out any external assurance for its energy consumption.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, the Company does not have any sites or facilities that have been identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	88363	93079
(ii) Groundwater	137758	153434
(iii) Third-party water	145537	128716
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	371658	375229
Total volume of water consumption (in kilolitres)	371658	375229
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (Kilolitres/ Rupees in million)	14.33	15.17
Water intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (Kilolitres/ Rupees in million USD)	1205.46	1246.67
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No, the organisation did not carry out any external assurance for its water consumption.

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – Tertiary Treatment	0	0
Total water discharged* (in kilolitres)	0	0

*The Company does not discharge any water outside its facility. The treated wastewater is reused for manufacturing process and gardening purposes within the facilities.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No, the organisation did not carry out any external assurance for its water discharge.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, most manufacturing plants have operational Effluent Treatment Plants (ETP) and Sewage Treatment Plant within its premises for management of effluent and domestic wastewater. In few manufacturing plants within the SEZ, the wastewater generated is provided to Common Effluent Treatment (CETPs) for treatment.

The treated wastewater is reused within the respective plants and the Company does not discharge treated wastewater outside the facility.

The wastewater infrastructure and management process details are provided below;

The Company has obtained valid Consent to Operate (CTO) under the Water Prevention and Control Act, 1974, for all the sites. To ensure precise measurement of water flow, flow meters have been installed at both the inlet and outlet lines. These flow meters undergo regular calibration to uphold their accuracy and reliability. The Company's wastewater generation is well within the consented levels and steps are being taken to decrease freshwater usage by implementing water reuse practices.

Wastewater treatment infrastructure for Effluents consists of Effluent Treatment Plant (ETP) Primary treatment, ETP Secondary treatment, Ultra Filtration, Reverse Osmosis, and Multi-effect evaporator with ATFD technology. After treatment, the water is reused in the production process.

Wastewater treatment infrastructure for Sewage consists of a Sewage Treatment Plant with Primary treatment, Secondary Treatment, and Tertiary treatment. After treatment, the water is reused within the plant boundary for gardening.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	tonnes/year	44	36
SOx	tonnes/year	39	45
Particulate Matter (PM)	tonnes/year	109	99
Persistent organic pollutants (POP)	tonnes/year	NA	NA
Volatile organic compounds (VOC)	tonnes/year	NA	NA
Hazardous air pollutants (HAP)	tonnes/year	NA	NA
Others – please specify	tonnes/year	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No, the organisation did not carry out any external assurance for its air emissions.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	48246	58815
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	134185	131041
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent/ Rupees in Million	7.03	7.68
Total Scope 1 and Scope 2 emission **Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent/ Rupees in Million USD	591.71	630.78
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

The Company used the globally-accepted methods based on the GHG protocol to calculate its emission footprint resulting from consumption of fossil fuels, electricity, and refrigeration, under its Scope 1 and Scope 2 emissions. Emission factors have been taken from recognised sources such as the India-based benchmarks (Ex: CEA), and global benchmarks (Ex: Defra and IPCC).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No, the organisation did not carry out any external assurance for its Scope 1 and Scope 2 emissions.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company has implemented multiple initiatives to reduce GHG emissions across its plants and offices.

Fuel-related GHG emission reduction initiatives

a) Optimisation of fuel use in boilers, kilns, and furnaces

b) Implementation of waste heat recovery process

c) Fuel switch from liquid-based to gaseous-based fuel in operations

Energy-related GHG emission reduction initiatives

a) Renewable Energy Generation through the setting up of solar power generation systems

b) Installation of LED Lights and other energy-saving devices

c) Installation of energy-efficient pumps and motors

d) Purchase of Solar energy for use in operations

e) Purchase of Gas based energy for use in operations

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	492	473
E-waste **(B)**	4	4
Bio-medical waste **(C)**	0.1	0.2
Construction and demolition waste **(D)**	8	25
Battery waste **(E)**	5	15
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. (Category 5.1, 5.2, 21.1, 33.1, 35.3) **(G)**	146	145
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (Wet and Dry waste)	6434	5544
Total (A+B + C + D + E + F + G + H)	7090	6206
Waste intensity per rupee of turnover (Total waste Generated / Revenue from operations) (MT/ Rupees in Million)	0.27	0.25
Waste intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT/Rupees in Million USD)	23.55	20.12
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – The relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	6930	6021
(ii) Re-used	5	15
(iii) Other recovery operations	0	0
Total	6935	6036

Parameter	FY 2023-24	FY 2022-23
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	146	141
(ii) Landfilling	8	25
(iii) Other disposal operations	0	0
Total	154	166

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No, the organisation did not carry out any external assurance for its waste management.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company has adopted various waste management practices to ensure proper handling and disposal of different types of waste. The waste management strategy focuses on classifying all the waste generated by the company in line with various Waste Management Rules in India and ensures compliance. The strategy involves collecting, handling, storing, and disposing of waste.

- Waste Inventory Process: A waste inventory process has been implemented with following ISO 14001-2015 standards. This process allows the Company to track and document the type and quantity of waste generated in the facilities.
- Battery Waste: Battery waste is segregated separately and disposed of through authorised vendors using the buyback options with the vendors. This helps in adherence to Battery Waste Management Rules, 2022, and prevents any potential harm from battery waste.
- Bio-Medical Waste: Bio-medical waste generated from the diagnosis or treatment of employees or workers at the facilities is segregated and provided to authorised vendors for safe disposal. The Company ensures that it complies with the requirements of the Bio-medical Waste Management Rules, 2016.
- Construction and Demolition Waste: The C&D waste generated from the demolition activities is utilised within the site for raising the low-lying areas. No waste was disposed of outside the facilities. The Company complies with the Construction and Demolition Waste Management Rules, 2016.
- E-Waste: Electronic waste (e-waste) is segregated and disposed of through authorised vendors/dismantlers specializing in e-waste recycling and proper disposal methods. This helps in adherence to E-waste Management Rules (EWM) 2022 and prevents any potential harm from improper electronic waste disposal.
- Hazardous Waste: Hazardous waste is segregated, stored, and disposed of effectively as per the guidelines outlined in the Hazardous Waste Management (HWM) 2016 Regulations. This ensures that hazardous waste is properly isolated and handled to prevent any adverse environmental impact. A dedicated covered shed having impervious flooring for storage of hazardous is established within the facilities.
- Municipal Solid Waste: Solid waste generated is collected and categorised into two parts: wet waste and dry waste. Wet waste, such as canteen waste, is sent for composting, while other solid waste is disposed of through authorised recycling vendors to ensure proper waste management practices. This helps in adherence to Solid Waste Management Rules (SWM) 2016 and can contribute towards a circular economy.
- Plastic Waste Management: To manage plastic waste, the Company follows the guidelines provided by the Central Pollution Control Board (CPCB) in the Plastic Waste Management Rules (PWM) 2022, and the Extended Producer Responsibility (EPR) framework. This includes proper collection, segregation, and disposal of plastic waste through authorised recycling channels.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Yes/No) If no, the reasons thereof and corrective action taken, if any.
1.	Tiruvottiyur Chennai	Bonded Abrasives	The facility does not attract the provisions of environmental approvals/ clearances. The ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, and forests are located far away from the facility. Thus, the Forest Clearance and Wildlife Clearance do not apply to the facility. The facility is located near to coastal zone, however, it was established before the CRZ Notification. Thus, the existing facility does not attract any provisions under the CRZ Notification.

Other than the Tiruvottiyur Unit, no other plants and offices of the Company are in or around ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, and coastal regulation zones.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

The Company did not engage in any expansion-related activities other than approved existing operations, and hence no additional environmental impact was created by the plant operations. Hence, the Company did not conduct an Environment Impact Assessment (EIA).

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/No). If not, provide details of all such non-compliances, in the following format:

S.No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Yes, the organisation complies with the applicable environmental laws /regulators /guidelines in India. The business units operate under the purview of the Environmental Protection Act and hold valid consent to establish and consent to operate issued by the Pollution Control Boards (PCBs). The certificates are regularly renewed as per the PCB's directives and the conditions stipulated in the consent orders are complied. All environmental monitoring reports are submitted within the timelines and reported to the Board of Directors on a quarterly basis.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Not applicable. The Company's plant and office locations are not located within the area of water-stressed districts designated by the Central Ground Water Board, India.

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)	Not Applicable	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / Turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No, the organisation did not carry out any external assurance for its water consumption and discharge.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Nil	Nil
Total Scope 3 emissions per rupee of turnover		Nil	Nil
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity Adjusted for PPP		Nil	Nil

The Company has initiated its Scope 3 GHG emission accounting process and has started collating data on applicable Scope 3 emission categories.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No, the organisation did not carry out any external assurance for its GHG emissions.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Bonded Abrasives Unit in Tiruvottiyur, Chennai is located near to coastal zone. However, the facility was established before the CRZ Notification. Thus, the existing facility does not attract the provisions under the CRZ Notification. Also, the existing facility was accorded with renewal of consent by the Tamil Nadu Pollution Control Board (TNPCB).

As a responsible Company, it has planted trees to improve the green cover on the sea-facing side. Also, the Company is committed to monitoring the quality of the air and water in and around the plant. Necessary steps are undertaken to ensure that there is no discharge of any untreated water into the coastal zone, which helps to minimise any potential impact on the biodiversity of marine habitats.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Abrasives	Emission Reduction and Energy Management	a) Optimisation of fuel use in boilers, and furnaces b) Fuel switch from liquid-based to gaseous-based fuel in operations	Energy optimisation, reduction in emissions, and promoting a cleaner and more sustainable energy source
	Water and Wastewater Management	Zero liquid discharge system is currently under implementation at two plants	Improve water reuse and enable better water management strategy and conservation
	Waste Management and Circularity	Redesign the packaging of products	Reduce waste generation and cost savings in material procurement
Electrominerals	Emission Reduction and Energy Management	a) Implementation of Solar energy generation plants b) Implementation of Solar water heater for boiler operations c) Fuel switch from liquid-based to gaseous-based fuel in operations d) Installation of energy-efficient pumps e) Installation of energy-efficient motor	Energy optimisation, reduction in emissions, and promoting a cleaner and more sustainable energy source
	Water and Wastewater Management	a) Establishment of rainwater collection tanks storage and use b) Wastewater recycling and reuse by optimizing water management within the plants	Water optimisation and better water management and conservation
	Waste Management and Circularity	a) Waste collection, segregation, and disposal to certified vendors b) Installation of organic waste composting machine for canteen waste management	Effective waste management and enabling waste circularity
Ceramics and Super Refractories	Emission Reduction and Energy Management	a) Implementation of Solar energy generation plants b) Implementation of waste heat recovery process c) Fuel switch from liquid-based to gaseous-based fuel in operations d) Optimisation of fuel use in kilns, and furnaces	Reduction in emissions and promoting a cleaner and more sustainable energy source
	Waste Management and Circularity	Ceramic waste recycling and reuse	Effective waste management and enabling waste circularity

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a business continuity and disaster management plan for operations. The Company has developed detailed Standard Operating Procedures (SOPs) and guidelines for various scenarios, including natural disasters, fires, chemical spills, and other emergencies. Critical business functions have been identified and backup plans have been established to minimise downtime and ensure continuity of operations, in case of any disruptions. Tie up with local emergency response agencies like Fire departments and medical services/hospitals to ensure timely and effective response in case of any emergency.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   Not applicable, since no assessment was carried out on the environmental impacts of the value chain partners of the organisation.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   The organisation did not assess the environmental impacts of its value chain partners during the year. The organisation shall consider environmental impacts as one of the criteria in the vendor evaluation process moving forward.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   The Company is an active member of twenty trade and industry chambers and associations in India and globally.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Kerala Management Association	State
2	Madras Management Association	State
3	National Safety Council – Kerala Chapter	State
4	Confederation of Indian Industry	National
5	Indian Ceramic Society	National
6	Indian Carbon Society	National
7	Indo-Australian Chamber of Commerce	National
8	Indo-German Chamber of Commerce	National
9	South India Chamber of Commerce	National
10	SICMA – Europe	International

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of Authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

The Company did not receive any adverse orders and no corrective action was necessitated during the financial year.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Nil	Nil	Nil	Nil	Nil	Nil

The Company did not engage in public policy advocacy during the financial year. However, it is an active member of several national and international trade and industry chambers and associations. As part of these groups, it provides recommendations and representations to regulators and associations to advance and improve the industrial climate in India. Additionally, the Company regularly participates in forums and discussions related to energy security and management, water and food security, and sustainable business practices to share its views and opinions.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company has a grievance redressal policy in place that provides a detailed mechanism for the community to report any complaints. Based on the nature of the complaints, appropriate measures shall be taken. Also, the Company engages with various stakeholders including the community, through Stakeholder forums to discuss their needs and concerns.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	13%	13%
Directly from within India	55%	54%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	7.2%	7.3%
Semi-urban	16.8%	15.9%
Urban	43.8%	44.3%
Metropolitan	32.2%	32.5%

   (Place categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NA	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S.No.	State	Aspirational District	Amount Spent (in INR)
NA			

   No, the Company did not undertake any CSR projects in designated aspirational districts identified by government bodies.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   No, the organisation does not have a preferential procurement policy to purchase from suppliers comprising marginalised or vulnerable groups. Though the Company does not have a preferential procurement policy, it hires local people from nearby communities of the plants for work. Through the skill development center, which is part of CSR activity the

Company identifies students from marginalised/ vulnerable groups to provide necessary education and training to improve employment opportunities. Further, considering the nature of products, the raw materials and other input materials such as power or fuel cannot be sourced from marginalised groups. However, the Company encourages the contractors to provide manpower from the local community including people belonging to marginalised groups. The objective of such an initiative is to ensure that the local community is involved in the manufacturing process and earn livelihood.

(b) From which marginalized /vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
		None		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the Case	Corrective action taken
	NA	

6. Details of beneficiaries of CSR Projects:

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Anbalaya: A development education centre for differently abled children	50	100%
2	CCTV Infrastructure Set for Community in Hosur	10500	NA
3	CUMI Centre for Skill Development	84	100%
4	Education Support to Vellayan Chettiar Higher Secondary School	2000	100%
5	GKNM Hospital support for Cancer treatment of children from economically weaker section	25	100%
6	Green Initiative: Coconut Tree Saplings Distribution	500	NA
7	Murugappa Chettiar Research Centre (MCRC)*	NA	NA
8	Sri Sathyasai Sanjeevani Hospital	24	100%

*The MCRC is an ongoing research and development project to study the impact of Climate Change on Biodiversity. The objectives of the project are to study a) the Impact of Climate change on the marine ecosystem in Lakshadweep, b) the Impact of Climate change on the marine ecosystem research in the Andaman Islands, and c) the Cultivation and conservation practices of Traditional rice varieties. The target group beneficiaries are tribals, farmers, and fishermen in the Chengalpattu, Villupuram, Sivaganga, Cuddalore, Tiruvallur, Coimbatore districts of Tamil Nadu and Islands of Lakshadweep and Andaman Nicobar.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company believes that commitment to transparency is vital to building trust and credibility with the customers, by demonstrating honesty and openness in handling complaints. The customers can communicate their complaints via email or phone calls to the regional salesperson. The regional salesperson upon receipt of a complaint provides an immediate acknowledgement email to the customer. All the complaints are registered in the Enterprise Resource Planning (ERP) system.

The complaints are addressed based on the grievance-handling mechanism. Based on the nature of the complaint, the quality control team takes the technical complaints and commercial complaints by the marketing teams. The Company has set a target to resolve all the complaints within 30 days.

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	100%
Recycling and/or safe disposal	Nil

The Company will be initiating an evaluation process to understand the product labelling information related to environmental and social parameters, recycling, and safe disposal.

3. Number of consumer complaints in respect of the following:

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	1073#	16*		1022#	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	NA	NA		NA	NA	

*It indicates the complaints are pending as of 31st March 2024, due to pending discussion with the customer(s) for additional information and/or return of materials.

#The consumer complaints data are tracked and addressed through the ERP tool and customer complaints are dealt by the respective business functions separately.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has developed a Cyber security framework as a risk mitigation for cyber security and risks related to data privacy. The cyber security risk is considered a material issue under the technology risk. The Company regularly conducts penetration assessments on all the applications as mitigation measures to counter cyber security risks. This will be deployed in the next financial year.

Also, the Company has placed sufficient mechanisms to protect from cyber-attacks through the following mechanisms;

1. Full-fledged Data Center Disaster Recovery setup
2. SIEM log monitoring
3. Fire Wall/Management Switches
4. Online/Offline BackUp

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches**

   Nil, no specific instances of data breach or privacy were observed during the financial year by the Company.

   b. **Percentage of data breaches involving personally identifiable information of customers**

   NA

   c. **Impact, if any, of the data breaches**

   NA

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The information on the products and services of the entity can be accessed at

   https://www.cumi-murugappa.com/abrasives/

   https://www.cumi-murugappa.com/emd/

   https://www.cumi-murugappa.com/ceramics/ic/

   https://www.cumi-murugappa.com/super-refractories/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company prioritizes customer safety and responsible usage of its products by ensuring that it provides clear instructions on the handling, storage, use, and disposal of products as per local laws. The Company is compliant with the regulations of the European Union i.e., RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) that applies to exporters of products to the EU. Also, the Company provides Material Safety Data Sheets (MSDS) that contain detailed information about the potential hazards associated with the products and guides on how to handle, store, and safely dispose after use of the products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Company through its channel partners and email informs consumers of any risk of disruption/discontinuation of essential services.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, the Company displays product information on the product over and above the mandated statutory requirement as per the local laws. The Company provides Material Safety Data Sheets (MSDS) that contain detailed information about the potential hazards associated with the products and guides on how to handle, store, and safely dispose of the products. The MSDS is provided along with the products to the customers for safe and responsible usage. The Company conducts surveys and monitors customer satisfaction trends periodically relating to its products.

On behalf of the Board

Chennai
May 3, 2024

M M Murugappan
Chairman

ANNEXURE D

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

1. ENERGY CONSERVATION

All businesses of the Company pursued energy conservation efforts during the year with focus and commitment. The energy conservation measures undertaken were in the nature of identifying and optimising the power consumption in various power-intensive equipment, modifying the manufacturing process, replacing with efficient energy-conserving equipment, enhancing cycle time and sourcing alternate fuels. The Company achieved efficiency improvements in furnace operations, refurbished furnaces with new technology ceramic insulations, and achieved fuel savings through automation and heat recovery besides making improvements in combustion efficiency and specific fuel consumption. The Electorminerals business has successfully implemented the capex proposal for conversion of existing liquid fuel (High Speed Diesel & Superior Kerosene Oil) to run furnaces on natural gas with alterations made on the burner system. This has resulted in lower emissions and a cleaner environment apart from savings in energy/fuel cost. Natural gas is supplied through pipelines, eliminating the transportation of liquid fuel in trucks resulting in fossil fuel conservation and reduction in carbon footprint. The business has commissioned a 1.8 MWp ground mounted solar power system at its plant in Edappally. The above energy-saving measures implemented across businesses are expected to benefit the Company by lowering costs and emission levels. Further, cost savings in energy were also achieved by prudent sourcing of power from the exchanges and optimising the generation from its hydel power plant at Maniyar.

The business has also introduced energy efficient pumps and motors during the year to reduce the power consumption in plant operations. After the adoption of Piped Natural Gas(PNG) as a fuel in the Tunnel Kilns in the Ceramics Division, the usage of natural gas was extended to all the Spray Dryers. This has resulted in a further reduction of CO2 Intensity. The division also collaborated with major customers on sustainability initiatives for reducing the Scope 1 and Scope 2 emissions. The division continued its focus on other measures for Energy optimisation. At the Company level, further improvement in the loading density in furnaces, usage of variable frequency drives (VFD), and energy-efficient air-conditioners and lighting. Other measures such as speed optimisation of fans in kilns, usage of thin kiln furniture, loading density improvement in kilns, the introduction of Variable Frequency Drives (VFD) and evaporative cooling towers helped improve fuel efficiency. Installation of energy-efficient air-conditioners and LED lights/ lamps were some of the activities that were carried out for the conservation of energy.

During the year, Electrominerals business was awarded a bronze medal in sustainability rating by Ecovadis. The business also received the “National Energy Management Award” from the Bureau of Energy Efficiency, Delhi.

During the year ended 31st March 2024, a capital investment of about ₹152 million was made on energy conservation equipment across various businesses.

2. TECHNOLOGY ABSORPTION

Efforts made towards technology absorption, adaptation and innovation.

Aligning with the overall strategy under the technology pillar, the development of high-performance, innovative and exciting products continued to be the main focus. Also, being a material science Company, select user industries were identified to offer end-to-end surface solutions by using design thinking and systems thinking approach.

The Abrasives business focused on developing products with high levels of cost competitiveness in the Industrial and Retail verticals. The technology for Polyester cloth for belt metal sanding, Polycotton cloth for Flap discs and Polycotton cloth for hand sanding rolls were developed. These technology platforms provide the platform for creating a range of new products for metal working and wood-working applications. In thin wheels, improved resin coating technology helped to improve adhesion and thereby creating a range of products with high grinding ratios and material removal rates. In Snagging wheels, technology was developed for improving compaction of the hot-pressed wheels to offer high grinding ratio wheels for Ingot grinding. In Vitrified wheels, new binder development and new pore-former were developed which are ecofriendly compared to the incumbent material used. The technology for making diamond wheels with metal bonding was developed and a new manufacturing line was established for making hot pressed wheels with high performance.

Electrominerals business started manufacturing and supplying Monocrystalline Alumina and High performing Heat-treated powders during the year. The business has established a robust process for producing Zirconia Mullite. Business could establish the process and quality parameters for High purity SiC with 5N purity and high-performing refractory variants in White Fused Alumina (WFA) and commenced commercial sales.

The Ceramics business successfully developed and launched a new range of products using fully circular processes, giving a strong fillip to the sustainability drive across the division. A new range of protection panels for Vehicle Protection in Defence was developed and commercialised to a significant scale, leveraging the Company's competencies in Advanced Ceramics, Rubber Technology and Specialty minerals. The Ceramics business, built on a strong foundation of technology, championed various other technology programs through in-house as well as collaborative efforts: in areas of Solid Oxide Fuel Cells and Electrolyzers, Semiconductors & Electronics, Mobility (both Electric and ICE), and Wear Protection.

In the Refractories and Composites business, to meet the requirement of the user industry specifically for Glass furnace regenerator application, the business developed Mullite fired Refractory based on sintered mullite aggregates. A superior oxidation-resistant variant of NbSiC refractory was developed and supplied for Copper Rod manufacturing process. A range of monolithic products was developed and tailor-made to suit the requirements of major Iron & Steel customers. During the year, the business developed a new range of anti-static floor coating for application in solvent extraction plants in non-ferrous industries. The business also developed cold mastic membranes for sulphuric acid towers instead of rubber lining which resulted in significant performance under corrosive conditions. The business also scaled up the manufacturing of FRP tent poles for structural application in defence sector.

Benefits derived as a result of the above efforts

In the Abrasives business, the efforts resulted in the establishment of new products like high performance Thin cutting discs, valve seat grinding wheels for engine valve grinding, new creep feed grinding wheels for turbine blade grinding and high-performance snagging wheels for Steel and Foundry applications. In Coated Abrasives, key developments include heavy duty Zirconia and Ceramic Belts for metal applications and polycotton Flap disc rolls for Europe market. The new hand sanding rolls and new dry sheets in Retail segment were launched. In diamond wheels, high performance wheels were launched and scaled up during the year. The overall first year new products sale was at ₹605 Million.

The mineral business, through the new processes established, was able to tap incremental demands for Mono Crystalline Alumina, Thermal spray powders and HP SiC market segments. The development of these products also increases the export market opportunities of the business. The development of Graphene variants and high purity SiC will enable the business to improve its presence in the value-added and transformational product portfolio.

In the Ceramics business, significant revenues were generated from the newly developed products for Vehicle protection and also from the cost-competitive products using circular processes. The business has also been able to secure necessary approvals from the highly demanding Semiconductor equipment market, paving the way for regular business in FY 2024-25. Further, the division is ready with a suite of new products for emerging segments like Electric Mobility, High-Speed Railways, Electronics, and others.

In the Refractories and Composites businesses, the new products developed will cater to new opportunities in Glass, Non-ferrous, Iron & Steel, Chemical processing, Aerospace and Defence segments. This technological progress made substantial contributions to business, moreover, open up solution to address new opportunities and to fulfil growing need of user industry.

During the year, the Company at a standalone level was granted 10 patents, 23 Trademarks and 3 designs.

Imported technology

No new technology has been imported during the last three years.

3. EXPENDITURE ON RESEARCH AND DEVELOPMENT

The Company has set up several DSIR (Department of Science and Industrial Research) approved Research and Development (R&D) centres at all its businesses. There was a continuous focus on technology innovations including creation of several IPs in form of patent/design/trademark registrations, peer review, paper presentations in international forums and journals. The company continued to invest in pilot plants and extended Surface Testing Center (final product testing) to improve 'First time right' product tests and launches.

EXPENDITURE ON R & D (₹ Million)

Description	2023-24
Capital including CWIP	22.43
Recurring	215.74
Total - A	238.17
Sales - B	25931.65
Total expenditure as a Percentage of Sales (A/B)	0.92%

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ Million)

Description	2023-24	2022-23
Foreign Exchange Earnings	6154	6224
Foreign Exchange Outgo		
- Revenue	6155	5881
- Capital	243	121

On behalf of the Board

Chennai
May 3, 2024

M M Murugappan
Chairman

ANNEXURE E

FORM AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

Particulars		
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis: Nil

a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

On behalf of the Board

Chennai
May 3, 2024

M M Murugappan
Chairman

Corporate Governance Report

[Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015]

Corporate Governance generally refers to a system of rules, processes and practices by which a company is directed, managed or controlled. It provides the structure through which a company sets its objectives and the framework within which these objectives are pursued in the context of the social, regulatory and market environment.

Governance essentially involves aligning the interests of various stakeholders in a company and encompasses practically every sphere of management, from action plans, internal controls to performance measurement and corporate disclosures. The purpose is to facilitate effective and prudent management essential for the long-term success of a company on a sustainable basis.

As per the Organisation for Economic Cooperation and Development (OECD), a good Corporate Governance helps to build an environment of trust, transparency, and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies. The OECD Principles encompasses six key areas of corporate governance viz., ensuring the basis for an effective corporate governance framework; the rights of shareholders; the equitable treatment of shareholders; the role of stakeholders in corporate governance; disclosure and transparency; and the responsibilities of the Board.

1. CUMI'S CORPORATE GOVERNANCE PHILOSOPHY

Carborundum Universal Limited ("CUMI"), a constituent of the Murugappa Group, is committed to the highest standards of Corporate Governance in all its activities and processes. Key elements in Corporate Governance are transparency, internal controls, risk management, internal/external communications and good standards of safety, health, environment and quality. The Board recognises that governance expectations are constantly evolving and is committed to keeping its governance standards under continuous review to meet both letter and spirit of the law and its own demanding levels of business ethics. The Company considers Corporate Governance as the cornerstone for sustained superior performance and for serving all its stakeholders. The Company's continuing contribution to society through meaningful Corporate Social Responsibility initiatives, be it direct initiatives through the CUMI Centre for Skill Development, local plant activities for neighbouring communities or indirect initiatives through contributions to eligible implementing agencies in the core sectors of health & education, plays a significant role in its governance initiatives. The entire process begins with the functioning of the Board of Directors, with leading professionals and experts serving as Independent Directors and representing in various Board Committees. In the recent years, the business environment has been very dynamic and volatile owing to various factors including the evolving pandemic conditions, geo-political crisis etc. The resilient performance in a very uncertain and volatile enviornment reinforces our commitment to core values, sustainability, and governance principles. Constant value creation for the shareholders - both organically as well as inorganically has been the continuing driving force for the Company in its 7 decades of operations.

The Company has always believed in and practices the highest standards of Corporate Governance since its inception and considers that sound governance practices are crucial for its smooth and efficient operations as well as its ability to attract investments, balancing the interests of all its stakeholders and providing shareholder value. The behaviour and ethics of an organisation are considered to be two defining characteristics of any company critical to not only successful leadership but also in ensuring long-term sustainability. Even during challenging times such as the current situation affected by ongoing global crisis, the Management continuously adheres to simple principles of behavioural ethics with its conviction of purpose for a sustainable growth. The Company's ethical and responsible behaviour complements its corporate culture which is guided by the following norm:

"The fundamental principle of economic activity is that no man you transact with will lose; then you shall not."

The Corporate Governance philosophy of the Company is driven by the fundamental principles of:

- Adhering to the governance standards beyond the letter of law;
- Maintaining transparency and high degree of disclosure levels;
- Maintaining a clear distinction between personal and corporate interest;
- Having a transparent corporate structure driven by business needs; and
- Ensuring compliance with applicable laws.

The above principles not only enables the Management in leading from the front in uncertain volatile business conditions but also provides the leadership with cautious optimism and confidence to not only survive tough phase but emerge stronger.

The Company's constant endeavour for corporate excellence has been well recognised through incessant awards and accolades reiterating its commitment to governance standards.

During the year, the Company has once again been recognised as a "Best Managed Company" by Deloitte in the 3rd edition of its Best Managed companies awards. The rigorous and independent evaluation process undertaken in this programme benchmarks organisations against a comprehensive framework, encompassing strategy, capabilities and innovation, culture and commitment, governance, and financial performance, collectively assessing overall business performance and the potential for sustained growth. The Company had earlier won this prestigious award in the maiden edition during the year 2021. This recognition re-emphasises that the Company is adaptive in the evolving governance environment and distinguishes itself through exceptional leadership, strategic vision, and operational efficiency. In the past the Company has also received the distinguished Golden Peacock awards for its Corporate Ethics and Corporate Governance practices and has also been successively recognised for excellence in financial reporting by ICAI.

The Electorminerals business of the Company obtained Bronze rating from Ecovadis for its sustainability practices, and has also received National Energy Management Award from Dr. Ashok Kumar, DG of Bureau of Energy Efficiency, Delhi. The Ceramics business received the "Industry Disruptor" Award from Autodesk Imagine. The Abrasives business received oSa certification for its Maraimalainagar and Uttarakhand Plants and the business was also awarded Manufacturing Champion - Merit category in recognition for its cost management initiatives. These awards and recognition emphasis the Company's commitment for growing efficiently and responsibly in a sustainable manner.

2. BOARD OF DIRECTORS

The Board being aware of its fiduciary role, recognises its responsibilities towards all stakeholders and upholds highest standards of governance in all matters concerning the Company. It has empowered responsible persons to implement its broad policies and guidelines besides setting up adequate review processes.

The Board provides strategic guidance on affairs of the Company in addition to reviewing the performance and monitoring the implementation of plans periodically. The Board also spends a substantial portion of their time in the development of the long term strategies for the Company. The Independent Directors provide an objective judgment on matters placed before them.

The Company's day-to-day affairs are managed by the Managing Director assisted by a competent management team under the overall supervision of the Board. The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board, Senior Management and all its employees.

Consistent with its Values and Beliefs represented by the Five Lights - spirit of the Murugappa Group, the Company has formulated a Code of Conduct applicable to the Board and Senior Management which is posted on the website of the Company at https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/policies/Code-of-Conduct.pdf. An annual declaration is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by the Managing Director is annexed to this Report. The Board is committed to representing the long-term interests of the stakeholders, providing effective governance over the Company's affairs and exercising reasonable business judgement on the affairs of the Company.

2.1 Composition

The Board has been constituted in an appropriate manner, to preserve its independence and to separate the Board functions of governance and management. The Board members are eminent persons and have collective experience in diverse fields of technology, engineering, banking, foreign affairs, management, legal and compliance. The Directors are nominated based on their qualification and experience in varied fields. The Board has formulated a Board Diversity policy to ensure an optimum composition such that the talent of all members of the Board blend together to be as effective as possible. The Board has an appropriate mix of Executive/Non-Executive as well as Independent Directors including a Woman Director to ensure a balanced management and high governance.

As at 31st March 2024, the Board comprises 7 members with a majority of them being Independent Directors.

Name	Category	No. of Directorships/ (Chairmanships) in companies including CUMI [(a)]	No. of other Directorships	No. of Committee Memberships/ (Chairmanships) in companies including CUMI[(b)]	No. of Board meetings attended	Attendance at last AGM	Shares held in CUMI
M M Murugappan DIN - 00170478	Promoter & Non-Executive Director	5(4)	8	3(2)	8	Yes	691,340
Sanjay Jayavarthanavelu DIN - 00004505	Non-Executive & Independent Director	7(2)	6	1(1)	7	Yes	Nil
Aroon Raman DIN - 00201205	Non-Executive & Independent Director	4	5	3	6	No	Nil
P S Raghavan DIN - 07812320	Non-Executive & Independent Director	1	2	1	8	Yes	Nil
Sujjain S Talwar DIN - 01756539	Non-Executive & Independent Director	4	2	3(1)	8	Yes	Nil
Soundara Kumar DIN - 01974515	Non-Executive & Independent Director	5	-	4(1)	8	Yes	Nil
Sridharan Rangarajan[$] DIN - 01814413	Managing Director	10	6	6(1)	8	Yes	2,32,492

$ Mr. Sridharan Rangarajan was appointed as Managing Director with effect from 3rd August 2023.

(a) Excluding Alternate Directorships and Directorships in Foreign companies, Private companies (which are not subsidiary or holding company of a Public company) and Section 8 companies; the Directorship also includes the positions held in Advisory Boards.

(b) Only Audit & Stakeholders Relationship Committee of Public companies;

(c) Inter-se relationship between Directors - Nil;

(d) Shareholding of Directors represents the shares held by them in individual capacity including as karta of a HUF and excluding shares held as Trustees.

The names of listed entities where the Directors hold Directorship (excluding the Company) as on 31st March 2024 is given below:

<table>
<tr><th>Name of the Director</th><th>Company Name</th><th>Category</th></tr>
<tr><td rowspan="3">M M Murugappan (MMM)</td><td>Cholamandalam Financial Holdings Limited</td><td rowspan="3">Non-Executive and Non-Independent Chairman</td></tr>
<tr><td>Cholamandalam MS General Insurance Company Limited (Debt Listed)</td></tr>
<tr><td>Cyient Limited</td></tr>
<tr><td rowspan="4">Sanjay Jayavarthanavelu (SJ)</td><td>Lakshmi Machine Works Limited</td><td>Chairman and Managing Director</td></tr>
<tr><td>Super Sales India Limited</td><td>Non-Executive and Non-Independent Chairman</td></tr>
<tr><td>The Lakshmi Mills Company Limited</td><td rowspan="2">Non-Executive and Non-Independent Director</td></tr>
<tr><td>Lakshmi Electrical Control Systems Limited</td></tr>
<tr><td rowspan="3">Aroon Raman (AR)</td><td>Wheels India Limited</td><td rowspan="3">Independent Director</td></tr>
<tr><td>Lakshmi Machine Works Limited</td></tr>
<tr><td>Brigade Enterprises Limited</td></tr>
<tr><td>P S Raghavan (PSR)</td><td>-</td><td>-</td></tr>
<tr><td rowspan="2">Sujjain S Talwar (SST)</td><td>Alkem Laboratories Limited</td><td rowspan="2">Independent Director</td></tr>
<tr><td>Elantas Beck India Limited</td></tr>
<tr><td rowspan="3">Soundara Kumar (SK)</td><td>Rajapalayam Mills Limited</td><td rowspan="3">Independent Director</td></tr>
<tr><td>Shanthi Gears Limited</td></tr>
<tr><td>Ramco Systems Limited</td></tr>
<tr><td rowspan="4">Sridharan Rangarajan (SR)</td><td>Cholamandalam Financial Holdings Limited</td><td rowspan="4">Non-Executive and Non- Independent Director</td></tr>
<tr><td>E.I.D Parry (India) Limited</td></tr>
<tr><td>Cholamandalam MS General Insurance Company Limited (Debt Listed)</td></tr>
<tr><td>Wendt (India) Limited</td></tr>
</table>

Changes in Board composition during the financial year 2023-24

During the year ended 31st March 2024, there were no changes in the Board composition other than as detailed below:

Name	Category	Nature of change
N. Ananthaseshan	Managing Director	Stepped down as Managing Director with effect from the close of business hours on 2nd August 2023.
Sridharan Rangarajan	Managing Director	Took over as the Managing Director of the Company from 3rd August 2023. Mr. Sridharan Rangarajan was the Wholetime Director - Finance & Strategy until then. The Board of Directors at their meeting held on 22nd June 2023 had recommended the appointment of Mr. Sridharan Rangarajan as the Managing Director of the Company with effect from 3rd August 2023 till 2nd August 2028. The appointment was approved by the shareholders at the 69th AGM held on 2nd August 2023.

The Company has received the requisite declarations from its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the Listing Regulations. The Board at its meeting held on 3rd May 2024 has taken on record the declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the Management.

The Company is a material science technology company and hence the presence of technical expertise in engineering and technology in the Board to guide the Company in its operations and strategy assumes significance. Considering the nature of the business the Company operates in and its global presence, the Board is required to possess various other skills/expertise in the field of foreign affairs, finance, legal, compliance and management. The Directors are nominated based on their qualification and experience in order to maintain a healthy balance of diversified experts on the Board.

The matrix setting out the skills/expertise/competence of the Board of Directors identified by the Board as required in the context of the Company's business(es) and sector(s) for it to function effectively and those available with the Board is given below:

S. No.	Key Skills & competencies	Description	MMM	SJ	AR	PSR	SST	SK	SR	NA*
1	Technology	Understanding and appreciation of technology either through qualification or experience resulting in understanding the products manufactured by the Company/solutions provided by the Company, anticipating technological trends, ability to articulate on disruptive innovations, understand and guide in creation of new business models etc.	✓	✓	✓	✓			✓	✓
2	Financial	Leadership or Management positions or qualifications enabling proficiency in understanding financial management, capital allocation, financial reporting process, audit processes, internal controls, understanding of treasury management, debt management, advising on leveraging banking relationships etc.	✓	✓	✓	✓	✓	✓	✓	✓
3	Global business/ Foreign affairs	Experience in cross border business environment, understanding of foreign policies and external affairs, sanctions regime, diverse business environment / cultures / regulatory framework and having a perspective of global opportunities etc.	✓	✓		✓			✓	✓
4	Board positions/ Governance	Directorship positions or experience with Regulatory interfaces and having an insight into Board processes, structures, committee constitutions, protecting stakeholder interests, aligning with appropriate governance practices etc.	✓	✓	✓	✓	✓	✓	✓	✓
5	Management	Leadership positions in enterprises by virtue of which has requisite experience in management skills or functional expertise across various management functions, guiding strategies for sustainable growth enhancing enterprise reputation etc.	✓	✓	✓	✓	✓	✓	✓	✓
6	Strategic advisory	Ability to advise on organic / inorganic growth opportunities through acquisitions / combinations, assess, build or purchase proposals, appreciative of and understanding of the regulatory and legal requirements of the sector/industry in which the Company operates.	✓		✓		✓	✓	✓	✓

*Mr. N. Ananthaseshan stepped down from the Board on 2nd August 2023

2.2 Board Meetings

The Board meets at regular intervals and has a formal schedule of matters reserved for its consideration and decision to ensure that it exercises full control over significant, strategic, financial, operational and compliance matters. These include setting performance targets, reviewing operational and financial performance against set targets, evolving strategy, approving investments, ensuring adequate availability of financial resources, overseeing risk management and reporting to the shareholders.

The Board is regularly briefed and updated on key business activities and is provided with presentations and information on the operations, financial performance and other matters concerning the Company. Besides, information on statutory compliance of applicable laws, minutes of meetings of the Committees of the Board, summary of decisions taken at the Board meetings of the subsidiary companies and information required under the Listing Regulations are provided to the Board on a quarterly basis. The Board periodically reviews the compliance of applicable laws and gives appropriate directions, wherever necessary. Timely and relevant information is provided by the Company to the Directors to facilitate effective participation and contribution during the meetings. The Board is also periodically updated on the progress being made in respect of the inorganic growth opportunities pursued by it.

The Company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. The Board reviews the significant business risks identified by the Management and the mitigation process being undertaken annually in addition to a periodical review by the Risk Management Committee of the Board.

The Board periodically reviews the matters required to be placed before it, monitors the overall performance of the Company and inter alia reviews and approves the quarterly financial statements, business plan, capital expenditure etc. The dates of the Board meetings are fixed in advance for the full calendar year to enable maximum attendance from the Board members. During the year ended 31st March 2024, eight (8) Board meetings were held on 8th May 2023, 22nd June 2023, 2nd August 2023, 25th September 2023, 27th October 2023, 27th November 2023, 31st January 2024 and 25th March 2024. As required under the Companies Act, 2013, the Company facilitates participation of Directors who are unable to attend the Board / Committee meetings physically, through video conference or other audio visual means in the manner prescribed under the relevant regulations. During the year, the Board meetings were held in the hybrid mode – both physical as well as through video conferencing mode.

In line with the Regulation 24 of the Listing Regulations requiring at least one Independent Director of the Company to be a Director on the Board of a unlisted material subsidiary, whether incorporated in India or not, Mr. P S Raghavan, Independent Director is on the Board of material subsidiaries viz., CUMI International Limited, Cyprus and Volzhsky Abrasive Works, Russia. For the purpose of this requirement, a material subsidiary means any subsidiary whose net worth exceeds 20% of the consolidated net worth of the Company or which has generated more than 20% of the consolidated income of the Company in the preceding financial year. CUMI International Limited, Cyprus, and its subsidiary Volzhsky Abrasive Works, Russia are the only subsidiaries of the Company meeting the criteria mandating a Board representation. M/s. Rhodius Abrasives GmbH (RAG) is a Material Subsidiary as per Reg 16 (1) (c) of the Listing Regulations, but does not meet the threshold prescribed under regulation 24 of the Listing Regulations. However, an Advisory Board has been constituted for RAG during the year. Mr. Sanjay Jayavarthanavelu Independent Director of the Company is a member of the advisory Board. The Board continues to review the significant transactions and arrangements of the unlisted subsidiary companies besides being apprised of their business plan and performance.

In line with the Companies Act, 2013, Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place policies for determining ‘materiality’ for disclosure of events/ information to stock exchanges, policy for preservation and archival of documents, dividend distribution policy, business responsibility policy, whistle blower policy, the corporate social responsibility policy and policy for prevention of sexual harassment at workplace. The above policies are periodically reviewed by the Board. In addition, there are guidance manuals for making disclosures of events or information under the policy for determination of materiality for disclosure of information/events to Stock Exchange, policy for dealing with Related Parties and risk management policy which are also periodically reviewed. During the year, the Board has approved the adoption of policies viz., Policy against Human Trafficking and Child Labour, Antitrust and Fair-Trade Policy, Policy for Anti Bribery and Corruption, Policy for equal employment opportunities and Stakeholder Grievance Redressal Policy in line with international standards for Business Responsibility and Sustainability Reporting.

The above-mentioned policies are posted on the website of the Company at the link https://www.cumi-murugappa.com/policies-disclosure/.

2.3 Separate Meeting of Independent Directors

Besides the formal Board meetings, the Independent Directors hold meetings without the participation of Non-Independent Directors and members of the Management. During the year, the Independent Directors met on 25th March 2024 and reviewed the performance of Non-Independent Directors and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board. The Board as a whole, reviewed the performance of the Chairman taking into account views of the Executive and Non-Executive Directors at its meeting held on 25th March 2024.

2.4 Board familiarisation

The members of the Board are provided with many opportunities to familiarise themselves with the Company, its Management and operations. At the time of appointing a Director, a formal letter of appointment is given to him / her, along with a Directors' handbook which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director of the Company. The handbook also enumerates the list of compliance obligations and other disclosures required from the Director under the Companies Act, Listing Regulations and other relevant regulations. Newly inducted Audit Committee members are provided with an Audit Committee manual which broadly covers the regulatory scenario in India, current practices in the Company, Indian and global best practices etc. These handbooks are updated periodically for regulatory as well as policy changes and updated copies of the handbooks are provided to all the Directors. Further, the Code of Conduct which includes the values, principles and beliefs guiding the Company as well as the duties and responsibilities of the Directors including that of an Independent Director is given to the Director at the time of induction which is affirmed annually. In addition, the Board members have an opportunity and access to interact with the Senior Management any time they wish to.

By way of an introduction to the Company, the newly inducted Director is presented with a corporate dossier which traces the Company's history over 65 years of its existence and gives an understanding of the value chain of its products. The Managing Director at the first Board meeting in which the new Director participates or at a mutually convenient time makes a detailed presentation on the Company, its various business segments and profile, manufacturing locations, organisation structure and other market related information. Exclusive plant visits are also organised for the new Director. Further, with a view to familiarise the existing Directors with the Company's operations on an ongoing basis, plant visits are periodically organised for the Directors. The plant visits provide the Board members an opportunity to not only understand the business and products of the Company better but also enables them to be on the Shop floor interacting with the teams across the plants and also understand the technology initiatives planned by the Company in these plants to leverage the growth potential in coming years.

During the year, in August 2023, the Company revisited its Long-term Strategy and set an aligned Aspiration not only for financial growth but also for encapsulating our commitment to become a Global Player, Innovation Leader, Digital First Company, and be a Best Place to Work. This was followed by dedicated discussions on the road map for achieving the same between the various operating teams across the Company, its subsidiaries and joint ventures with the Board which were held over a period of two days in March 2024.

The two day session provided an opportunity for insightful discussions amongst the Board, Management and operating teams deliberating in detail the framework for a sustainable growth not only in existing businesses but also in transformational business opportunities for the Company.

In the backdrop of a dynamic regulatory scenario, regulatory changes impacting the Company is briefed at meetings on quarterly basis. Sometimes based on the urgency of the amendment, updates are provided on adhoc basis too. Further, the Board is periodically updated on the inorganic growth opportunities available as well as the status of recent acquisitions by the Company. Periodically, the Director's responsibilities and liabilities with respect to the subsidiaries especially the overseas entities are also briefed. The Board is also regularly updated on the technological and safety initiatives undertaken in businesses.

The above initiatives help the Directors to understand the Company, its businesses and the regulatory framework in which the Company operates, thus enabling him / her to effectively fulfill their role as a Director of the Company. The details of the familiarisation programme is uploaded and is available on the Company's website at the following link https://www.cumi-murugappa.com/policies-disclosure/.

2.5 Board evaluation

During the year, the Board conducted an evaluation of its own performance, individual Directors as well as the working of the Committees as per the Board evaluation framework adopted by it. The manner and criteria for the evaluation of the Directors including the Independent Directors of the Company is detailed in the Directors' Report.

3. BOARD COMMITTEES

The Board has constituted various Committees for support in discharging its responsibilities. There are five Committees constituted by the Board - Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Company Secretary acts as the Secretary to the Committees of the Board.

The Board at the time of constitution of each Committee determines the terms of reference and also delegates further powers from time to time. Various recommendations of the Committees are submitted to the Board for consideration & approval and the minutes of all meetings of the Committees are circulated to the Board for information.

In addition to the above, the Board from time to time constitutes committees of Directors for specific purposes. However, no meetings of the such committees were held during the year.

3.1 Audit Committee

Terms of Reference

The role of the Audit Committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements before submission to the Board, review of adequacy of internal control system, findings of internal audit, whistle blower mechanism, scrutiny of inter-corporate loans & investments, approval and review of related party transactions, review of loans and / or advances from or to / investments made in subsidiaries, review of compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, valuation of assets / undertakings of the Company, appointment of registered valuers etc., besides recommending the appointment of Auditors and their remuneration to the Board as well as approval of payments to Statutory Auditors for non-audit services and review of effectiveness of audit process. The Audit Committee also reviews the financial statements of unlisted subsidiary companies, in particular, the investments made by them. In the amended context of approval of related party transactions at the meetings, only the Independent Directors of the Committee vote and approve such transactions. Other Directors of the Committee do not participate on voting and approval of related party transactions.

Composition & Meetings

As at 31st March 2024, the Audit Committee comprised of only the Independent Directors and all members of the Committee are financially literate. The Chairman of the Board, Managing Director, the Statutory Auditor, Internal Auditor and members of the Management Committee are invited to attend meetings of the Committee. The Cost Auditor is invited to attend meetings in which the Cost Audit Report is being considered. Further, as a good Corporate Governance practice, a separate discussion of the Committee with the Statutory Auditors and the Internal Auditors without the presence of the Management team is held periodically.

During the year, the Committee had five (5) meetings on 8th May 2023, 2nd August 2023, 27th October 2023, 31st January 2024 and 25th March 2024 for reviewing the financial statements, related party transactions, considering the internal audit reports, audit plans and other matters as per the terms of reference of the Committee. During the year, considering the enhanced monitoring and reporting of transactions with Related Parties, the Committee was informed about the awareness sessions conducted on the regulatory requirement to the domestic and overseas subsidiaries as well as the process changes made to enable prompt reporting and monitoring. The composition of the Committee and attendance of the members at the meetings held during the year are given below:

Name of Member	No. of meetings attended (No. of meetings held)
Sanjay Jayavarthanavelu, Chairman	4 (5)
Sujjain S Talwar	5 (5)
Aroon Raman	3 (5)
Soundara Kumar	5 (5)
Sridharan Rangarajan (till 2nd August 2023)*	2 (2)

*Owing to Mr. Sridharan Rangarajan taking over as the Managing Director of the Company with effect from 3rd August 2023, he voluntarily stepped down from the Committee.

3.2 Nomination and Remuneration Committee

The role of the Committee is to (a) recommend to the Board the appointment of Directors (b) recommend re-election of Directors retiring by rotation (c) recommend the remuneration including pension rights and periodic increments of the Managing/ Wholetime Director(s) (d) determine the annual incentive of the Managing / Wholetime Director(s) (e) recommend to the Board, the commission payable annually to each of the Non-Wholetime Directors, within the limits fixed by shareholders (f) formulate, implement, administer and superintend the Employee Stock Option Plan / Scheme(s) of the Company (g) formulating criteria for appointment of Directors and Senior Management and identification of persons who may be qualified to be appointed in these positions (h) devise policy on Board diversity (i) formulate criteria for evaluation of Independent Directors/ Board, evaluation of the Directors' performance (j) recommend Remuneration policy to the Board (k) ensuring Board Diversity (l) recommend to the Board the appointment and remuneration payable to Senior Management etc.

The Committee has formulated the criteria for determining the qualifications, positive attributes and independence of a Director as well as the criteria for Senior Management positions in terms of Section 178(3) of the Companies Act, 2013 besides laying down the criteria for Board evaluation. The Board evaluation including that of the Independent Directors is done based on the evaluation framework detailed elsewhere in the Directors' Report. The Company also has in place a Board approved policy on the remuneration for Directors, Key Managerial Personnel and other employees which had been duly recommended by the Committee. The policy is available in the link https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/policies/Remuneration-Policy.pdf.

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board and the Board diversity policy sets out the approach in this regard. A truly diverse Board comprising of appropriately qualified people with a broad range of experience relevant to the business of the Company, is integral to its success and is also an essential element in maintaining a competitive advantage on a sustainable basis. In line with the policy, the Board is balanced by members having complementary knowledge, expertise and skills in areas such as business strategy, finance, foreign affairs, legal, marketing, manufacturing, technology etc., that the Board considers desirable.

Criteria for Board Nomination

The Nomination and Remuneration Committee is responsible for identifying persons for nomination as Directors as well as evaluating incumbent Directors for their continued service.

The Committee has formulated a criteria in terms of Section 178 of the Companies Act, 2013 and the Listing Regulations inter alia detailing the qualifications in terms of personal traits, experience & background, fit & proper, positive attributes and independence standards to be considered for nominating candidates for Board positions / re-appointment of Directors.

Criteria for Senior Management

The Nomination and Remuneration Committee is also responsible for identifying persons who are qualified to be appointed in Senior Management positions. The Committee has formulated a criteria in terms of personal traits, competencies, experience & background etc., to be considered for nominating candidates to Senior Management positions.

Towards the end of the year, there have been changes to the Leadership team of the Company to strengthen the organisation in alignment with the requirements of its Long-term Strategy to enable an effective functioning of current operations and resourcing adequately for delivering the future growth plans. Accordingly, the candidatures of the new leaders were identified in line with the above set criteria.

Composition & Meetings

The Committee comprises of 3 (three) members, all of them being Independent Directors. The Committee met six (6) times during the year - 8th May 2023, 22nd June 2023, 2nd August 2023, 27th October 2023, 31st January 2024 and 25th March 2024. The composition of the Committee and attendance of members are given below:

Name of Member	No. of meetings attended(No. of meetings held)
Sanjay Jayavarthanavelu, Chairman	5 (6)
Aroon Raman	4 (6)
P S Raghavan	6 (6)

3.3 Risk Management Committee

Terms of Reference

The Board has constituted a Risk Management Committee for monitoring the risk management process in the Company. The role of this Committee is to review the annual risk management framework to ensure that it is comprehensive & well developed, to periodically review the process for systematic identification and assessment of the business risks, to assess the critical risk exposures by specialised analysis and quality reviews and report to the Board, the details of any significant development relating to these including the steps being taken to manage the exposures and review the risks associated with cyber security.

The Committee has formulated a risk management policy with the following key objectives:

- Strengthening the business performance by informed decision making and planning.
- Adding sustainability value to the activities of the Company.
- Enhancing risk awareness amongst employees.
- Having in place an early warning mechanism for identification of threats / opportunities.
- Enabling optimum resources allocation and efficient use.
- Promoting an innovative culture with proper understanding of risks.

The Enterprise Risk Management (ERM) framework which was reviewed and upgraded last year is now automated. While the Committee continued to review the risks and mitigation plan as per the adopted Charter and Risk Management Policy, during the year, the development plan for the cyber security framework for the Company was considered by the Committee which is under implementation. The Cyber security framework developed last year is under review for alignment with the overall digital strategy and roadmap identified for transformation as a part of Long-term strategy.

The Company is in process of establishing a IT security framework commensurate with its size and operations and the next few years will be working on the implementation of the framework and its gradual extension to the global entities. Besides, this the review of geo-political risks in the volatile global market conditions, risk register review continued during the year.

Mr. P Padmanabhan, Chief Financial Officer has been identified by the Board to lead the risk management function as the Chief Risk Officer of the Company from 4th May 2024.

Composition & Meetings

The Committee comprises two (2) Independent Directors and the Managing Director. The Management Committee members comprising the Senior Management executives are invited to the meetings.

During the year, the Committee was reconstituted with the induction of Mr. Sridharan Rangarajan in the place of Mr. N. Ananthaseshan.

The Committee met on 2 (two) times during the year on 8th September 2023 and 31st January 2024. The composition of the Committee and attendance of members are given below:

Name of Member	No. of meetings attended(No. of meetings held)
P S Raghavan, Chairman	2 (2)
Aroon Raman	2 (2)
N Ananthaseshan*	-
Sridharan Rangarajan (from 3rd August 2023)	2 (2)

*Mr. N Ananthaseshan stepped down from the Board with effect from close of business hours on 2nd August 2023.

3.4 Stakeholders Relationship Committee

Terms of Reference

The terms of reference of this Committee includes formulation of investor servicing policies, review of redressal of investor complaints, approval / overseeing of transfers, transmissions, transpositions, splitting, consolidation of securities, issue of share certificates, demat / remat requests, review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent, consider and resolve the grievances of security holders of the Company and to determine, monitor and review the standards for resolution of stakeholders grievance, review measures taken for effective exercise of voting rights by shareholders, review of various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders, finalisation of terms of issue of debt instruments including debentures, approval of their allotment, administering the unclaimed shares suspense account, authorising the terms of various borrowings & creating security in respect thereof, allotment of shares on exercise of Options by employees under the Employees Stock Option Scheme / Plan and performing other functions as delegated to it by the Board from time to time.

Composition & Meetings

The Committee comprises three (3) members with one (1) member being an Independent Director. During the year, the committee was reconstituted consequent to the cessation of Mr. N. Ananthaseshan one of the members as a Director of the Company.

The Committee met on four (4) occasions during the year on 8th May 2023, 2nd August 2023, 27th October 2023 and 31st January 2024. The composition of the Committee and attendance of members are given below:

Name of Member	No. of meetings attended(No. of meetings held)
M M Murugappan, Chairman	4 (4)
P S Raghavan	4 (4)
Sridharan Rangarajan	4 (4)
N Ananthaseshan*	2 (2)

*Mr. N Ananthaseshan stepped down from the Board with effect from close of business hours on 2nd August 2023.

During the year, there were fifty two investor service related complaints received and the same have been resolved.

Out of the fifty two (52) grievances, forty four (44) pertained to incorrect categorisation of the residential status of the shareholders in the tax returns submitted by the Company with respect to the tax deduction (TDS) made by the Company in respect of the interim dividend paid for the year ended 31st March 2023. Hence, the Company chose to categorise all the communications received from investors in this regard as grievances. Upon identification of the issue, the Company swiftly resolved the same by filing a revised TDS return reflecting the correct categorisation.

The other eight (8) complaints pertain to issues with the RTA services in respect of entitlement letter for claiming the shares and dividends from the IEPF Authority, issuance of duplicate share certificate. All the grievances have been resolved to the satisfaction of the shareholders except one grievance pertaining to issue of duplicate share certifcate to the nominee which has been resolved in April 2024 after obtaining legal clearance.

Ms. Rekha Surendhiran, Company Secretary continues to be the Compliance Officer for the purpose of compliance with the requirements of the Listing Regulations.

M/s. KFin Technologies Limited, Hyderabad is the Company's Registrar and Share Transfer Agent (RTA). The contact details are available in the General Shareholder Information section of this Report.

3.5 Corporate Social Responsibility Committee

Terms of Reference

The Board has constituted a Corporate Social Responsibility (CSR) Committee in line with the requirements of the Companies Act, 2013 for assisting in discharging its corporate social responsibility. The Board has approved a CSR policy formulated and recommended by the Committee which is uploaded and available on the Company's website at the following link https://www.cumi-murugappa.com/policies-disclosure/. The functions of the Committee inter alia includes recommending the annual action plan and the amount of expenditure to be incurred on the CSR activities during the year and monitoring the implementation of CSR activities as per the CSR policy of the Company from time to time.

Composition & Meetings

The Committee comprises 2 (two) Independent Directors and the Managing Director as its members. During the year, the Committee was reconstituted owing to the changes in the Managing Director as detailed above. The Management Committee members are invited to the meetings. The Committee met on three (3) occasions during the year on 8th May 2023, 2nd August 2023 and 31st January 2024. The composition of the Committee and attendance of members are as follows:

Name of Member	No. of meetings attended(No. of meetings held)
Aroon Raman, Chairman	2 (3)
P S Raghavan	3 (3)
N Ananthaseshan*	2 (2)
Sridharan Rangarajan (from 3rd August 2023)	1 (1)

*Mr. N Ananthaseshan stepped down from the Board with effect from close of business hours on 2nd August 2023.

4. SENIOR MANAGEMENT

Particulars of Senior Management including the changes therein since the close of the previous financial year.

In line with the Long-term strategy and growth plans of the Company, the Leadership team of the Company has been strengthened with the following changes in the Senior Management, the details of which have been disseminated to the shareholders in pursuance to Regulation 30 of the SEBI Listing Regulations within the timelines mandated.

The list of Senior Management as on the date of this report is given below:

Name	Designation
Ninad Gadgil	Business Head - Abrasives (till 5th May 2024)
M V Sivakumaran	Business Head - Electrominerals
Prathap Kumar	Business Head - Industrial Ceramics
Raghavendra Pai	Business Head - Super Refractories and Prodorite
Bhaskharan Kannun	Head - Human Resources
Sushil Bendale	Chief Financial Officer
P Padmanabhan	Chief Risk Officer and Head - Global Taxation
Rekha Surendhiran	Company Secretary
Ajit Kolhe	Head - Information Technology
R Rammohan	Head- EHS

Mr. C Srikanth has been appointed as Business Head - Abrasives w.e.f . 6th May 2024.

The changes in the Senior Management since the close of previous financial year:

12th February 2024 - Appointment of Head - Information Technology

Mr. Ajit Kolhe has been appointed as the Head - Information Technology with effect from 12th February 2024. Mr. Ajit Kolhe, aged 49 years has 24 years of experience and has worked with companies like D'decor Exports, Greaves Cotton Ltd, IBM India, SIEMENS Information Systems Ltd, Godrej Agrovet, & Ashok Leyland. He has also served as the Head IT of VIP Industries Ltd. Mr. Ajit completed an Executive Program for Business Managers in General Management from IIM, Bangalore in 2007, and holds a Masters degree in Technology specializing in Industrial Engineering and operations Research from IIT, Bombay in 2000. He also holds a Bachelor degree in Mechanical Engineering from Govt. College of Engineering, Amravati (1995).

25th March 2024 - Appointment of Chief Risk Officer and Global Taxation Head

Mr. Padmanabhan, Chief Financial Officer will become the Chief Risk Officer and Head - Global Taxation with effect from 4th May 2024. Mr. Padmanabhan, aged 56 years, is a Chartered Accountant and a Cost Accountant and holds a Post Graduate Diploma in Financial Management. He has more than three decades of experience in the finance, taxation and accounting function and has been associated with the Company since 1994.

25th March 2024 - Appointment of Chief Financial Officer

Mr. Sushil Kishor Bendale aged 49 years has been appointed as Executive Vice President - Finance & Chief Financial OfficerDesignate with effect from 25th March 2024 and he will be taking over as the Chief Financial Officer from Mr. Padmanabhan from 4th May 2024.

Mr. Sushil is a Mechanical engineer also holding a Master's in Business Administration in Finance & Supply Chain Management from the University of Tennessee, USA. He is also a Certified Management Accountant from USA and has 24 years of experience spanning Financial planning & analysis, strategic planning & pricing, manufacturing, operations, supply chain etc.

Considering the growing significance of ESG in the sustainable growth of the Company and considering the significant role of safety in running the operations, the organisation structure for the EHS function was also reviewed. In order to strengthen the EHS function with strong leadership and bring in sustainability/ safety culture, a Senior Management personnel has been inducted into this function on 5th April 2024.

Mr. Rammohan Regunath has been appointed as the Head of EHS. Mr. Rammohan aged 56 years holds a Bachelor's and Master's degree in Mechanical Engineering and is a certified safety professional from USA besides holding a diploma in environmental and pollution. He has 26 years of experience and has worked with reputed companies like MRF, Renault Nissan Automative India (P) Ltd, TVS Motors, Hindustan Lever Limited etc.

5. DIRECTORS' REMUNERATION

5.1 Policy

The ability to attract and retain talented and quality resources is a significant characteristic of any successful organisation. The Company's Remuneration policy formulated by the Nomination and Remuneration Committee provides the framework for remuneration of the Board members as well as all employees including the Key Managerial Personnel and Senior Management. This policy is guided by the principles and objectives enumerated in Section 178 of the Companies Act, 2013 and the Listing Regulations to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, establish a clear relationship of remuneration to performance and a balance between rewarding short and long- term performance.

The compensation of an Executive Director comprises a fixed component and a performance incentive based on certain pre-agreed parameters. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The Executive Directors are not paid sitting fees for any Board/ Committee meetings attended by them. They are eligible for Employee Stock Options. Equity based compensation is considered to be an integral part of employee compensation across various sectors which enables alignment of personal goals of employees with the organisational objectives. The summary of the Stock Options granted to Mr. N Ananthaseshan and Mr. Sridharan Rangarajan, Executive Directors during the year is given in this Report. No fresh grants were made to Mr. N Ananthaseshan and Mr. Sridharan Rangarajan under the ESOP 2016 during the year.

The compensation to the Non-Executive Directors takes the form of commission on profit. Though shareholders have approved payment of commission up to 1 % of Net Profit of the Company for each year, the actual commission paid to the Directors is restricted to a fixed sum within the above limit. This sum is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the Directors for attending to the affairs and business of the Company and extent of responsibilities cast on Directors under general laws and other relevant factors. During the previous year considering the significant enhancement of the roles, duties and responsibilities of the Non-Executive Directors under the existing regulatory regime, the Board had reviewed the compensation structure on 8th May 2023 and revised the commission limits for the Independent Directors.

In keeping with the evolving trends in industry, the practice of paying differential commission to Directors based on the time and efforts spent by them has also been adopted. Given the size and nature of its operations and also the rich experience that Mr. M M Murugappan possesses in the field of engineering, a considerable amount of time is spent by him in connection with the operations of the Company. Apart from playing an active role in guiding and advising on matters connected with strategy and management, he spends considerable time on developing/managing relationships with the Company's business partners both in India and overseas. The Chairman also plays an active role in matters connected with the Company's organisation culture which is critical for the Company to deliver superior performance besides devoting time for technology related issues impacting the Company. Further, the Chairman spends a lot of time participating in various events, conclaves and functions of Industry bodies, Academic Institutions and interactions with high level State Authorities in India and globally representing the Company. Under his Chairmanship, the Company has grown globally from ₹ 4060 million to over ₹ 46000 million. Under his Chairmanship, the Company has been able to inorganically grow with three main acquisitions viz., PLUSS Advanced Technologies, CUMI Awuko Abrasives GmbH and Rhodius Abrasives GmbH which will augur well with the future growth plans of the Company besides diversifying the presence in Indian as well as European markets.

Mr. P S Raghavan, Independent Director is on the Boards of CUMI International Limited, Cyprus and Volzhsky Abrasive Works, Russia, Material Subsidiaries of the Company based on the Board's nomination. Considering the increased time and efforts spent by Mr. P S Raghavan in matters pertaining to the Company's Material Subsidiaries, a differential commission for the FY 2023-24 is proposed to be paid to him as done in the previous years.

The Non-Executive Directors are also paid sitting fees within the limits prescribed under the Companies Act, 2013 for every Board/Committee meeting attended by them.

5.2 Remuneration for FY 2023-24

Non-Executive Directors (₹ Million)

Name	Sitting Fees	Commission@
M M Murugappan, Chairman	0.52	10.00
Sanjay Jayavarthanavelu	0.70	1.50
Aroon Raman	0.69	1.50
P S Raghavan	0.85	2.00
Sujjain S Talwar	0.65	1.50
Soundara Kumar	0.65	1.50
Total	**4.06**	**18.00**

@ will be paid after adoption of accounts by shareholders at the 70th Annual General Meeting.

Executive Directors (₹ Million)

Names		N Ananthaseshan**	Sridharan Rangarajan
Fixed Component	Salary & Allowances	5.68	18.76
	Retirement benefits*	11.70^	4.83
	Perquisites	1.95	0.03
Variable Component	Incentive(a)	5.52	6.01

**includes contribution to National Pension System of PFRDA.*

^includes all post-retiral benefits

*** Mr. N Ananthaseshan stepped down as the Managing Director of the Company with effect from closing hours of 2nd August 2023. The retirement benefits include his full and final settlements including superannuation, gratuity etc. Mr. Sridharan Rangarajan took over as the Managing Director of the Company with effect from 3rd August 2023.*

(a) Represents incentive paid during the financial year 2023-24 in respect of the financial year 2022-23.

(b) As per the terms of their remuneration, the Executive Directors are eligible for an annual incentive based on a balanced scorecard which comprises Company financials, Company scorecard and personal objectives. For the financial year 2023-24, a sum of ₹ 1.98 million and ₹7.85 million has been provided in the accounts for this purpose payable to Mr. N Ananthaseshan (as per service condition in proportion to the tenure of employment - date until he served as the Managing Director) and Mr. Sridharan Rangarajan respectively. The actual amount will be decided by the Nomination and Remuneration Committee in July 2024.

(c) With respect to Employee Stock Options granted to the Employees under Employee Stock Option Scheme 2007 and Employee Stock Option Plan 2016, the Options are accounted based on fair value, as prescribed by the Indian Accounting Standards(IND AS).

(d) No Employee Stock Options (ESOP) were granted to Mr. N Ananthaseshan and Mr. Sridharan Rangarajan under the Employee Stock Option Scheme 2007 (grants discontinued since February 2012 and under the ESOP Plan 2016 during the year).

(e) The details of Options granted to and held by Mr. N Ananthaseshan under the Company's Employee Stock Option Scheme 2007 and Employee Stock Option Plan 2016 are given below:

Particulars	Employee Stock Option Scheme 2007		Employee Stock Option Plan 2016		
	29-Sep-07 (i)	27-Jan-11 (ii)	04-Feb-17 (iii)	31-Jul-19 (iii)	02-Aug-21 (iii)
Options granted	121,800	78,600	93,120	111,528	272,000
Options vested	105,966	62,880	93,120	111,528	1,08,800
Options cancelled	15,834	15,720	-	-	1,63,200

Particulars	Employee Stock Option Scheme 2007		Employee Stock Option Plan 2016		
	29-Sep-07 (i)	27-Jan-11 (ii)	04-Feb-17 (iii)	31-Jul-19 (iii)	02-Aug-21 (iii)
Options lapsed	-	-	-	-	-
Options exercised	105,966	62,880	93,120	111,528	1,08,800
Options outstanding	-	-	-	-	-
Exercise Price	91.80	125.08	257.55	317.70	672.95

(i) The first vesting is exercisable over a period of three years from the date of vesting. The second, third and fourth vesting are exercisable over a period of (6) years from the date of vesting.

(ii) The Options are exercisable over a period of three years from the date of vesting.

(iii) The Options are exercisable over a period of five years from the date of vesting.

The details of Options granted to and held by Mr. Sridharan Rangarajan under the Company's Employee Stock Option Scheme 2007 and Employee Stock Option Plan 2016 are given below:

Particulars	Employee Stock Option Scheme 2007	Employee Stock Option Plan 2016		
	05-Aug-11 (i)	04-Feb-17 (ii)	14-Feb-18 (ii)	02-Aug-21 (ii)
Options granted	264,000	68,940	19,344	272,000
Options vested	200,080	68,940	19,344	1,08,800
Options cancelled	31,680	-	-	-
Options lapsed	32,240	-	-	-
Options exercised	200,080	27,576	4,836	-
Options outstanding	-	41,364	14,508	2,72,000
Exercise Price	146	257.55	367.2	672.95

(i) The first vesting is exercisable over a period of three years from the date of vesting. The second, third and fourth vesting are exercisable over a period of six years from the date of vesting.

(ii) The Options are exercisable over a period of five years from the date of vesting.

Note: ESOP scheme 2007 is no longer in existence as the vesting and exercise schedules have lapsed.

6. GENERAL BODY MEETINGS

6.1 Last three Annual General Meetings

Financial Year	Date	Time	Venue
2020 - 2021	02.08.2021	3.00 PM	AGM conducted through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')
2021 - 2022	01.08.2022		
2022 - 2023	02.08.2023		

6.2 Special Resolutions passed during the last three Annual General Meetings

S. No.	Item of business	Passed on
1.	Approval for payment of commission to Mr. M M Murugappan.	02.08.2021
2.	Re-appointment of Mr. P S Raghavan as an Independent Director	01.08.2022
3.	Re-appointment of Mr. Sujjain S Talwar as an Independent Director	01.08.2022
4.	Approval for payment of commission to Mr. M M Murugappan.	01.08.2022
5.	Remuneration of Non-executive Directors	02.08.2023
6.	Approval for payment of commission to Mr. M M Murugappan.	02.08.2023

6.3 Postal Ballot

During the year, approval of the shareholders was obtained through Postal Ballot in respect of a Special resolution for the reclassification of Ms. Valli Arunachalam, Ms. Vellachi Murugappan and M V Murugappan HUF (Karta - Valli Arunchalam) belonging to the Promoters / Promoter Group of the Company to "Public" category. The proposal was placed before the Board basis their request owing to a family settlement agreement and then with the recommendation of the Board, the approval of the shareholders was sought through postal ballot.

For the above postal ballot exercise, Mr. R Sridharan, Practicing Company Secretary of M/s. R Sridharan & Associates, who had given his consent, was appointed as the Scrutiniser for conducting the postal ballot through remote e-voting in a fair and transparent manner. The notice for postal ballot was issued in accordance with the provisions of Companies Act, 2013, Listing Regulations and the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Company had engaged the services of M/s. National Securities Depository Limited to provide remote e-voting facility to its members to exercise their votes electronically in a secured manner on the resolution set forth in the postal ballot notice. In compliance with the MCA Circulars, voting for the ordinary resolution set out in the postal ballot notice was provided and carried out through remote e-voting only. The remote e-voting commenced on 28th December 2023 (09.00 a.m. IST) and closed on 26th January 2024 (05.00 p.m. IST). The resolution was passed with requisite majority on 26th January 2024 and results were declared on 30th January 2024. The voting results and the scrutiniser report is available at the Company's website at https://www.cumi-murugappa.com/wp-content/uploads/2024/01/Voting-Results-of-Postal-Ballot.pdf and on the website of e-voting service provider, National Stock Depository Limited at https://www.evoting.nsdl.com and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

Voting pattern of the Ordinary Resolutions passed during the year 2023-24 through postal ballot:

Resolution	Voted cast in the favour of the resolution		Voted cast Against of the resolution		Invalid votes	
	No.	%	No.	%	No.	%
Reclassification of Certain persons belonging to the promoters/promoter group of the Company to "Public Category"	143,823,345	99.997	4559	0.003	Nil	Nil

Currently, there are no resolutions pending for approval through postal ballot and there is no proposal to pass special resolutions through postal ballot except those requiring to be passed pursuant to the Companies Act, 2013 / Listing Regulations which will be done after providing adequate notice to the shareholders.

7. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a whistle blower mechanism to provide an avenue to raise concerns, if any, in line with the Company's commitment to high standards of ethical, moral and legal conduct of business. The mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism and also for appointment of an Ombudsman who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. In line with the requirements of the Companies Act, 2013, the policy coverage extends to the Directors of the Company and the Ombudsman for dealing with any referrals made by Board members is the Chairperson of the Audit Committee. In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Whistle Blower policy also covers reporting of instances that may result in leakage of Unpublished Price Sensitive Information (UPSI). The Whistle Blower policy is available on the Company's website at the following link https://www.cumi-murugappa.com/policies-disclosure/. It is affirmed that during the year, no employee was denied access to the Audit Committee.

8. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, Promoters and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares for all transactions by Directors, Promoters and designated employees (together called 'Designated Persons') and prohibits the purchase or sale of Company's securities by Designated Persons while in possession of Unpublished Price Sensitive Information in relation to the Company. Further, trading in securities is also prohibited for Designated Persons during the period when the Trading Window is closed. During the year, the Audit Committee reviewed compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and also verified that the systems for internal control as required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively. The Company Secretary is responsible for implementation of the Code. The Company has in place an online system for monitoring the compliance of the Code by its designated employees. The Company also has in place a Code for practices and procedures for fair disclosure of Unpublished Price Sensitive Information which is available on the website of the Company. To ensure that the Designated Persons are aware of their obligations under the Regulations, system generated awareness mailers on Do's and Don'ts are sent periodically. As a part of the induction process, for any employee who qualifies to be a Designated Person, a dedicated briefing of the obligations of a Designated Person under the Code is undertaken. The Company periodically reviews its Prevention of Insider Trading system and recently transitioned to a new technology with advanced features as per the requirements of the SEBI (PIT) Regulations. During the year, the periodic reminders and awareness sessions for the Designated persons continued to be made to sensitise the employees and Designated Persons on the significance of the regulatory requirements.

9. DISCLOSURES

During the year, there were no material transactions entered with Related Parties both under the Listing Regulations as well as the Companies Act, 2013. The Company has devised policies on dealing with Related Party Transactions and for determination of Material Subsidiary. The policy on dealing with Related parties was reviewed and amended in line with the changes introduced through SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021. The same is available on the website of the Company at https://www.cumi-murugappa.com/policies-disclosure/. Considering the enhanced regulatory purview of monitoring and supervising the related party transactions of subsidiary companies or transactions with the Related Parties of the subsidiaries which is effective 1st April 2022, compliance awareness sessions as well as establishment of process framework for reporting by the subsidiary companies, both overseas and domestic were held during the year.

The requirements of Regulation 17 to Regulation 27 of the Listing Regulations and clauses (b) to (i) of Regulation 46(2) to the extent applicable to the Company have been complied with as disclosed in this Report. Further, there were no instances of non-compliance by the Company nor were there any penalties or strictures imposed on the Company by the stock exchanges, SEBI or any statutory authority on any matter related to capital markets in the preceding three years.

The Company has a policy on prevention of sexual harassment at workplace in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company had constituted an Internal Complaints Committee as required under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The disclosure in relation to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 2023-24 is as below:

Number of complaints filed during the financial year:	2
Number of complaints disposed off during the financial year:	2
Number of complaints pending as on end of the financial year:	0

9.1 Disclosure relating to fee paid to Statutory Auditors

During the year, the Company and its subsidiaries have made/received the following payments to/from M/s. Price Waterhouse Chartered Accountants LLP (PWC), Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part. The Company has relied on the information furnished by the Statutory Auditors in respect of the firms/entities covered under network firm/ network entity of which the Statutory Auditor is a part.

PWC/ Network firm	Nature of service	Name of the Company	Amount ₹ Million
Price Waterhouse Chartered Accountants LLP	Statutory Audit including limited review	Carborundum Universal Limited	7.5
Price Waterhouse Chartered Accountants LLP	Tax Audit		1.0
Price Waterhouse Chartered Accountants LLP	Other certification		0.5
Price Waterhouse Chartered Accountants LLP	Statutory Audit including limited review	PLUSS Advanced Technologies Limited	1.13
Price Waterhouse Chartered Accountants LLP	Tax Audit		0.2
Price Waterhouse Chartered Accountants LLP	Other certification		0.08
PWC	Statutory Audit including limited review	CUMI Awuko Abrasives GmbH	4.72
PWC	Other Audit related services		1.35
PWC	Statutory Audit including limited review	Rhodius Abrasives GmbH	9.45
PWC	Other Audit related services		1.80

Payment in respect of non-audit services provided by the Statutory Auditors to the Company are made only with the approval of the Audit Committee as required under Section 144 of the Companies Act, 2013.

9.2 Disclosure of Commodity Price Risks / Foreign Exchange Risks & Hedging Activities

The commodity price risks / foreign exchange risks and the risk management strategy thereof is detailed in the Board's report. The Company does not have any exposure hedged through commodities and hence in terms of Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 does not arise.

9.3 Disclosure on Credit Ratings

During the year, no credit ratings were obtained by the Company nor were there any revisions. The disclosures relating to re-affirmation of the existing ratings for borrowings forms part of the Board's Report.

9.4 Loans and advances in the nature of loans to firms/ companies in which Directors are interested

During the year, the Company did not extend any loans or advances to firms/companies in which Directors are interested in terms of Section 184 of the Companies Act, 2013.

9.5 Details of Material Subsidiary

i) JSC "Volzhsky Abrasive Works"

Date of Incorporation: 22nd April 1961
Place of Incorporation: Volzhsky city, Russia
Name of the Auditor: "ERCON"Ltd.
Address: 344068, Rostov region, Rostov-on-Don city, Klenovy lane 2/29
Date of appointment: 27th June 2023

ii) CUMI International Limited

Date of Incorporation: 7th June 2007
Place of Incorporation: Limassol, Cyprus
Name of the Auditor: P. Constantinou & Co Ltd, Certified Public Accountants
Address: PO Box 57186, 3313 Limassol, Cyprus
Date of appointment: 12th March 2008

10. MEANS OF COMMUNICATION

Your Company recognises the significance of dissemination of timely and relevant information to shareholders. In order to enable the stakeholders to understand the financial results in a meaningful manner, the Company gives a press release along with the publication of quarterly / annual financial results. The quarterly unaudited financial results and the annual audited financial results are normally published in Business Standard (in English) and Makkal Kural (in Tamil). Press releases are given to all important dailies. The financial results, press releases and presentations made to institutional investors / analysts are posted on the Company's website https:/www.cumi-murugappa.com.

11. MANAGEMENT DISCUSSION & ANALYSIS

In order to avoid duplication and overlap between the Directors' Report and a separate Management Discussion & Analysis (MD&A), the information required to be provided in the MD&A has been given in the Board's Report itself as permitted by the Listing Regulations.

12. NON-MANDATORY REQUIREMENTS

The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are conveyed in the press releases issued by the Company and also posted on the Company's website. As the communications are widely available, the Company did not send the half-yearly performance update individually to the shareholders during the year. The transcripts & recording of earnings call for the publication of financial results every quarter are available after the publication on the website of the Company.

The expenses incurred by the Chairman in performance of his duties are reimbursed.

During the year, the Internal Auditor / Statutory Auditor have had separate discussions with the Audit Committee without the presence of the Management team.

Further, the Financial Statements have an unmodified opinion by the Company's Auditors.

The Internal Auditor reports directly to the Audit Committee for the purpose of audit conducted by him / her. Other non-mandatory requirements have not been adopted at present.

13. CEO/CFO CERTIFICATION

Mr. Sridharan Rangarajan, Managing Director and Mr. P Padmanabhan, Chief Financial Officer have given a certificate to the Board on matters relating to financial reporting, compliance with relevant statutes and adequacy of internal control systems as contemplated in Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.

14. PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from M/s. R Sridharan & Associates, Practising Company Secretaries, Chennai on compliance with Corporate Governance requirements is annexed.

15. PRACTISING COMPANY SECRETARY'S CERTIFICATE ON THE DIRECTOR'S DISQUALIFICATION

A certificate from M/s. R Sridharan & Associates, Practising Company Secretaries, Chennai confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is annexed and forms part of this Report.

16. GENERAL SHAREHOLDER INFORMATION

A separate section in this regard is annexed and forms part of this Report.

17. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

As per the information available with the Company, there are are no agreements entered into by the shareholders, Promoters, Promoters Group entities, Related Parties, Directors, Key Managerial Personnel, Employees of the Company, its subsidiaries and associates companies which are binding the Company in terms of clause 5A of Para A of Part A of Schedule III of the Listing Regulations.

18. SHARE HOLDERS SATISFACTION SURVEY

An online survey is posted on the Company's website at the following link https://www.cumi-murugappa.com/survey/

Shareholders who have not yet submitted the survey can go to the above link and take part in the survey. We request the shareholders who have not yet participated in the survey to use this link and provide us their valuable feedback.

19. INSTRUCTIONS TO SHAREHOLDERS

Shareholders holding shares in physical form are requested to address their communications regarding change in address / contact details by quoting their folio number to the Company's Registrar & Share Transfer Agent (RTA) or to the Company by e-mailing to investorservices@cumi.murugappa.com. Shareholders holding shares in electronic form may send the communications regarding the above to their Depository Participant.

The Ministry of Corporate Affairs vide circulars dated 5th May 2020, 13th January 2021, 13th May 2022 and 28th December 2022 and 25th September 2023 has relaxed the requirement on companies to send Annual Report in physical mode. Accordingly, an electronic copy of the Annual Report will be sent to all the Members holding shares in dematerialised mode and whose e-mail IDs are available with the Depository Participant(s) and to all the Members holding shares in physical mode whose e-mail IDs are registered with the Company / RTA for communication purposes. Shareholders holding shares in physical mode are requested to furnish their e-mail addresses to the Company's Registrar and Share Transfer Agent (RTA) or to the Company by e-mailing to investorservices@cumi.murugappa.com for obtaining the Notice and the Annual Report. Alternatively, the same will also be made available on the website of the Company at https://www.cumi-murugappa.com. Detailed information on registration of e-mail addresses with the Company / RTA is provided in the Notice convening the AGM.

Shareholders are requested to register their e-mail ID with the RTA / Depository Participant to enable the Company to send communications electronically. Members are advised to intimate the details of their PAN and bank account to enable electronic remittance of dividend or alternatively for being incorporated in the dividend warrants. This would help to avoid fraudulent encashment of dividend warrants.

The Securities and Exchange Board of India (SEBI) vide its circular SEBI/HO/MIRSDMIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 has made it mandatory for holders of physical securities to furnish their PAN, email address, mobile number, bank account details and also to either register or declare opt out for nomination facility against the shares held in the Company. Also, new forms were introduced with respect to investor servicing, the details of which are available in the website of the Company at https://www.cumi-murugappa.com/ part-4-investor-services/.

Shareholders are requested to submit Form ISR-1 for updating PAN and other KYC details with RTA of the Company. In case of mismatch in the signature of the holder in the records of RTA, the shareholders need to furnish original cancelled cheque and banker's attestation of the signature as per Form ISR-2. It is advised that the shareholders send the original cancelled cheque with name of shareholder printed on it and duly filled Form ISR-2 along with Form ISR-1 to update their signature so as to avoid further correspondence in case of signature mismatch. Shareholders are requested to submit Form SH-13 duly filled to register nomination in their folios. However, in case shareholders want to opt-out of nomination, Form ISR-3 shall be submitted to RTA.

SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 had mandated issuance of securities in dematerialised form only as an on-going measure to enhance ease of dealing in securities markets by investors while processing the service such as issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, renewal / exchange of securities certificate, endorsement, Sub-division/ Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition etc.

Shareholders may send correspondences in respect of their holdings to M/s. KFin Technologies Limited at their contact details provided below:

M/s. KFin Technologies Limited
Registrar and Share Transfer Agent
Unit: Carborundum Universal Limited
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Hyderabad – 500032, India (IN)
Toll Free No.:1800 309 4001
Email: einward.ris@kfintech.com

Members may note that pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 effective 1st April 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialised form with a Depository. Members would be able to transfer their shares only after necessarily dematerialising their physical shares. Hence, Members are encouraged to dematerialise their physical holdings to demat form at the earliest. As per the mandate of SEBI, the Company is required to conduct enhanced due diligence for transactions in physical folios of shareholders.

Members are also requested to note that pursuant to an amendment in the Finance Act, 2020, with effect from 1st April 2020, dividends declared by the Company will be taxed in the hands of the recipient of dividend i.e. shareholders. Hence, all dividends declared after 1st April 2020 by the Company have been paid/will be paid to the Members after deducting tax at the applicable rate of interest prescribed under the Income Tax Act, 1961. Members may note that in the absence of PAN, the Company would be required to deduct tax at a higher rate prescribed under the Income Tax Act, 1961. Hence, Members who have not furnished their PAN to the Company are requested to immediately submit a copy of their PAN to the Company. Members seeking non-deduction of tax on their dividends may submit Form 15G / 15H as applicable to the Company on a yearly basis. The formats of Form 15G/Form 15H are available in https://www.cumi-murugappa.com/investor-services/. Members may contact the Company Secretary or any executive in the Secretarial team at contact numbers provided in the General Shareholder Information Section in case of any clarification with respect to the dividends declared by the Company.

Shareholders may contact the Secretarial team in case of any query regarding their holdings in the Company.

On behalf of the Board

Chennai
May 3, 2024

M M Murugappan
Chairman

General Shareholder Information

A. Corporate Information

1. Registered office

"Parry House", 43, Moore Street, Chennai 600 001;
Tel No.:+91-44-30006161; Fax:+91-44-30006149;
E-mail: cumigeneral@cumi.murugappa.com;
Website: www.cumi-murugappa.com

2. Corporate Identity Number

L29224TN1954PLC000318

3. Auditors

Statutory Auditor

M/s. Price Waterhouse Chartered Accountants LLP,
7th Floor, Menon Eternity, St. Mary's Road,
Alwarpet, Chennai, Tamil Nadu - 600 018, India

Cost Auditor (for the FY 2023-24)
M/s. S Mahadevan & Co., Chennai, Cost Accountants,
No.1, 'Lakshmi Nivas', K.V. Colony, Third Street,
West Mambalam, Chennai 600 033

Internal Auditor (for the FY 2023-24)
M/s. Deloitte Touche Tohmatsu India LLP,
ASV N Ramanas Towers, No. 52, (Old No. 37),
Venkatnarayana Road,
T. Nagar, Chennai - 600 017

Secretarial Auditor (for the FY 2023-24)
M/s. R Sridharan & Associates, Company Secretaries,
Thiruvarangam Apartments, Flat No.3, First Floor,
New No.44, Old No.25, Unnamalai Ammal Street,
T. Nagar, Chennai - 600 017

4. Address for correspondence

Compliance Officer
Ms. Rekha Surendhiran, Company Secretary,
Carborundum Universal Limited,
"Parry House", 43, Moore Street, Chennai 600 001;
Tel: +91-44-30006141; Fax: +91-44-30006149;
E-mail: rekhas@cumi.murugappa.com

Investor Relationship Officer
Ms. Jully H Jivani,
Carborundum Universal Limited,
"Parry House", 43, Moore Street, Chennai 600 001;
Tel: +91-44-30006166; Fax: +91-44-30006149;
E-mail: investorservices@cumi.murugappa.com

5. **Registrar and Share Transfer Agent**
M/s. KFin Technologies Limited
Unit: Carborundum Universal Limited,
Selenium Building, Tower B, Plot 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana - 500 032;
Whatsapp No.: +91-91000 94099;
Toll Free no.: 1800-309-4001;
E-mail: einward.ris@kfintech.com;
Website: https://ris.kfintech.com/;
Contact Person: Mr. Rajkumar Kale - Asst. Vice President.

6. Financial Year

1st April to 31st March

7. Cost Audit Report

The Cost Audit report for financial year 2022-23 had been filed on 31st August 2023 through XBRL mode as mandated by the Ministry of Corporate Affairs within the due date. The due date for filing the cost audit report was 30th October 2023.

8. Plant Locations

i. Plant locations of Carborundum Universal Limited

a) 655, Tiruvottiyur High Road, PB No. 2272, Tiruvottiyur, Chennai - 600019, Tamil Nadu.

b) Plot No.48, SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District, Tamil Nadu.

c) Jhautala More, Gopalpur Chandigarh, P.O. Ganga Nagar, Kolkata 700132, West Bengal.

d) C-4 & C-5, Kamarajar Salai, MMDA Industrial Complex, Maraimalai Nagar - 603209, Kancheepuram District, Tamil Nadu.

e) F-1/2, F2 - F5, SIPCOT Industrial Park, Pondur "A" Village, Sriperumbudur - 602105, Kanchipuram District, Tamil Nadu.

f) K3, ASAHI Industrial Estate, Latherdeva Hoon, Mangalore Jhabrera Road, PO Jhabrera Tehsil Roorkee, Haridwar District, Uttarakhand - 247665.

g) PB No.1 Kalamassery, Development Plot P.O, Kalamassery 683104, Ernakulam District, Kerala.

h) PB No.3 Nalukettu, Koratty- 680308, Trichur District, Kerala.

i) Bhatia Mines, Bhatia Western Railway, Jamnagar District, Gujarat - 361350.

j) P.B No.2 Okha Port P.O., Devbhumi Dwarka District, Gujarat 361350.

k) Plot No.7 & 18, Cochin Special Economic Zone (CSEZ), Kakkanad 682037, Kochi, Kerala.

l) Maniyar Hydroelectric Works, Maniyar P.O. Vadasserikara, Pathanamthitta District, Kerala 689662.

m) Plot No.8, Carborundum Universal SEZ, Kalamassery Development Plot, Kochi, Kerala-683104.

n) Plot No.2 & 3, Carborundum Universal SEZ, Kalamassery Development Plot, Kochi, Kerala-683104.

o) Plot No.4 & 5, Carborundum Universal SEZ, Kalamassery Development Plot, Kochi, Kerala-683104.

p) Plot No.47, 48 (part), SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District, Tamil Nadu.

q) Plot No.102 & 103, SIPCOT Industrial Complex (Phase II), Ranipet 632403, Tamil Nadu.

r) Serkadu village, Vinnampalli Post, Katpadi Taluk, Vellore District - 632516, Tamil Nadu.

s) Plot nos. 35, 37, 48-51, Adhartal Industrial Estate, Jabalpur - 482004, Madhya Pradesh.

ii. Plant locations of Subsidiaries/Joint Ventures

a) Sterling Abrasives Limited, Plot No.45/46, G.I.D.C. Estate, Odhav Road, Ahmedabad - 382415, Gujarat, India.

b) Sterling Abrasives Limited, Plot No 501, Near Anup Engineering, G.I.D.C., Odhav Road, Ahmedabad - 382415, Gujarat, India.

c) Sterling Abrasives Limited,Plot No 57, 58, 59 and 64 Opp. Umberto Ceramics, Village - Galesara, Galteshwar Road, Taluka : Prantij. Dist Sabarkantha, India.

d) Southern Energy Development Corporation Limited, Plot no. 29, Nallur PO, Aadichapuram, (Via) Mannargudi Taluk, Tiruvarur District - 614717, Tamil Nadu, India.

e) Murugappa Morgan Thermal Ceramics Limited, Plot No. 26 & 27, SIPCOT Industrial Complex, Ranipet - 632403, Tamil Nadu, India.

f) Murugappa Morgan Thermal Ceramics Limited, Plot No. 681, Moti Bhoyan Village, Sanand-Kalol Highway, Kalol Taluk, Gandhinagar Dist., Gujarat - 382721, India.

g) Wendt (India) Limited, 69/70, SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District, Tamil Nadu, India.

h) Wendt (India) Limited, Building No. 35, Indrayani Nagar Road, Bhosari, Pimpri Chinchwad, Pune, Maharastra- 411026, India.

i) JSC "Volzhsky Abrasive Works", 404119, Russian Federation, Volgograd region, city of Volzhsky, F. G. Loginova st., 169

j) Foskor Zirconia (Pty.) Ltd., 27 Selati Road, Phalaborwa, South Africa, 1389.

k) CUMI (Australia) Pty Ltd., 29 Gipps St, Carrington, NSW, 2294, Postal Address: PO Box 142, Carrington, NSW, 2294.

l) CUMI (Australia) Pty Ltd., 1/253 Beringarra Ave, Malaga, WA 6090, Postal Address: PO Box 2538, Malaga, WA 6944.

m) CUMI (Australia) Pty Ltd., 20 Waurn St, North Rockhampton, QLD 4701, Postal address: PO Box 6494, Central QLD Mail Centre, Rockhampton, QLD 4702.

n) CUMI (Australia) Pty Ltd., 14 Corporation Avenue, Paget QLD 4740.

o) Wendt Grinding Technologies Ltd. 109/21 Moo 4, Eastern Seaboard Industrial Estate (Rayong), Tambol Pluakdaeng, Amphur Pluakdaeng, Rayong 21140, Thailand.

p) PLUSS Advanced Technologies Limited, Plot No.13,14 & 35, Section-14 G C Bawal, Rewari, Haryana – 123501, India.

q) PLUSS Advanced Technologies Limited, Sy. No. 605, 8-122, Deveryamzal Village, Shameerpeth Mandal, Medchal - Malkajgiri, Telangana – 500078, India.

r) PLUSS Advanced Technologies BV, Helftheuvelweg 11 - A2.125222 AV 's-Hertogenbosch, The Netherlands.

s) CUMI Awuko Abrasives GmbH, Hedemündener Str. 9 34346 Hann. Münden Germany.

t) Rhodius Abrasives GmbH, Brohltalstr. 2, 56659 Burgbrohl, Germany.

u) Rhodius Nederland B.V, Het Rietveld 55A, 7321 CT Apeldoorn, Netherlander.

v) Rhodius France S.A.R.L. 1 Allee Theodore Monod, 76160 Saint Martin du Vivier FRANKREICH.

w) Rhodius Korea INC. Rm. 205 MEGA PLUS, Yeongil-ro, Yeongtong-dong, Schleifwerkzeuge, Yeongtong-gu GmbH & Co. KG, 443-470 Suwon, Seoul REPUBLIC OF KOREA.

x) Rhodius South America Assessoria Tecnica e Schleifwerkzeuge Commercial em Abrasives,Rua das Carmelitas no. 2350, CEP 81.650-060 Curitiba Estado do Parana Brasilien.

B. STOCK MARKET INFORMATION

1. Listing on stock exchanges and stock code

Stock Exchange	Stock Code
National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051	CARBORUNIV
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	513375

Annual listing fees has been paid to the above stock exchanges.

International Securities Identification Number (ISIN): INE120A01034

2. **Depositories Connectivity**

The Company has signed agreements with the following Depositories to provide the facility of holding equity shares in dematerialised form:

Name of the Depository	Web link
National Securities Depository Ltd. (NSDL)	www.nsdl.co.in
Central Depository Services (India) Ltd. (CDSL)	www.cdslindia.com

3. **Share price information**

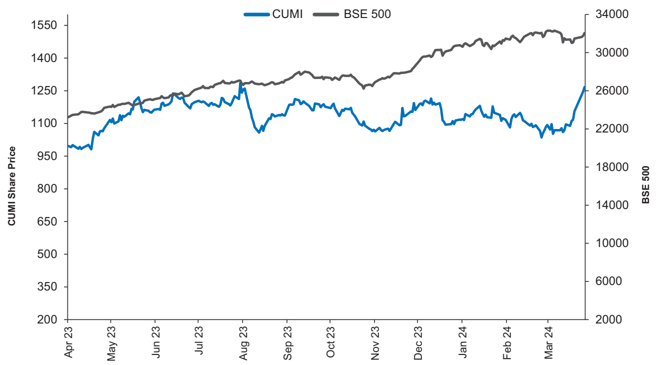
a) **Monthly market price data**

Month	BSE Limited			National Stock Exchange of India Limited		
	High ₹	Low ₹	Traded volume (No. of shares)	High ₹	Low ₹	Traded volume (No. of shares)
April 2023	1089.6	968.45	90932	1093.30	967.90	17,88,208
May 2023	1235.6	1073.25	259799	1235.00	1072.80	44,12,859
June 2023	1260.9	1150	336278	1260.00	1147.40	33,93,543
July 2023	1238.95	1165.05	71002	1237.95	1168.05	25,42,732
August 2023	1300	1028.05	262056	1304.90	1028.00	60,10,682
September 2023	1262.85	1112.05	146011	1261.90	1112.05	55,18,126
October 2023	1204.25	1060	111910	1204.00	1060.00	33,80,426
November 2023	1217.5	1047.65	124517	1219.25	1047.25	60,49,062
December 2023	1230.55	1079.05	124300	1229.00	1079.95	35,78,815
January 2024	1215	1106.6	156656	1218.00	1105.15	34,69,995
February 2024	1178.7	1026	77514	1180.00	1025.60	39,39,625
March 2024	1294.1	1040.5	120013	1291.00	1045.05	43,78,367

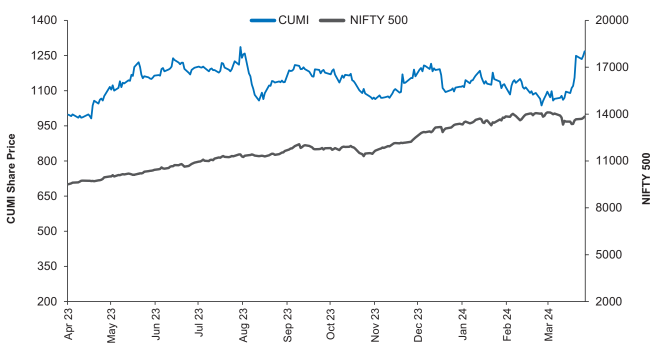
b) **Performance in comparison with BSE 500 and NSE 500**

Stock market snapshot of CUMI Price v/s BSE 500 during 1st April 2023 to 31st March 2024 is given below:

CUMI Price V/s BSE 500 during 01.04.2023 to 31.03.2024



Stock market snapshot of CUMI Price v/s NSE 500 during 1st April 2023 to 31st March 2024 is given below:



C. Other Information

1. Share Capital Details

(a) Outstanding shares

The total number of outstanding shares as on 31st March 2024 is 190,257,608. All the shares have been fully paid up. As on 31st March 2024, 188,977,677 equity shares constituting 99.33% of the total paid up capital of the Company have been dematerialised. A quarterly audit is carried out by an Independent Auditor to reconcile the total share capital admitted with the Depositories and held in physical form with the issued and listed capital which is submitted to the stock exchanges and placed before the Board.

(b) Shareholding Pattern/Distribution as on 31st March 2024

(i) Shareholding Pattern

Category	% to total paid up capital
Promoter/Promoter Group	41.23
Foreign Institutional Investors	11.71
Financial Institutions including Insurance Companies	0.41
Non-resident (NRI's / OCBs)	1.69
Mutual Funds	27.38
Banks	0.01
Indian Bodies Corporate, AIFs & QIBs	2.88
Individuals	14.27
Others - Trusts/ Clearing Members/IEPF	0.42
Total	**100.00**

(ii) Distribution of Shareholding

Sl. No.	Category (Shares)	No. of holders	% to holders	No. of Shares	% to Equity
1.	1 -500	49,119	89.75	29,96,500	1.58
2.	501 -1000	1,912	3.49	15,31,029	0.80
3.	1001 -2000	1,291	2.36	20,50,785	1.08
4.	2001 -3000	553	1.01	14,29,276	0.75
5.	3001 -4000	689	1.26	25,93,214	1.36
6.	4001 - 5000	165	0.30	7,56,042	0.40
7.	5001 -10000	432	0.79	31,75,797	1.67
8.	10001 - 20000	190	0.35	27,35,200	1.44
9.	20001 -100000	212	0.39	95,31,748	5.01
10.	100001 and above	164	0.30	16,34,58,017	85.91
	TOTAL	**54,727 ***	**100.00**	**19,02,57,608**	**100.00**

**based on the folios and cannot be compared with Shareholding Pattern which is PAN based aggregation of total number of shareholders*

2. Outstanding GDR/ADR/Warrants etc.

Under the CUMI Employees Stock Option Scheme 2007, there are no Stock Options outstanding as at 31st March 2024:

Sl. No.	Grant Date	Exercise Price in (₹)	Net Outstanding Options	Likely impact on full exercise	
				Share Capital ₹ million	Share Premium ₹ million
1.	29-Sep-07	91.80	-	-	-
2.	24-Jul-08	61.40	-	-	-
3.	27-Jan-11	125.08	-	-	-
4.	27-Jan-11	125.08	-	-	-
5.	05-Aug-11	146.00	-	-	-
6.	04-Feb-12	155.00	-	-	-
Total			-	-	-

Under the CUMI Employee Stock Option Plan 2016, the details of stock Options granted and outstanding as at 31st March 2024 are as follows:

Sl. No.	Grant Date	Exercise Price in (₹)	Net Outstanding Options	Likely impact on full exercise	
				Share Capital ₹ million	Share Premium ₹ million
1.	04-Feb-17	257.55	84,246	0.08	21.61
2.	14-Feb-18	367.2	14,508	0.01	5.31
3.	14-Feb-18	367.2	-	-	-
4.	03-Aug-18	369.85	36,940	0.04	13.63
5.	29-Oct-18	361.9	-	-	-
6.	31-Jul-19	317.7	47,730	0.05	15.12
7.	31-Jul-19	317.7	-	-	-
8.	30-Jan-20	343.8	72,096	0.07	24.71
9.	28-Apr-21	490.5	59,104	0.06	28.93
10.	02-Aug-21	672.95	3,72,100	0.38	250.03
11.	13-May-22	734.9	-	-	-
12.	28-Oct-22	858.8	1,30,800	0.13	112.20
13.	31-Jan-23	965.55	43,600	0.04	42.05
14.	29-Mar-23	940	43,600	0.04	40.94
15.	28-Oct-23	1108	73,400	0.07	81.25
16.	25-Mar-24	1248.9	1,51,600	0.15	189.18
Total			**11,29,724**	**1.12**	**824.97**

Note:

a) In respect of the Options referred in serial number 4 above of the Employee Stock Option Scheme 2007, each Option gives a right to the holder to subscribe to one equity share of ₹1/- each, within 3 years from the date of vesting, in respect of 50 per cent of the first tranche and 6 years from the date of vesting in respect of the remaining 50 per cent of the first tranche and all subsequent tranches. The vesting of Options granted, is based on the annual performance rating and as per the following schedule - 40% on expiry of the first year from the date of grant and 30% each on expiry of the second and third years from the date of grant.

b) In respect of all other Options granted under the Employee Stock Option Scheme 2007, each Option gives a right to the holder to subscribe to one equity share of ₹ 1/- each, within 3 years from the date of vesting in respect of the first tranche and 6 years from the date of vesting in respect of subsequent tranches. The vesting of Options, is based on the annual performance rating and as per the following schedule - 20% each on expiry of the first and second year from the date of grant and 30% each on expiry of third and fourth year from the date of grant.

c) In respect of Options referred in serial number 1, 2, 4, 5, 6, 8, 9,10, 11, 12, 13, 14 15 and 16 above of the Employee Stock Option Plan 2016, each Option gives a right to the holder to subscribe to one equity share of ₹1/- each, within 5 years from the date of vesting. The vesting of options, is based on the annual performance rating and as per the following schedule - 20% each on expiry of the first and second year from the date of grant and 30% each on expiry of third and fourth year from the date of grant.

d) In respect of Options referred in serial number 3 above of the Employee Stock Option Plan 2016, each Option gives a right to the holder to subscribe to one equity share of ₹1/- each, within 5 years from the date of vesting. The vesting of options, is based on the annual performance rating and as per the following schedule - 25% each on expiry of the first year from the date of grant and 37.50% each on expiry of second and third year from the date of grant. The net outstanding option is Nil currently.

e) In respect of Options referred in serial number 7 above of the Employee Stock Option Plan 2016, each Option gives a right to the holder to subscribe to one equity share of ₹1/- each, within 5 years from the date of vesting. The vesting of Options, is based on the annual performance rating and as per the following schedule - 50% each on expiry of the first and second year from the date of grant. The net outstanding option is Nil currently.

Other than the above, there are no outstanding GDRs or ADRs or convertible instruments.

3. Investor servicing process:

The investor servicing requests from shareholders holding shares in physical form are processed by KFin Technologies Limited, Company's Registrar and Share Transfer Agent. The Board has delegated the power to approve transfers to the Stakeholders Relationship Committee. In respect of requests for transfer of shares upto 5000, the approving authority is the Managing Director and Company Secretary. However, transfer of shares in physical mode has been prohibited effective April 01, 2019 pursuant to SEBI notification dated June 08, 2018. In respect of transmission of shares, all requests are approved by the Stakeholders Relationship Committee.

Further, as an initiative to encourage mandatory updation of KYC details in the physical folios reminder letters were sent to the shareholders at their last available addresses for furnishing of PAN, KYC details and Nomination facilities by the holders of physical securities.

In order to enable shareholders to claim their shares from the unclaimed suspense account and dividends from unclaimed dividend accounts, steps were taken to reach out to the shareholders in their last available contact details available with the Company/ Registrar and share transfer agent in the form of emails, contact number and address. After verifying the KYC of the shareholder, they were educated on the procedure for claiming the shares/ dividend from the respective unclaimed accounts. Further, letters were sent to the shareholders at their last available address for claiming the unclaimed shares.

The shareholders were assisted in submitting their claims with the IEPF authority resulting in the approval of the majority of the claims filed by the claimants and ensuring a smooth transition in processing the claim. The said process resulted in minimising the discrepancies in submissions with the IEPF authority.

As stated in the Corporate Governance Report, Members holding shares in physical form are urged to dematerialise the shares as they would be unable to transfer the shares in physical form hereafter in view of the requirements prescribed in this regard by SEBI.

4. Unclaimed Shares

Particulars	No. of share holders	No. of shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	69	123530
Number of shareholders whose shares have been transferred during the year from the Unclaimed Suspense Account to the Investor Education and Protection Fund Authority pursuant to Section 124(6) of the Companies Act, 2013*	9	6470
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year in response to the Company's reminders	1	400
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1	400
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	59	116660

*In respect of the shares transferred to the Investor Education and Protection Fund Authority, shareholders are entitled to claim these shares from the Investor Education and Protection Fund Authority by making an application in form IEPF-5 available on website http://www.iepf.gov.in/IEPF/corporates.html along with the requisite documents after complying with the prescribed procedure.

On receipt of a claim for transfer from the Unclaimed Suspense Account, the Company will after verification and approval, credit the shares to the shareholder's demat account.

All corporate benefits in terms of securities accruing on these shares like bonus shares, sub-division, etc. will also be credited to the Unclaimed Suspense Account and the voting rights on these shares will remain frozen until the claim is made by the rightful owner.

5. AGM & Dividend details

i. Forthcoming Annual General Meeting

Tuesday, 30th July 2024 at 3.00 P.M. IST through video conferencing/other audio visual means.

ii. Dividend

The Board at its meeting held on 31st January 2024 had approved the payment of an interim dividend on the equity shares of the Company at 150% i.e., ₹1.50/- per equity share of ₹1 each which was paid on 28th February 2024. The Board at its meeting held on 3rd May 2024 has further recommended a final dividend at 250% i.e., ₹2.50/- per equity share for the year ended 31st March 2024. The final dividend will be paid by Wednesday 21st August 2024 upon declaration by the shareholders at the ensuing Annual General Meeting.

iii. Unclaimed Dividend

Dividends remaining unclaimed/unpaid for a period of seven years shall be transferred to the Investor Education Protection Fund (IEPF). The details of dividend paid by the Company and the respective due dates for transfer of the unclaimed/unencashed dividend to the IEPF Authority are as below:

Financial year to which dividend relates	Date of Declaration	Due date for transfer to IEPF
2016-17 (Final)	31-07-2017	06-09-2024
2017-18 (Interim)	14-02-2018	23-03-2025
2017-18 (Final)	03-08-2018	09-09-2025
2018-19 (Interim)	01-02-2019	10-03-2026
2018-19 (Final)	31-07-2019	06-09-2026
2019-20 (Interim)	26-02-2020	03-04-2027
2020-21 (Interim)	02-02-2021	11-03-2028
2020-21 (Final)	02-08-2021	08-09-2028
2021-22 (Interim)	10-02-2022	19-03-2029
2021-22 (Final)	01-08-2022	07-09-2029
2022-23 (Interim)	31-01-2023	09-03-2030
2022-23 (Final)	02-08-2023	08-09-2030
2023-24 (Interim)	31-01-2024	08-03-2031

The Company has transferred unclaimed/unencashed dividends upto interim dividend for FY 2016-17 to the IEPF during the year ended 31st March 2024. The Company has uploaded the details relating to unclaimed dividends on its website for the information and shareholders who have not encashed/claimed are requested to verify and initiate the process to claim their dividends.

iv. Shares transferred to IEPF

Pursuant to Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. During the year, the Company transferred 50,954 equity shares pertaining to 52 holders to the Investor Education and Protection Fund Authority. The Company had issued the requisite notice to the shareholders concerned intimating them of the impending transfer of shares and had simultaneously published a notice in leading dailies. Further, the Company has uploaded the details of the same on its website for the information of the shareholders. As at 31st March 2024, 815,046 shares pertaining to 693 holders have been transferred to the Investor Education and Protection Fund Authority.

Shareholders are entitled to claim the shares from the Investor Education and Protection Fund Authority by making an application online in Form IEPF-5 available on the website http://www.iepf.gov.in/IEPF/corporates.html along with the requisite documents. Shareholders are requested to contact the Company's RTA - KFin Technologies Limited or the Company in this regard. The contact details are available in the Corporate Information section of this Report.

6. Other disclosures

During the year, there has been no instance where the Board did not accept the recommendation of its Committees. Further during the year, the Company has not raised funds through preferential allotment or qualified institutional placement.

On behalf of the Board

Chennai
May 3, 2024

M M Murugappan
Chairman

Declaration on Code of Conduct

To,

The Members of Carborundum Universal Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management of Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at 31st March 2024, as envisaged in regulation 34(3) read with Schedule V of the Listing Regulations.

On behalf of the Board

Chennai
May 3, 2024

Sridharan Rangarajan
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Members,
CARBORUNDUM UNIVERSAL LIMITED
CIN: L29224TN1954PLC000318
Parry House,
43 Moore Street,
Chennai - 600001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CARBORUNDUM UNIVERSAL LIMITED (CIN: L29224TN1954PLC000318)** having its Registered Office at Parry House, 43 Moore Street, Chennai - 600001, (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such other statutory authority.

S. NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF INITIAL APPOINTMENT
1.	00170478	M M Murugappan	Non-Executive - Non Independent Director-Chairman	17/10/1996
2.	00004505	Sanjay Jayavarthanavelu	Non-Executive - Independent Director	27/01/2010
3.	00201205	Aroon Raman	Non-Executive - Independent Director	30/10/2013
4.	07812320	Pundi Srinivasan Raghavan	Non-Executive - Independent Director	09/05/2017
5.	01756539	Sujjain Talwar	Non-Executive - Independent Director	09/05/2017
6.	01974515	Soundara Kumar	Non-Executive - Independent Director	03/08/2019
7.	01814413	Sridharan Rangarajan	Executive - Managing Director	01/07/2021

Ensuring the eligibility of, every Director on the Board, for their appointment/ continuity is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR. NO.657/2020
UIN: S2003TN063400
UDIN: F004775F000297001

PLACE : CHENNAI
DATE : 3RD MAY, 2024

CORPORATE GOVERNANCE CERTIFICATE

The Members,
CARBORUNDUM UNIVERSAL LIMITED
Parry House, 43 Moore Street,
Chennai - 600001

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **CARBORUNDUM UNIVERSAL LIMITED, (CIN: L29224TN1954PLC000318)** [hereinafter referred to as "the Company"] having its Registered Office at Parry House, 43, Moore Street, Chennai – 600 001, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called "SEBI (LODR) Regulations 2015") for the financial year ended 31st March, 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and Para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations, 2015 as amended for the financial year ended 31st March, 2024.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR. NO.657/2020
UIN: S2003TN063400
UDIN: F004775F000296990

PLACE : CHENNAI
DATE : 3RD MAY, 2024

ANNEXURE F

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members,
CARBORUNDUM UNIVERSAL LIMITED
CIN: L29224TN1954PLC000318
Parry House, 43 Moore Street,
Chennai - 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CARBORUNDUM UNIVERSAL LIMITED [Corporate Identification Number: L29224TN1954PLC000318] (hereinafter called "the Company") for the financial year ended 31st March, 2024. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. There was no Foreign Direct Investment and External Commercial Borrowings during the year under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable during the year under review);

e) The Employee Stock Option Plan, 2016 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (not applicable during the year under review);

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review);

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (not applicable during the year under review); and

i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (not applicable during the year under review)

(vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company:

1. Factories Act, 1948;

2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation, etc.;

3. Industries (Development & Regulation) Act, 1951;
4. Acts relating to consumer protection including The Competition Act, 2002;
5. Acts and Rules prescribed under prevention and control of pollution;
6. Acts and Rules relating to Environmental protection and energy conservation;
7. Acts and Rules relating to hazardous substances and chemicals;
8. Acts and Rules relating to electricity, fire, petroleum, drugs, motor vehicles, explosives, boilers etc.;
9. Acts relating to mining activities;
10. Acts relating to protection of IPR;
11. The Information Technology Act, 2000;
12. Land revenue laws and
13. Other local laws as applicable to various plants and offices.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have also examined compliance with the applicable clauses / regulations of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (revised effective from October 1, 2017) and Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. (hereinafter referred to as "Listing Regulations")

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director, Woman Independent Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all Directors before the schedule of the Board /Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Board meeting convened at shorter notice and Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013, Secretarial Standards on Meetings of Board of Directors and Listing Regulations are complied with.

During the year under review, the Board/ Committee Meetings convened through Video Conferencing and the Directors/ Members who have participated in the Board/ Committee meetings through Video Conferencing were in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors/ Committee Members and no Director/ Members of the Committee dissented on the decisions taken at such Board/ Committee Meetings. Further, in the minutes of the General Meeting, the number of votes cast against the resolution(s) by the members have been recorded.

We further report that based on review of compliance mechanism established by the Company and to the best of our information and according to explanations given to us by the Management and on the examination of relevant documents and records on test basis and also on the basis of the Compliance certificates issued by the Chief Financial Officer and Company Secretary under various statutes as mentioned above in clause (vi) and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws.

We further report that the above-mentioned Company being a listed entity this report is also issued pursuant to Regulation 24A of the Listing Regulations as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanations provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of the Listing Regulations as amended during the period under review.

We further report that during the audit period, the Company had

1. Intimated the merger of Rhodius Schleifwerkzeuge VerwaltungsgesellschaftmbH (RSV), Germany with Rhodius Abrasives GmbH ("RAG") a wholly owned step-down subsidiary of the Company located in Germany. As a consequence of this merger, RSV will cease to be the subsidiary of the Company.
2. Intimated the proposal for voluntary winding down/de-registration of CUMI Abrasives & Ceramics Co. Ltd (CACCL) a wholly owned step-down subsidiary of the Company located in China.
3. Obtained approval from the Board of Directors at their meeting held on 27th November, 2023 for reclassification of certain persons belonging to the Promoters/ Promoter Group of the Company to "Public" Category pursuant to family arrangement and subsequently, the Company obtained approval from the shareholders vide Postal Ballot dated 26th January, 2024.

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR. NO.657/2020
UIN: S2003TN063400
UDIN: F004775F000296979

PLACE : CHENNAI
DATE : 3RD MAY, 2024

This report is to be read with our letter of even date which is annexed as "ANNEXURE - A" and forms an integral part of this report.

'Annexure A'

The Members,
CARBORUNDUM UNIVERSAL LIMITED
CIN: L29224TN1954PLC000318
Parry House, 43 Moore Street,
Chennai - 600001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the Management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR. NO.657/2020
UIN: S2003TN063400
UDIN: F004775F000296979

PLACE : CHENNAI
DATE : 3RD MAY, 2024

INDEPENDENT AUDITOR'S REPORT

To

The Members of Carborundum Universal Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Carborundum Universal Limited (hereinafter referred to as the "Parent") and its subsidiaries (Parent and its subsidiaries together referred to as "the Group"), its associate company along with its wholly owned subsidiary ("Associate") and joint ventures (refer Note 33, 6A and 6B to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash flow statement for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its Associate and joint ventures as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its Associate and joint ventures in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of carrying amount of assets including goodwill relating to Volzhsky Abrasive Works [VAW], step-down subsidiary of the Parent domiciled in Russia, including an assessment of the impact of the current geo-political situation Refer Note 5A to the Consolidated Financial Statements The carrying amount of assets including related goodwill in relation to VAW as considered in the Consolidated Financial Statements amounts to INR 8,908.07 million (including goodwill amounting to INR 1,441.63 million), which represents 21.46% of the total assets of the Group. As set out in Note 5A to the Consolidated Financial Statements, the current geo-political situation combined with related international sanctions and territory embargoes create an uncertain environment for the operations of VAW. We have considered this to be a key audit matter as the carrying amount of assets is significant to the financial statements, and Management judgement is required in assessing the impact of current geo-political situation on the step-down subsidiary's operations including impacts arising from territorial sanctions and embargoes, discount rate and growth rates in estimating future cash flows.	Our audit procedures included the following: a. We understood, assessed and tested the design and operating effectiveness of the Group's key controls over impairment assessment. b. Inquired with the Parent and component management to evaluate the impact of the conflict, including territorial sanctions and embargoes, on the operations of the step-down subsidiary. c. Read the audit report of auditors of VAW [the 'component auditors'] and the related memorandum of work performed and noted that there are no adverse or qualificatory comments including any material uncertainty relating to going concern in the report of the component auditors. d. Assessed the reasonableness of the management's computation of the recoverable amount of carrying value of assets pertaining to VAW ('the model') by: • Verifying that the forecasts considered within the model have been approved. • Assessing the historical accuracy of Management's forecasts by comparing the forecasts used in the prior year models with the actual performance in the current year and assessing the reasonableness of the forecasts within the model. • Engaging our auditor's expert to assist us in evaluating the reasonableness of assumptions relating to discount rate and terminal growth rate considered by the management within the model. • Performing sensitivity tests on the model for certain assumptions, such as discount rate and growth rate. e. Evaluated the adequacy of the disclosures made in the financial statements in relation to impairment assessment of goodwill. Whilst a definitive assessment of the impact in the subsequent period is highly dependent on the circumstances as they evolve, based on the procedures performed we did not note any exception in the management's assessment of impairment of carrying value of assets including goodwill relating to VAW.

Also refer to the Key Audit Matter included by us in our audit report of even date on the Standalone Financial Statements of the Parent.

Other Information

5. The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures and Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

   Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Parent's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its Associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its Associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

7. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its Associate and joint ventures are responsible for assessing the ability of the Group and of its Associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its Associate and joint ventures are responsible for overseeing the financial reporting process of the Group and of its Associate and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associate and joint ventures to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the

Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associate and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements/financial information of twelve subsidiaries whose financial statements/ financial information reflect total assets of Rs. 38,185.26 million and net assets of Rs. 32,103.43 million as at March 31, 2024, total revenue of Rs. 23,811.54 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 2,492.25 million and net cash flows amounting to Rs. 320.54 million for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 284.66 million for the year ended March 31, 2024 as considered in the Consolidated Financial Statements, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Parent's Management/ other auditors, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.

15. We did not audit the financial information of a subsidiary whose financial information reflect total assets of Rs. Nil and net assets of Rs. Nil as at March 31, 2024, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the Consolidated Financial Statements. This financial information is unaudited and has been furnished to us by the Parent's Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

16. Of the subsidiaries referred to in paragraph 14, the financial statements/ financial information of six subsidiaries located outside India, included in the Consolidated Financial Statements, which constitute total assets of Rs. 23,291.85 million and net assets of Rs. 21,539.88 million as at March 31, 2024, total revenue of Rs. 13,000.60 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 2,167.01 million and net cash flows amounting to Rs. 401.02 million for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements/ financial information of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

    Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the

companies which are included in these Consolidated Financial Statements.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the following:

        I. in relation to a subsidiary audited by us, in the absence of sufficient appropriate audit evidence, we were unable to verify whether the backup of books of account and other books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the period April 01, 2023 to May 31, 2023;

        II. The following remark included in the independent auditor's report of a joint venture, reproduced as under:

        "In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India (refer Note 36E to the financial statements) and not complying with the requirement of audit trail as stated in (i)(v) below."

        Note 36E referred to above is reproduced in Note 41b to the Consolidated Financial Statements; and

        III. the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("Rules").

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of changes in equity and the Consolidated Cash flow statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

    (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Parent, a subsidiary and associate company as on March 31, 2024 taken on record by the Board of Directors of the Parent, subsidiary and associate company respectively and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate company and joint ventures incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 18(b) above on reporting under Section 143(3)(b) and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its Associate and joint ventures - Refer Notes 6A,6B and 34 to the Consolidated Financial Statements.

        ii. The Group (other than a subsidiary), its Associate and joint ventures did not have any long-term contracts including derivative contracts as at March 31, 2024 for which there were any material foreseeable losses. In respect of a subsidiary, the subsidiary has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate company and joint ventures incorporated in India during the year.

        iv. (a) The respective Managements of the Parent and its subsidiaries, joint ventures, and associate company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in Note 42(vii) to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, joint ventures and associate company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries, joint ventures and associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries, joint venture and associate company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the Notes 42(vii)to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries, joint ventures and associate company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries, joint ventures and associate company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Parent, its subsidiary companies, Associate and joint ventures, is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group, its associate company and joint ventures have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, other than as described below, we, and the respective auditors of the above referred subsidiaries and joint ventures, did not notice any instance of the audit trail feature being tampered with:

- In respect of the entities audited by us

Parent	Audit trail has operated only for part of the year from November 6, 2023 to March 31, 2024.
A Subsidiary	Audit trail feature did not operate throughout the year.
Associate company	Audit trail is not maintained at the application level for modification, if any, by certain users with specific access and for direct database changes.

For the period where audit trail has not operated/ not maintained, the question of our commenting on whether the audit trail has been tampered with does not arise.

- In respect of entities audited by other auditors, the following paragraph relating to audit trail was included in their respective audit report reproduced by us as under:

Three subsidiaries of the Parent	"Based on our examination, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and that has operated for part of the year from November 6, 2023 to March 31, 2024, for all relevant transactions recorded in the software. Further, during the course of our audit, we did not notice any instance of the audit trail feature being tampered with."
A joint venture of the Parent	"Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that audit trail was not enabled for certain changes at application layer level and at the database level. Further, the Company has used an accounting software which is operated by a third party software service provider for maintaining payroll records and in the absence of an independent auditor's report covering the audit trail requirement, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

	As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31 March 2024."
Another joint venture of the Parent	"Based on our examination, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, wherein accounting software did not have the audit trail feature enabled throughout the year (Refer note 41.1 of the financial statements). As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024. Note 41.1. referred to above has been reproduced in Note 41a to the Consolidated Financial Statements."

19. The Group, its Associate and joint ventures have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 24213126BKFVPT8488

Place: Chennai
Date: May 03, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(g) of the Independent Auditor's Report of even date to the members of Carborundum Universal Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of Carborundum Universal Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Parent, its subsidiary companies, its associate company and joint ventures, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference

to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Parent, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 24213126BKFVPT8488

Place: Chennai
Date: May 03, 2024

Consolidated Balance Sheet

(in Indian Rupees million, unless otherwise stated)

Particulars	Note no.	As at 31.03.2024	As at 31.03.2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	10174.02	9875.73
(b) Right of use asset	4B	681.38	573.74
(c) Capital work-in-progress	4C	781.00	874.68
(d) Goodwill	5A	2474.39	2443.83
(e) Other Intangible assets	5B	2220.52	2374.11
(f) Intangible assets under development	5C	59.68	-
(g) Investment accounted for using the equity method			
(i) Investments in Associate	6A	795.40	707.65
(ii) Investments in Joint Ventures	6B	831.77	729.46
(h) Financial assets			
(i) Investments	6C	88.51	175.17
(ii) Other financial assets	7A	206.66	192.86
(i) Deferred tax assets (net)	8A	1105.60	762.15
(j) Other non-current assets	9A	412.52	275.54
Total non-current assets		**19831.45**	**18984.92**
Current assets			
(a) Inventories	10	8501.73	8989.25
(b) Financial assets			
(i) Trade receivables	11	6790.40	6273.80
(ii) Cash and Cash equivalents	12A	5548.78	3963.71
(iii) Bank balances other than (ii) above	12B	30.45	37.42
(iv) Other Financial assets	7B	124.09	84.85
(c) Other current assets	9B	692.09	910.35
Total current assets		**21687.54**	**20259.38**
Total Assets		**41518.99**	**39244.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	190.26	189.94
(b) Other equity	14	31066.76	28015.72
Equity attributable to owners of the Company		**31257.02**	**28205.66**
Non-controlling interests	15	1393.14	1278.98
Total Equity		**32650.16**	**29484.64**
Non-Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	275.14	428.57
(ii) Lease liabilities	4B	510.58	386.75
(iii) Other financial liabilities	20A	454.70	395.84
(b) Provisions	17A	244.01	237.93
(c) Deferred tax liabilities (net)	8B	608.38	525.17
(d) Other Non-Current liabilities	21A	2.35	404.52
Total Non-current liabilities		**2095.16**	**2378.78**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	852.08	1872.43
(ii) Lease liabilities	4B	81.14	84.81
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	19	184.16	103.01
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	19	3793.53	3256.05
(iv) Other financial liabilities	20B	495.11	1032.00
(b) Other current liabilities	21B	382.92	511.65
(c) Provisions	17B	591.34	504.82
(d) Current tax liabilities (net)	8C	393.39	16.11
Total Current liabilities		**6773.67**	**7380.88**
Total Liabilities		**8868.83**	**9759.66**
Total Equity and Liabilities		**41518.99**	**39244.30**
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Consolidated Statement of Profit and Loss

(in Indian Rupees million, unless otherwise stated)

S.No.	Particulars	Notes	For the year 2023-24	For the year 2022-23
I	Revenue from Operations	22	47021.87	46542.81
II	Other Income	23	766.53	767.23
III	**Total Income**		**47788.40**	**47310.04**
IV	**Expenses**			
	Cost of material consumed		15198.42	16103.44
	Purchase of stock-in-trade		1768.23	1661.15
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	5.91	(623.64)
	Employee benefits expense	25	7200.97	6923.13
	Finance costs	26	183.39	235.33
	Depreciation and amortisation expense	27	1907.45	1873.36
	Other expenses	28	15460.11	15960.14
	Total expenses (IV)		**41724.48**	**42132.91**
V	**Profit from operations before exceptional items and share of profit of equity accounted investees and income tax [III] - [IV]**		**6063.92**	**5177.13**
VI	Share of profit of Associate (net of tax)	6A	153.57	150.34
VII	Share of profit of Joint Ventures (net of tax)	6B	285.00	222.47
VIII	**Profit before Exceptional items and tax [V] +[VI]+[VII]**		**6502.49**	**5549.94**
IX	**Exceptional item**	29	-	249.15
X	**Profit before tax [VIII]+[IX]**		**6502.49**	**5799.09**
XI	**Tax expense**			
	(1) Current tax	30A	1958.00	1727.76
	(2) Deferred tax	8	(217.34)	(345.65)
	Total tax expense [XI]		**1740.66**	**1382.11**
XII	**Profit for the year [X]-[XI]**		**4761.83**	**4416.98**
XIII	**Other Comprehensive Income [OCI]**			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(78.06)	(61.89)
	(b) Equity instruments through other comprehensive income		(47.16)	(14.30)
	(c) Share of OCI in Associate and Joint Ventures, to the extent not to be reclassified to profit or loss		(3.42)	(2.29)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30B	21.65	0.39
			(106.99)	(78.09)
B	(i) Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		(931.15)	1074.05
	(b) Net gain/(loss) on Cash flow hedge		0.52	(0.34)
	(c) Share of OCI in Associate and Joint Ventures, to the extent that may be reclassified to profit or loss		(2.76)	5.96
	(ii) Income tax relating to items that will be reclassified to profit or loss	30B	(0.13)	0.08
			(933.52)	1079.75
	Total Other Comprehensive Income [XIII]		**(1040.51)**	**1001.66**
XIV	**Total Comprehensive Income [XII]+[XIII]**		**3721.32**	**5418.64**
	Profit for the year attributable to: [XII]		**4761.83**	**4416.98**
	- Owners of the Company		4612.50	4139.86
	- Non-Controlling Interest		149.33	277.12
	Other Comprehensive Income: [XIII]		**(1040.51)**	**1001.66**
	- Owners of the Company		(1002.20)	979.20
	- Non-Controlling Interest		(38.31)	22.46
	Total Comprehensive Income: [XIV]		**3721.32**	**5418.64**
	- Owners of the Company		3610.30	5119.06
	- Non-Controlling Interest		111.02	299.58
XV	**Earnings per share (Re.1 each) on Profit for the year (XII)**	31		
	- Basic		24.27	21.80
	- Diluted		24.22	21.74

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Consolidated Statement of changes in equity

(in Indian Rupees million, unless otherwise stated)

A. Equity share capital - Refer Note: 13

Balance as at March 31,2022	**189.86**
Changes in equity share capital during the year	
Shares issued against ESOP Scheme/Plan	0.08
Balance as at March 31,2023	**189.94**
Changes in equity share capital during the year	
Shares issued against ESOP Scheme/Plan	0.32
Balance as at March 31,2024	**190.26**

B. Statement of changes in other equity - Refer Note: 14 & 15

Particulars	Reserves and Surplus - Refer Note: 14A								Items of Other Comprehensive Income - Refer Note: 14B				Attributable to owners of the parent - Refer Note: 14	Non-controlling interest [NCI] - Refer Note: 15	Total
	Profit on Forfeiture of Shares/ Warrants	Capital redemption reserve	Capital reserve on consolidation	Securities premium	General Reserve	Share options outstanding account	Retained Earnings	Non Controlling interest put option reserve	Reserve for equity instruments	Effective portion of Cash flow hedge	Foreign currency translation reserve	Revaluation surplus			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)			
Balance at the Beginning of the year - March 31, 2022	**6.03**	**27.68**	**20.56**	**382.36**	**8730.94**	**128.80**	**14986.98**	**(407.97)**	**84.51**	**(0.27)**	**(535.50)**	**23.74**	**23447.86**	**859.39**	**24307.25**
Profit for the year	-	-	-	-	-	-	4139.86						4139.86	277.12	4416.98
Other Comprehensive income for the year	-	-	-	-	-	-	(63.68)		(14.30)	(0.15)	1057.33		979.20	22.46	1001.66
Total Comprehensive income for the year	**-**	**-**	**-**		**-**		**4076.18**		**(14.30)**	**(0.15)**	**1057.33**	**-**	**5119.06**	**299.58**	**5418.64**
Additions during the year	-	-	-	27.97	-	57.90							85.87		85.87
Final dividend paid during the year	-	-	-	-	-	-	(379.76)						(379.76)		(379.76)
Interim dividend paid during the year							(284.86)						(284.86)		(284.86)
Transfer to General reserve	-	-	-	-	500.00		(500.00)						-		-
Recognised during the year								25.30					25.30		25.30
Non-Controlling interest share of additional equity raised by a subsidiary	-	-	-	-	-	-	-						-	223.03	223.03
Transaction with Non-Controlling interest arising from change in shareholding of subsidiary							2.25						2.25	(2.25)	-
Dividend paid to Non-Controlling interest	-	-	-	-	-	-	-						-	(100.77)	(100.77)
Balance at the end of the year - March 31, 2023	**6.03**	**27.68**	**20.56**	**410.33**	**9230.94**	**186.70**	**17900.79**	**(382.67)**	**70.21**	**(0.42)**	**521.83**	**23.74**	**28015.72**	**1278.98**	**29294.70**
Profit for the year							4612.50						4612.50	149.33	4761.83
Other Comprehensive income for the year							(60.13)		(47.16)	0.23	(895.14)		(1002.20)	(38.31)	(1040.51)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**4552.37**		**(47.16)**	**0.23**	**(895.14)**	**-**	**3610.30**	**111.02**	**3721.32**
Additions during the year			-	136.23		40.22							176.45		176.45
Final dividend paid during the year							(379.91)						(379.91)		(379.91)
Interim dividend paid during the year							(285.34)						(285.34)		(285.34)
Transfer from Reserve for equity instruments							(19.34)		19.34				-		-
Transfer to General reserve					500.00		(500.00)						-		-
Recognised during the year								(72.03)					(72.03)		(72.03)
Non-Controlling interest share of additional equity raised by a subsidiary													-	132.49	132.49
Transaction with Non-Controlling interest arising from change in shareholding of a subsidiary							1.57						1.57	(1.57)	-
Dividend paid to Non-Controlling interest							-						-	(127.78)	(127.78)
Balance at the end of the year - March 31, 2024	**6.03**	**27.68**	**20.56**	**546.56**	**9730.94**	**226.92**	**21270.14**	**(454.70)**	**42.39**	**(0.19)**	**(373.31)**	**23.74**	**31066.76**	**1393.14**	**32459.90**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

On behalf of the Board

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

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Consolidated Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars	For the year			
	2023-24		2022-23	
A. Cash flow from Operating activities				
Profit before tax		**6502.49**		**5799.09**
Adjustment for:				
Share of profit of associate	(153.57)		(150.34)	
Share of profit of Joint ventures	(285.00)		(222.47)	
Exceptional item - Refer Note : 29	-		(249.15)	
Fair value of Investments	(1.59)		(1.09)	
Depreciation and amortisation	1907.45		1873.36	
Finance costs	183.39		235.33	
Interest income	(178.45)		(142.09)	
Dividend income	(8.63)		(8.62)	
Expenses recognised in respect of equity-settled share-based payments	45.17		66.50	
Impairment loss on financial assets (net)	12.61		8.00	
Allowance for doubtful receivable and advances	351.03		431.51	
Reversal of allowance for doubtful receivables and advances	(213.26)		(189.50)	
Provision for expenses no longer required written back	(22.41)		(8.20)	
Loss/(profit) on sale of assets (net)	20.66		30.94	
Unrealised exchange (gain)/Loss - net	157.61	1815.01	(15.43)	1658.75
Operating profit before working capital changes		**8317.50**		**7457.84**
Movement in working capital				
(Increase)/decrease in trade receivables	(895.96)		(524.52)	
(Increase)/decrease in Inventories	147.01		(805.13)	
(Increase)/decrease in Other financial asset	20.08		47.55	
(Increase)/decrease in Other assets	120.42		(32.54)	
Increase/(decrease) in Trade payables	390.23		(160.46)	
Increase/(decrease) in Provision & other current liabilities	53.53		254.52	
Increase/(decrease) in Other financial liabilities	(41.20)	(205.89)	(310.37)	(1530.95)
Cash generated from Operations		**8111.61**		**5926.89**
Income tax paid		(2096.50)		(1625.22)
Net cash generated by operating activities [A]		**6015.11**		**4301.67**
B. Cash flow from Investing activities				
Payments to acquire Property, plant and equipment	(2193.65)		(2928.55)	
Payments for Intangible asset	(159.01)		(88.85)	
Proceeds from sale of Property, plant and equipment	10.04		11.07	
Amount received on adjustment of net working capital (including cash acquired of EUR 1.03 million) in relation to an acquisition	-		159.83	
Proceeds from sale of Non Current investments	41.08		-	

Consolidated Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars		For the year	
		2023-24	2022-23
(Investment in)/Redemption of Bank deposits with original maturity beyond three months- net		12.27	(2.49)
Interest income received		173.44	139.54
Dividend income from Associate		60.00	56.25
Dividend income from Joint ventures		182.54	72.92
Dividend income received - Others		8.63	8.62
Net cash (used in)/generated by investing activities	**[B]**	**(1864.66)**	**(2571.66)**
C. Cash flow from financing activities			
Proceeds from issue of equity shares		136.55	28.05
Proceeds/(Repayment) of Non current borrowings		(52.79)	255.59
(Repayment)/proceeds from current borrowings(net)		(1137.62)	(568.66)
Transactions with Non Controlling interest		(10.98)	(11.64)
Principal portion of lease payments		(130.19)	(52.08)
Finance costs paid		(152.04)	(220.01)
Dividend paid to Shareholders		(665.25)	(664.62)
Dividend paid to Non Controlling interest		(127.78)	(100.77)
Net cash (used in)/generated by financing activities	**[C]**	**(2140.10)**	**(1334.14)**
Net increase/(decrease) in cash and cash equivalents [A]+[B]+[C]		**2010.35**	**395.87**
Add : Cash and Cash equivalents at the beginning of the year		**3963.71**	**3475.04**
Effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies		(425.28)	92.80
Cash and Cash equivalents at the end of the year		**5548.78**	**3963.71**
Non Cash Financing and Operating activities			
- Acquisition of right of use assets		239.73	112.87
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2024

Statement showing the applicable Key Accounting Standards (Ind AS) with related Policy & Notes references as per Consolidated financial statements

Ind AS No.	Description	Accounting policy Reference	Note Reference
2	Inventories	3(A)(h), 3(B)(c)	10
7	Statement of Cash flows	3(B)(l)	12,36
8	Accounting Policies, Changes in Accounting Estimates and Errors	3(A)(a)	
10	Event after the reporting period		40,45
12	Income taxes	3(B)(o)	8,9A,30
16	Property, plant and equipment	3(A)(c), 3(B)(a)	4A,4C,27
19	Employee benefits	3(A)(i), 3(B)(m)	25,35
24	Related party disclosures		37
28	Investments in associates and joint ventures	3(B)(u)	6A,6B
33	Earnings per share	3(B)(r)	31
36	Impairment of assets	3(A)(o), 3(B)(e)	4A,4B,4C,5,36
37	Provisions, Contingent liabilities and Contingent assets	3(B)(p)	17,34
38	Intangible assets	3(A)(e), 3(B)(b)	5,27
102	Share based payment	3(B)(n)	13e,14f,25
103	Business combinations	3(B)(t)	5A
107 & 109	Financial instruments	3(B)(d)	6C,7,11,16,18,19,20,23,36
108	Operating segments	3(A)(l)	32
110	Consolidated Financial Statements		
112	Disclosure of interest in other entities		6A,6B,15
113	Fair value measurement		36
115	Revenue from Contracts with Customers	3(A)(j)	21,22,32
116	Leases	3(A)(d), 3(B)(h)	4B,26,27

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2024

1. Brief description of the Group

Carborundum Universal Limited (CUMI) was incorporated in India as a Public Limited Company in 1954 and the shares of the Company are listed in National Stock Exchange of India Ltd. and BSE Ltd. The address of its registered office and place of business are disclosed in the Annual Report. The consolidated financial statements comprise the Company (CUMI - Parent company) and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates and joint ventures.

CUMI Group manufactures and sells mainly Abrasives, Ceramics (Industrial Ceramics, Refractories) and Electrominerals. (Refer Note: 32).

2. Basis of preparation

a. Preparation and compliance with Ind AS

The Consolidated Financial Statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b. Historical cost convention

The Consolidated Financial Statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

c. Current/non-current classification

The assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. Deferred tax assets are classified as non-current.

d. New and amended standards adopted by the Group.

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 1, 2023:

Disclosure of accounting policies — amendments to Ind AS 1

Definition of accounting estimates — amendments to Ind AS 8

Deferred tax related to assets and liabilities arising from a single transaction — amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

3A. Material accounting policies

a) Use of estimates

The preparation of Consolidated Financial Statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date and reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The estimates and the assumptions used in the accompanying consolidated financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

b) Critical estimates and judgement

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements:

S.No	Particulars	Note
I	Estimation of useful life of tangible and intangible asset	3A(c) & 3A(e)
II	Impairment test of Goodwill: Key assumption underlying recoverable amounts	5A

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2024

S.No	Particulars	Note
III	Assessment of control over components and consolidation decisions and classification of Associate	6A
IV	Assessment of control over components and consolidation decisions and classification of joint arrangements	6B
V	Estimation of fair value of unlisted securities	6C & 36
VI	Recognition of deferred tax assets: Availability of future taxable profit against which tax losses carried forward can be used.	8
VII	Impairment of Trade receivables: Expected credit loss	11 & 36
VIII	Recognition and measurement of provisions and contingencies; key assumption about the likelihood and magnitude of an outflow of resources.	17 & 34
IX	Measurement of defined benefit obligation: Key actuarial assumptions.	35
X	Fair valuation of non-controlling interest put option	36

The estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

c) Property, plant, and equipment

Freehold land is carried at historical cost. All other property, plants and equipment are recognised at historical cost less depreciation.

Except in the case of a subsidiary where written down value method is adopted, depreciation is calculated using straight line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as prescribed in Schedule II to the Companies Act, 2013 and applicable statutes of the relevant territories. Individual assets costing less than INR 5,000 are depreciated in full in the year of acquisition. Leasehold improvements are depreciated over the shorter of their useful life or the lease term unless the entity expects to use the assets beyond the lease term.

See note 3B(a) for the other accounting policy relevant to property, plant, and equipment.

d) Leases (where the Group is the Lessee)

The Group leases various assets for its business purposes but may have extension options which are mutually exercisable. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case of leases entered into by the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received.
- makes adjustments specific to the lease, if any, e.g.: term, country, currency, and security

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option.

See note 3B(h) for the other accounting policies relevant to leases.

e) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

The Group amortises intangible assets with a limited useful life using the straight-line method.

See note 3B(b) for the other accounting policies relevant to intangible assets.

f) Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Those measured subsequently at fair value through other comprehensive income (in case of certain investments in equity instruments – an irrevocable option exercised on an instrument-by-instrument basis on initial recognition) and through profit or loss (in case of investments in mutual funds and other equity instruments); and
- Those measured at amortised cost.

The classification is based on the Group's business model for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

See note 3B(e)for the other accounting policies relevant to Financial assets.

g) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised as fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less loss allowance.

For trade receivables, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

h) Inventories

The costs of individual items of inventory are determined as follows:

- In respect of raw materials, stores and spare parts, traded stock cost is determined on weighted average basis, except in the case of subsidiary, where First in First Out basis is adopted.
- In respect of work in progress and finished goods, cost includes all direct costs and applicable production overheads, to bring the goods to the present location and condition.

See note 3B(c) for the other accounting policies relevant to inventory.

i) Employee benefit obligations

(i) Post-employment benefits

The Group sponsors defined benefit plans for qualifying employees of the Parent company and its subsidiaries, wherever applicable. The defined benefit plans are administered by an independent Fund that is legally separated from the respective entities, where it is funded.

Under the plans applicable to the Parent Company and its domestic subsidiaries, the employees are entitled to post-retirement yearly instalments amounting to 57.69% of final salary for each year of service until the retirement age of 58. Where the plan is funded, Parent Company and its domestic subsidiaries makes contribution to recognised funds in India. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

In respect of the subsidiary in United Arab Emirates, the end of service benefits is accounted on time basis in full for every employee in the service of that entity in accordance with the provisions of the applicable labour laws of that country.

In respect of a subsidiary in Germany, the defined benefit plans provided to the employees are post-retirement pension benefits and long service awards. The liability is ascertained using actuarial valuation and is accounted accordingly.

In respect of the subsidiary in South Africa, the defined benefit plans provided to the employees are post-retirement health benefits and long service awards. The liability is ascertained using actuarial valuation and is accounted accordingly.

(ii) Other retirement benefit:

The employees of the Parent and the Parent make monthly fixed contributions to the Carborundum Universal Limited Employee's Provident Fund Trust, equal to a specified percentage of the covered employee's salary. The interest rate payable by the Trust to the beneficiaries is being notified by the Government every year. The Parent obtains an independent actuarial valuation of the Interest Guarantees as at the Balance Sheet date and provides for the shortfall, if any, in the present value of obligation of interest over the fair value of the surplus in the Fund.

The Group also operates defined contribution retirement benefit plans under various jurisdictions for all qualifying employees. The assets of the plans are held separately from those of respective companies under the control of trustees/Government organisations. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the respective companies in the Group are reduced by the amount of forfeited contributions.

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See note 3B(m) for the other accounting policies for employee benefit obligations.

j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price for each separate performance obligation taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The transaction price is net of estimated customer returns, rebates and other similar allowances. No significant element of financing is deemed present as the sales are made with a credit term predominantly ranging from 30 to 90 days, which is consistent with the market price.

The specific recognition criteria described below must also be met before revenue is recognised.

<u>Sale of goods</u>

Revenue from the sale of goods is recognized at a point in time when the control of the products has transferred which generally coincides with dispatch of products to customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

<u>Rendering of services</u>

Revenue from divisible service contracts

i. service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and

ii. the revenue relating to supplies are measured in line with policy set out under sale of goods above.

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (i) above.

k) Other income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised and accrued using effective interest rate method.

Rental income is recognised on a straight-line basis in accordance with the agreement.

l) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

The Business Group Management Committee headed by the Managing Director (CODM) and consisting of Chief Financial Officer, Leaders of Strategic Business Units, Human Resources and Company Secretary have identified the reportable segment and its reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed. The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

- Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.
- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis, have been included under "Un-allocated Corporate expenses".

m) Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

n) Put and Call options over non-controlling interest shares.

If a put option is held by a non-controlling interest ('NCI') in a subsidiary undertaking, whereby the holder of the put option can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, the Group carefully examines the nature of such a put option. The Group assesses whether or not the NCI continues to have a present ownership interest in the shares subject to the put option. Present ownership interest can be evidenced by NCI continuing to have a right to the receipt of dividends or benefitting from increases in net assets while holding a voting entitlement to the shares subject to the put option. If it is deemed that the put option holders continue to have a present ownership interest, the Group applies the partial recognition of NCI method as follows:

a. the Group continues to recognise the amount that would have been recognised for the non-controlling interest, including an update to reflect its share of profit and losses, dividends and other changes;

b. the Group recognises a financial liability in accordance with Ind AS 32 being the estimate of the fair value of the consideration to acquire the NCI shares that are subject to the put option and records this in a separate reserve in equity; and

c. changes in the fair value of the financial liability are reflected in equity as a movement in the put liability reserve.

If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the put option exercise. If the put option expires unexercised, the financial liability is derecognised with a corresponding credit to equity.

If the non-controlling interest does not have present ownership rights from the put option, then the transaction is accounted for as if the Group had acquired the NCI at the date of entering into the put option.

If the Group has a call option over the shares held by a NCI in a subsidiary undertaking, where the Group can require the NCI to sell its shareholding in the subsidiary at a future date, the option is classified as a derivative and is recognised as a financial instrument on inception with fair value movements recognised in the income statement.

o) Impairment of tangible and intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

p) Exceptional items

Exceptional items are those which in the management's judgement are material items that derive from events or transactions falling within the ordinary activities of the Group but are not expected to be recurring. The nature and amount of exceptional items are relevant to the users of the financial statements in understanding the financial position or performance of the Group. The same is presented separately in the statement of profit and loss (pre-tax) and balance sheet as applicable.

3B. Summary of other accounting policies

a. Property, plant, and equipment

Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the Management.

Subsequent costs related to an item of property, plant and equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets.' Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition is recognised in the Statement of Profit and Loss.

The depreciation charge for each year is recognised in the Statement of Profit and Loss. The useful life and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

b. Intangible assets

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the

Notes forming part of the Consolidated Financial Statements

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asset and recognised as income or expense in the Statement of Profit and Loss.

An intangible asset is derecognised at disposal, or when no future economic benefits are expected from use or disposal.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

c. Inventories

Inventories are stated at lower of cost and net realisable value. Cost includes freight, taxes, and duties net of non-refundable taxes credit wherever applicable. Cost of work in progress and finished goods comprises of purchase price, non- refundable taxes, labour and applicable manufacturing overheads. Cost of inventory also includes all other costs incurred to bring the inventory to the present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written down for obsolete/ slow moving/ non-moving items, wherever necessary.

d. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provision of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

e. Financial assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Those measured subsequently at fair value through other comprehensive income (in case of investments in equity instruments) and through profit or loss (in case of investments in mutual funds); and
- Those measured at amortised cost.

The classification is based on the Group business model for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

Investment in equity instruments at Fair value through Other Comprehensive Income [FVTOCI]

On initial recognition, the Group can make an irrevocable election (on an instrument- by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity investment is held for trading.

These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gain and loss arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instrument through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term.
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Group has equity instrument in two entities (March 31, 2023 - three entities), which are not held for trading. The Group has elected the FVTOCI irrevocable option for both of these investments (Refer Note: 6C). Fair value is determined in the manner described in Note: 36.

Dividend on these investments are recognised in profit or loss when the Group right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, which does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividend recognised in profit and loss is included in 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gain or loss on them on different bases. The Group has not designated any such debt instrument as at FVTPL.

Financial asset at FVTPL is measured at fair value at the end of each reporting period, with gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporate any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial asset at FVTPL is recognised when the Group right to receive the dividends is established. It is probable that the economic benefits associated with the dividend will flow to the entity which does not represent a recovery of part of cost of the investment and the amount can be measured reliably.

Impairment of financial assets

The Group applied the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivable, trade receivable, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayments, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instruments at an amount equal to 12 month expected credit losses. The 12 months expected credit losses are a portion of the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash short falls that are predicted over 12 months.

If the Group measured loss allowance for the financial instruments at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to

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debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the Balance Sheet.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains subsequently all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carried over amount of financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

Foreign exchange gain and loss

The fair value of financial assets denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For Foreign currency denominated financial asset measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gain and loss, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial asset are recognised in other comprehensive income.

f. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument.

Equity instruments

An equity instrument is a contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest methods or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- the financial liability forms part of a group of financial asset or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not held for trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effect of changes in credit risk are recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gain or loss on financial guarantee contract and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss is recognised in profit or loss. Fair value is determined in the manner described in Note: 36.

<u>Financial liabilities subsequently measured at amortised cost.</u>

Financial liabilities are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expenses that are not capitalised as part of cost of an asset is included in the 'Finance cost' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

<u>Financial guarantee contracts</u>

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group are initially measured at their fair value and, if not designated as at FVTPL, are subsequently measured at a higher of:

- the amount of loss allowance determined in accordance with impairment requirement of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

<u>Foreign exchange gain and loss</u>

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gain and loss are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial assets denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gain or loss and is recognised in profit or loss.

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De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or have expired. An exchange between lenders of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

g. Other operating revenue

Export Incentives

Incentives on exports are recognised in books after consideration of certainty of utilisation/receipt of such incentives.

Government Grants

Government grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related cost for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct, or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Export benefits on account of entitlement to import goods free of duty under 'Exports Benefit Scheme' are accounted based on eligibility and when there is no uncertainty in receiving the same.

h. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

(i) Fixed payments (including in-substance fixed payments), less any lease incentives receivable

(ii) Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

(iii) Amounts expected to be payable by the Group under residual value guarantees

(iv) The exercise price of a purchase option if the Group is reasonably certain to exercise that option,

(v) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

(i) The amount of the initial measurement of lease liability

(ii) Any lease payments made at or before the commencement date less any lease incentives received

(iii) Any initial direct costs and

(iv) Restoration costs

i. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period agreed with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

j. Contributed equity.

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

k. Foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognised in the Statement of Profit and Loss.

Foreign currency monetary items (other than derivative contracts) of the respective Companies, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the respective Companies are carried at historical cost.

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the respective Companies are recognised as income or expense in the Statement of Profit and Loss.

l. Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents for the purpose of presentation in the Cash Flow Statement comprises cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

m. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The same has been presented as trade payables in the balance sheet.

Other long-term employee benefit obligations

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The Group does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore certain amount of provision has been presented as current and remaining as non-current.

Post employment obligations

Gratuity applicable to the Parent and domestic subsidiaries

The liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period as reduced by the fair value of the plan assets.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gain and loss, the effect of the changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2024

- Net interest expense or income;
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefit expense'. Curtailment gain and loss are accounted for as past service costs.

A liability for a termination benefit is recognised when the entity can no longer withdraw the offer of the termination benefit as per the relevant scheme.

Voluntary retirement compensation

Compensation to employees who have retired under voluntary retirement scheme is charged off to revenue.

n. Share based payment arrangements.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in Note: 37 of standalone financial statements.

The fair value determined at the grant date of the equity-settled-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share options outstanding account.

o. Taxes on Income

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years (Temporary differences) and items that are never taxable or deductible (Permanent differences). The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

p. Provision and contingent liabilities

Provisions

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

Contingent liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognised as contingent liability.

q. Research and Development

All revenue expenditure related to research and developments are charged to the respective heads on the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

r. Earnings Per Share

Basic earnings per share are computed by dividing the profit/(loss) after tax by the weighted average number of parent equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential parent equity shares, by the weighted average number of parent equity shares considered for deriving basic earnings per share and the parent weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

s. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

t. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- Fair values of the assets transferred.
- liabilities incurred to the former owners of the acquired business.
- equity interests issued by the group.
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2024

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred.
- amount of any non-controlling interest in the acquired entity.
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

u. Associates and Joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of Profit and Loss.

v. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date on which control ceases to exist.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, consolidated statement of changes in equity and Balance Sheet respectively.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

w. Foreign currency translation

The consolidated financial statements are presented in Indian Rupee, which is the Parent's functional and presentation currency and includes the financial position and results in respect of foreign operations, initially measured using the currency of the primary economic environment in which the entity operates (i.e. their functional currency) and translated as follows:

- Assets and liabilities are translated at the closing rate at the date of that Balance Sheet;
- Income and expenses are translated at average exchange rates;
- All resulting exchange differences are recognised in other comprehensive income;

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

4A. Property, plant and equipment

Particulars	As at	
	31.03.2024	31.03.2023
Carrying amounts :		
Freehold land	804.54	797.84
Buildings	3020.32	3080.66
Leasehold Improvement	39.16	45.26
Plant and equipment	5745.99	5407.54
Furniture and fittings	397.93	379.83
Vehicles	166.08	164.60
	10174.02	**9875.73**

Cost	Freehold land	Buildings (a)	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2022	**354.30**	**2964.29**	**18.11**	**9387.48**	**130.56**	**211.08**	**13065.82**
Acquisition through Business Combination	27.21	240.72	-	977.08	371.18	19.51	1635.70
Additions **(b)**	408.06	605.06	32.30	1562.25	29.87	64.92	2702.46
Disposals	-	(6.45)	-	(127.60)	(7.39)	(19.94)	(161.38)
Translation differences	8.27	108.17	-	255.41	26.50	6.39	404.74
Balance at March 31, 2023	**797.84**	**3911.79**	**50.41**	**12054.62**	**550.72**	**281.96**	**17647.34**
Additions **(b)**	6.89	226.75	0.43	1669.41	119.83	61.68	2084.99
Disposals	-	(3.64)	-	(185.47)	(4.89)	(28.04)	(222.04)
Translation differences	(0.19)	(123.33)	-	(391.67)	6.50	(13.55)	(522.24)
Balance at March 31, 2024	**804.54**	**4011.57**	**50.84**	**13146.89**	**672.16**	**302.05**	**18988.05**

Accumulated depreciation and impairment	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2022	**-**	**641.01**	**0.44**	**5446.85**	**85.77**	**85.27**	**6259.34**
Depreciation expense	-	178.61	4.71	1194.71	86.19	38.53	1502.75
Eliminated on disposals	-	(1.07)	-	(110.87)	(6.15)	(9.08)	(127.17)
Translation differences	-	12.58	-	116.39	5.08	2.64	136.69
Balance at March 31, 2023	**-**	**831.13**	**5.15**	**6647.08**	**170.89**	**117.36**	**7771.61**
Depreciation expense	-	190.29	6.53	1153.73	105.66	40.22	1496.43
Eliminated on disposals	-	(1.49)	-	(165.18)	(4.36)	(13.11)	(184.14)
Translation differences	-	(28.68)	-	(234.73)	2.04	(8.50)	(269.87)
Balance at March 31, 2024	**-**	**991.25**	**11.68**	**7400.90**	**274.23**	**135.97**	**8814.03**

Carrying amounts	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2022	**354.30**	**2323.28**	**17.67**	**3940.63**	**44.79**	**125.81**	**6806.48**
Acquisition through Business Combination	27.21	240.72	-	977.08	371.18	19.51	1635.70
Additions	408.06	605.06	32.30	1562.25	29.87	64.92	2702.46
Depreciation expense	-	(178.61)	(4.71)	(1194.71)	(86.19)	(38.53)	(1502.75)
Disposals (net)	-	(5.38)	-	(16.73)	(1.24)	(10.86)	(34.21)
Translation differences	8.27	95.59	-	139.02	21.42	3.75	268.05
Balance at March 31, 2023	**797.84**	**3080.66**	**45.26**	**5407.54**	**379.83**	**164.60**	**9875.73**

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Carrying amounts	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Additions	6.89	226.75	0.43	1669.41	119.83	61.68	2084.99
Depreciation expense	-	(190.29)	(6.53)	(1153.73)	(105.66)	(40.22)	(1496.43)
Disposals (net)	-	(2.15)	-	(20.29)	(0.53)	(14.93)	(37.90)
Translation differences	(0.19)	(94.65)	-	(156.94)	4.46	(5.05)	(252.37)
Balance at March 31, 2024	**804.54**	**3020.32**	**39.16**	**5745.99**	**397.93**	**166.08**	**10174.02**

(a) Includes ₹1103.56 million(Previous year: ₹1057.77 million) being cost of building on leasehold land.

(b) Includes Research and Development capital expenditure of ₹18.10 million (Previous year: ₹75.54 million) - Refer Note : 38(b) on Research & Development expenditure.

(c) Capitalised borrowing cost:

Borrowing costs capitalised on property, plant and equipment during the year - ₹ Nil million(Previous year: ₹7.61).

(d) Assets pledged as security:

(1) Immovable properties of the Parent carry pari-passu charge in favour of the consortium of bankers as security for banking facilities availed.

(2) Plant & Machinery, Factory building relating to a domestic subsidiary carry a charge in favour of a banker as security for the Term Loan availed and also collateral security on exclusive charge on factory land. Further cash credit of that domestic subsidiary secured by a charge on all movable assets of the subsidiary excluding vehicles.

(e) Contractual obligations:

Refer Note: 34B for disclosure of Contractual commitments for acquisition of property, plant and equipment.

4B. Leases

i) Amount recognised in balance sheet

Particulars	As at	
	31.03.2024	31.03.2023
Right of use Assets		
Land	128.16	127.28
Building	391.27	317.40
Plant and equipment	7.84	10.43
Furniture & Fixtures	10.40	-
Vehicles	143.71	118.63
	681.38	**573.74**
Lease liabilities		
Non Current	510.58	386.75
Current	81.14	84.81
	591.72	**471.56**

Cost	Land	Building	Plant and equipment	Furniture & Fixtures	Vehicles	Total
Balance at March 31, 2022	**138.21**	**376.00**	**2.20**	**-**	**-**	**516.41**
Acquisition through Business Combination	-	16.54	-	-	135.88	152.42
Additions	-	102.17	10.70	-	-	112.87
Disposals	-	(1.75)	-	-	-	(1.75)
Translation differences	-	10.03	(0.95)	-	9.15	18.23
Balance at March 31, 2023	**138.21**	**502.99**	**11.95**	**-**	**145.03**	**798.18**
Additions	3.74	182.31	1.00	13.56	39.12	239.73

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Cost	Land	Building	Plant and equipment	Furniture & Fixtures	Vehicles	Total
Disposals	-	(19.02)	-	-	-	(19.02)
Translation differences	(0.09)	0.01	(1.45)	0.10	2.30	0.87
Balance at March 31, 2024	**141.86**	**666.29**	**11.50**	**13.66**	**186.45**	**1019.76**

Accumulated depreciation and impairment	Land	Building	Plant and equipment	Furniture & Fixtures	Vehicles	Total
Balance at March 31, 2022	**8.20**	**113.04**	**0.12**	**-**	**-**	**121.36**
Depreciation expense	2.73	68.08	1.59	-	24.72	97.12
Disposals	-	(0.32)	-	-		(0.32)
Translation differences	-	4.79	(0.19)	-	1.68	6.28
Balance at March 31, 2023	**10.93**	**185.59**	**1.52**	**-**	**26.40**	**224.44**
Depreciation expense	2.77	107.87	2.39	3.24	15.86	132.13
Disposals	-	(18.88)	-	-	-	(18.88)
Translation differences	-	0.44	(0.25)	0.02	0.48	0.69
Balance at March 31, 2024	**13.70**	**275.02**	**3.66**	**3.26**	**42.74**	**338.38**

Carrying amount	Land	Building	Plant and equipment	Furniture & Fixtures	Vehicles	Total
Balance at March 31, 2022	**130.01**	**262.96**	**2.08**	**-**	**-**	**395.05**
Acquisition through Business Combination	-	16.54	-	-	135.88	152.42
Additions	-	102.17	10.70	-	-	112.87
Depreciation expense	(2.73)	(68.08)	(1.59)	-	(24.72)	(97.12)
Disposals(net)	-	(1.43)	-	-	-	(1.43)
Translation differences	-	5.24	(0.76)	-	7.47	11.95
Balance at March 31, 2023	**127.28**	**317.40**	**10.43**	**-**	**118.63**	**573.74**
Additions	3.74	182.31	1.00	13.56	39.12	239.73
Depreciation expense	(2.77)	(107.87)	(2.39)	(3.24)	(15.86)	(132.13)
Disposals(net)	-	(0.14)	-	-	-	(0.14)
Translation differences	(0.09)	(0.43)	(1.20)	0.08	1.82	0.18
Balance at March 31, 2024	**128.16**	**391.27**	**7.84**	**10.40**	**143.71**	**681.38**

ii) Amount recognised in profit and loss

Particulars	For the year	
	2023-24	2022-23
Depreciation charge of right of use assets - Refer Note : 27		
Land	2.77	2.73
Building	107.87	68.08
Plant and equipment	2.39	1.59
Furniture & Fixtures	3.24	-
Vehicles	15.86	24.72
	132.13	**97.12**
Interest expenses (included in Finance cost) - Refer Note: 26	34.14	30.59
Expenses related to Short term leases(included in Rent : Other expenses) - Refer Note: 28	123.45	124.16

a) Addition to the right of use assets during the year: ₹239.73 million(Previous year : ₹112.87 million) and acquired through business combination during the year:₹Nil(Previous year :₹152.42 million)

b) The total cash outflow for leases for the year: ₹164.33 million(Previous year :₹82.67 million)

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

c) Extension and termination options

Extension and termination options are included in the above leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

d) To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

e) The Group has not incurred any expenses relating to low-value assets during the current year. There are no expenses relating to variable lease payments.

f) The Group leases land, offices, warehouses, furniture, fittings, equipment and vehicles. Lease contracts in respect of land are typically made for periods of upto 99 years and in respect of others for period upto 5 years.

4C: Capital work-in-progress:

Particulars	As at	
	31.03.2024	31.03.2023
Capital work-in-progress	781.00	874.68

Capital work-in-progress movement	Total
Balance at March 31, 2022	**577.00**
Addition during the year - (a)	3000.14
Capitalised during the year	(2702.46)
Balance at March 31, 2023	**874.68**
Addition during the year - (a)	1991.31
Capitalised during the year	(2084.99)
Balance at March 31, 2024	**781.00**

Addition includes exchange translation impact

(a) Includes Research and Development capital expenditure of ₹5.59 million (Previous year: ₹4.25 million) - Refer Note : 38(b) on Research & Development expenditure.

(b) Capitalised borrowing cost:

Borrowing costs capitalised on Capital work-in-progress during the year - ₹Nil (Previous year- ₹0.16 million).

(c) Ageing of Capital work-in-progress:

As at March 31, 2024

Particulars	Amount of CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	632.48	104.99	38.09	5.44	781.00
Projects temporarily suspended	-	-	-	-	

As at March 31, 2023

Particulars	Amount of CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	621.94	142.93	51.54	54.86	871.27
Projects temporarily suspended	-	-	0.37	3.04	3.41

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

(d) The expected completion of amounts lying in capital work-in-progress which are delayed is as below:

As at March 31, 2024

Particulars	Amount of Capital work-in-progress to be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Growth Projects	23.75	-	-	-	23.75
Total	**23.75**	**-**	**-**	**-**	**23.75**

There are no delay in completion of amounts lying in Capital work-in-progress as at 31st March 2023.

e) There are no reportable cost over-run project for the year ended March 31, 2024 & March 31, 2023.

5A. Goodwill

Particulars	As at	
	31.03.2024	31.03.2023
Cost	2511.73	2481.17
Accumulated impairment losses	(37.34)	(37.34)
	2474.39	**2443.83**
Balance at beginning of the year	2443.83	1581.25
Add : Goodwill on acquisition of Rhodius	-	703.63
Add : Exchange difference during the year on translation of goodwill of foreign subsidiaries	30.56	158.95
	2474.39	**2443.83**

Total carrying amount of recoverable goodwill is based upon value in use and not based on fair value less cost of disposal.

The carrying amount of goodwill as at the year ended March 31, 2024 majorly comprise of goodwill initially recognised at the time of acquisition of Volzhsky Abrasive Works [VAW], PLUSS Advanced Technologies Limited [PLUSS] and Rhodius Abrasives GmbH [RHODIUS] and the balance relate to the goodwill recognised on acquisition of other subsidiaries.

(i) Goodwill recognised at the time of acquisition of Volzhsky Abrasive Works [VAW]

The goodwill recognised at the time of acquisition of VAW represents the significant portion of the total goodwill carried by the Group. This arose when VAW was acquired by the Group through its wholly owned subsidiary in FY 2007-08. The value in use is arrived at by discounting the cash flow projections using the financial budgets covering a period of five years, approved by the Parent's management and extrapolating it beyond five years using a growth rate of 2% p.a. This growth rate does not exceed the long term average growth rate.The cash flows have been discounted using a pre-tax rate of 25.68% p.a. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

Volzhsky Abrasive Works [VAW], a step-down subsidiary of the Parent domiciled in Russia, is engaged in the manufacture of Abrasive, Electromineral and Ceramic products. The carrying amount of total assets as at March 31, 2024 amounts to ₹8908.07 million as considered within the Consolidated financial statements (including goodwill amounting to ₹1441.63 million), which represents 21.46% of the total assets of the Group.

The current difficult international situation has created an uncertain environment for the operations of VAW including those arising from international sanctions and territory embargoes. The Parent has made a detailed assessment of the liquidity position of VAW for the next financial year including its ability to continue as a going concern and has also comprehensively assessed the recoverability and carrying values of its assets comprising of property, plant and equipment, trade receivables, inventory, other current assets, other assets and liabilities/obligations as at balance sheet date including the related goodwill at CUMI International Limited and has concluded that no adjustments are required in these financial statements considering the following:

- Neither VAW nor its products are covered under the existing sanctions imposed by various territories/ authorities.

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

- VAW has no debt and has sufficient liquidity to sustain its operations and there are no external financing requirements in the immediate future.
- Sufficient levels of inventory exist for VAW to be able to continue to operate/ manufacture and service customer orders in the immediate future. Further, practically all of the raw materials are sourced locally and no adverse impact of conflict is noted on the ability of VAW to source products locally.
- A significant portion of the sales are to customers located within Russia. Further, there is a continued demand for the products and the step down subsidiary has actively engaged with customers and has taken appropriate measures to address supply chain constraints.

The impact assessment is a continuing process, given the evolving nature of uncertainties associated, the management will continue to monitor all material changes to the internal and external environment.

(ii) Goodwill recognised at the time of acquisition of PLUSS Advanced Technologies Limited [PLUSS]

The value in use is arrived at by discounting the cash flow projections using the financial budgets covering a period of five years, approved by the Board of directors of PLUSS and extrapolating it beyond five years using a growth rate of 4% p.a. This growth rate does not exceed the long term average growth rate.The cash flows have been discounted using a pre-tax rate of 19.79% p.a. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount. Carrying amount of Goodwill as on March 31, 2024 : ₹231.80 million.

(iii) Goodwill recognised at the time of acquisition of Rhodius Abrasives GmbH [RHODIUS]

The value in use is arrived at by discounting the cash flow projections using the financial budgets covering a period of five years, approved by the Board of directors of RHODIUS and extrapolating it beyond five years using a growth rate of 2% p.a. The cash flows have been discounted using a pre-tax rate of 12.63% p.a. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount. Carrying amount of Goodwill as on March 31, 2024 : ₹761.53 million.

(iv) Goodwill recognised at the time of acquisition of other entities

This represents the goodwill recognised on the acquisition of other subsidiaries viz., CUMI Awuko Abrasives GmbH, Sterling Abrasives Limited, Southern Energy Development Corporation Limited and CUMI (Australia) Pty Limited. The aggregate values of the same are not significant. The Group believes that the carrying amount of the goodwill is recoverable.

5B. Other Intangible assets

Particulars	As at	
	31.03.2024	31.03.2023
Carrying amounts		
Software	100.65	91.77
Copyrights, Patents And Intellectual Property	1490.86	1603.18
Customer Relationship	596.74	642.62
Non-compete	17.65	24.71
Technical know-how	14.62	11.83
Total	**2220.52**	**2374.11**

Cost	Software	Copyrights, Patents And Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2022	**155.00**	**1168.45**	**55.50**	**35.30**	**144.30**	**1558.55**
Acquisition through Business Combination	8.06	603.00	606.09	-	-	1217.15
Additions **(a)**	49.09	17.05	7.28	-	0.60	74.02
Disposals	(0.24)	(2.50)	-	-	(2.54)	(5.28)
Translation differences	1.78	44.97	41.32	-	0.15	88.22

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Cost	Software	Copyrights, Patents And Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2023	**213.69**	**1830.97**	**710.19**	**35.30**	**142.51**	**2932.66**
Additions **(a)**	48.87	52.18	0.49	-	7.21	108.75
Disposals	(1.28)	(0.63)	-	-	-	(1.91)
Translation differences	(0.08)	10.35	9.16	-	(0.16)	19.27
Balance at March 31, 2024	**261.20**	**1892.87**	**719.84**	**35.30**	**149.56**	**3058.77**

Accumulated amortisation and impairment	Software	Copyrights, Patents And Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2022	**88.02**	**53.57**	**5.55**	**3.53**	**129.33**	**280.00**
Amortisation expense	33.32	170.46	58.81	7.06	3.84	273.49
Disposals	(0.04)	-	-	-	(2.54)	(2.58)
Translation differences	0.62	3.76	3.21	-	0.05	7.64
Balance at March 31, 2023	**121.92**	**227.79**	**67.57**	**10.59**	**130.68**	**558.55**
Amortisation expense	39.71	173.25	54.55	7.06	4.32	278.89
Disposals	(1.21)	(0.27)	-	-	-	(1.48)
Translation differences	0.13	1.24	0.98	-	(0.06)	2.29
Balance at March 31, 2024	**160.55**	**402.01**	**123.10**	**17.65**	**134.94**	**838.25**

Carrying amounts	Software	Copyrights, Patents And Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2022	**66.98**	**1114.88**	**49.95**	**31.77**	**14.97**	**1278.55**
Additions	49.09	17.05	7.28	-	0.60	74.02
Acquisition through Business Combination	8.06	603.00	606.09	-	-	1217.15
Amortisation expense	(33.32)	(170.46)	(58.81)	(7.06)	(3.84)	(273.49)
Disposals (net)	(0.20)	(2.50)	-	-	-	(2.70)
Translation differences	1.16	41.21	38.11	-	0.10	80.58
Balance at March 31, 2023	**91.77**	**1603.18**	**642.62**	**24.71**	**11.83**	**2374.11**
Additions	48.87	52.18	0.49	-	7.21	108.75
Amortisation expense	(39.71)	(173.25)	(54.55)	(7.06)	(4.32)	(278.89)
Disposals (net)	(0.07)	(0.36)	-	-	-	(0.43)
Translation differences	(0.21)	9.11	8.18	-	(0.10)	16.98
Balance at March 31, 2024	**100.65**	**1490.86**	**596.74**	**17.65**	**14.62**	**2220.52**

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

(a) Includes Research & Development capital expenditure of ₹0.10 million (Previous year: ₹0.16 million) - Refer Note : 38(b) on Research & Development expenditure

(b) Internally generated intangible assets - Nil.

5C. Intangible assets under development

Particulars	As at	
	31.03.2024	31.03.2023
Software	59.68	-

As at March 31, 2024

Particulars	Amount of Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	59.68	-	-	-	59.68
Projects temporarily suspended	-	-	-	-	-

6A. Investments in Associate

Particulars	As at			
	31.03.2024		31.03.2023	
	No. of shares	Amount	No. of shares	Amount
Wendt (India) Ltd. [WENDT]	750000	795.40	750000	707.65
Total Carrying value	**750000**	**795.40**	**750000**	**707.65**
Book value of Quoted Investment		795.40		707.65
Market value of Quoted Investment		8425.35		6381.53

Name of the Associate	Nature of business	Place of incorporation and principal place of business	Proportion of ownership's interest/ voting rights held by the Group	
			As at	
			31.03.2024	31.03.2023
Wendt (India) Ltd.	Super abrasives	India	37.50%	37.50%

The Group has consolidated the above Associate using equity method.

Principal activities of the business: A leading manufacturer of Super Abrasives (Diamond and Cubic Boron Nitride), Special purpose Grinding machine and tools, offering functionally superior products and services for grinding and machining "Hard - To - process Materials".

Pursuant to shareholders' agreement, the Parent has the right to cast 37.50% (Previous year : 37.50%) of the votes at shareholders' meeting of Wendt (India) Ltd. The investment in this entity, is treated as an Associate, since in addition to the co-venturer (who holds similar stake as CUMI), general public also holds the remaining portion of shares. Hence the Group has not treated this investment as Joint venture investment.

Summarised financial information of Associate

The summarised financial information given below represents amount shown in the Associate's consolidated financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

Wendt (India) Ltd.	As at	
Particulars	31.03.2024	31.03.2023
Non-current assets	692.18	603.58
Current assets	1865.32	1682.41
Non-current liabilities	(15.10)	(16.73)
Current liabilities	(421.33)	(382.19)

Notes forming part of the Consolidated Financial Statements

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Particulars	For the year	
	2023-24	2022-23
Revenue	2268.27	2102.36
Profit for the year	409.52	400.88
Other Comprehensive Income	(15.55)	16.63
Total Comprehensive Income	393.97	417.51
Dividend received from WENDT	60.00	56.25

Reconciliation of the above summarised financial information to the carrying amount of the interest in Wendt (India) Ltd. recognised in consolidated financial statements is given below:

Particulars	As at	
	31.03.2024	31.03.2023
Net assets of WENDT	2121.07	1887.07
Proportion of the Group's ownership interest in WENDT	37.50%	37.50%
Carrying amount of the Group's interest in WENDT	795.40	707.65

Fair value of the Group's interest in Wendt (India) Ltd., which is listed in the Stock exchange of India as on 31st March 2024 was ₹8425.35 million (as at March 31, 2023 ₹6381.53 million)

Particulars	As at	
	31.03.2024	31.03.2023
I. Contingent liabilities: Wendt (India) Ltd.		
a. Directly incurred by the Group	-	-
b. Share of the Group which have been incurred with other investors	-	-
c. Group's share in relation to its interest in Associate	-	-

6B. Investments in Joint Ventures

Name of the Joint Ventures	As at			
	31.03.2024		31.03.2023	
	No. of shares	Amount	No. of shares	Amount
Unquoted Investment - Equity shares				
Murugappa Morgan Thermal Ceramics Limited [MMTCL]	1430793	721.11	1430793	578.50
Ciria India Limited [CIRIA]	59998	110.66	59998	150.96
Total Carrying value		**831.77**		**729.46**
Aggregate value of unquoted investments		831.77		729.46

Details of the Group's Joint Ventures at the end of the reporting period are as follows.

Name of the Joint Ventures	Nature of business	Place of incorporation and principal place of business	Proportion of ownership's interest/voting rights held by the Group	
			31.03.2024	31.03.2023
Murugappa Morgan Thermal Ceramics Ltd.	Ceramics	India	49%	49%
Ciria India Ltd.	Ceramics	India	30%	30%

Nature of Business:

a) MMTCL : Manufacture of complete range of ceramics fiber products.

b) CIRIA : Providing refractory engineering solutions and supply of refractory materials.

The Group has entered into Joint venture agreements with the co-venturer and hence the investment in the above entities are treated as Joint Venture. Both the venturers have joint control on the entities. Accordingly, the Group has consolidated the above Joint Ventures using equity method.

Notes forming part of the Consolidated Financial Statements

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Summarised financial information of Joint Ventures:

The summarised financial information below represents the amount shown in the Joint Venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

Murugappa Morgan Thermal Ceramics Ltd.

Particulars	As at	
	31.03.2024	31.03.2023
Non-current assets	711.43	599.89
Current assets	1121.43	981.16
Non-current liabilities	-	-
Current liabilities	(361.18)	(400.43)

The above amount of assets and liabilities includes the following:

Particulars	As at	
	31.03.2024	31.03.2023
Cash and cash equivalents	159.69	56.41
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

Particulars	For the year	
	2023-24	2022-23
Revenue	2244.11	1999.58
Profit for the year	436.95	312.34
Other Comprehensive Income	(0.30)	(5.15)
Total Comprehensive Income	436.65	307.19
Dividend received from MMTCL	71.54	42.92
The above profit for the year includes the following:		
Depreciation and amortisation	82.95	76.35
Interest income	1.52	1.30
Interest expense	-	-
Income tax expense	147.73	104.87

Reconciliation of the above summarised financial information to the carrying amount of the interest in Murugappa Morgan Thermal Ceramics Limited recognised in the consolidated financial statements is given below:

Particulars	As at	
	31.03.2024	31.03.2023
Net assets of MMTCL	1471.68	1180.62
Proportion of the Group's ownership interest in MMTCL	49%	49%
Carrying amount of the Group's interest in MMTCL	721.11	578.50

Ciria India Ltd.

Particulars	As at	
	31.03.2024	31.03.2023
Non-current assets	57.43	79.65
Current assets	566.87	626.54
Non-current liabilities	(16.44)	(14.31)
Current liabilities	(239.01)	(188.70)

Notes forming part of the Consolidated Financial Statements

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The above amount of assets and liabilities includes the following :

Particulars	As at	
	31.03.2024	31.03.2023
Cash and cash equivalents	83.64	72.63
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

Particulars	For the year	
	2023-24	2022-23
Revenue	1140.60	1200.43
Profit for the year	236.33	231.43
Other Comprehensive Income	(0.66)	(0.10)
Total Comprehensive Income	235.67	231.33
Dividend received from CIRIA	111.00	30.00
The above profit for the year includes the following:		
Depreciation and amortisation	7.37	7.04
Interest income	0.61	1.67
Interest expense	0.00	0.02
Income tax expense	87.41	83.71

Reconciliation of the above summarised financial information to the carrying amount of the interest in Ciria India Limited recognised in the consolidated financial statements is given below:

Particulars	As at	
	31.03.2024	31.03.2023
Net assets of CIRIA	368.85	503.18
Proportion of the Group's ownership interest in CIRIA	30.00%	30.00%
Carrying amount of the Group's interest in CIRIA	110.66	150.96

Unrecognised share of losses of Joint Ventures: MMTCL & CIRIA

Particulars	For the year	
	2023-24	2022-23
The unrecognised share of loss on Joint Ventures for the year	-	-
Cumulative unrecognised share of loss of Joint Ventures	-	-

Significant restriction

The Joint ventures : Murugappa Morgan Thermal Ceramics Limited and Ciria India Limited, cannot distribute its profits until it obtains the consent from both the venturers.

Particulars	As at 31.03.2024		As at 31.03.2023	
	MMTCL	CIRIA	MMTCL	CIRIA
I. Contingent liabilities				
a. Directly incurred by the Group	-	-	-	-
b. Share of the Group which have been incurred along with other investors	-	-	-	-
c. Group’s share in relation to its interest in Joint venture	-	0.65	1.42	1.63

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Particulars	As at 31.03.2024		As at 31.03.2023	
	MMTCL	CIRIA	MMTCL	CIRIA
II. Commitments - Capital				
a. Directly incurred by the Group	-	-	-	-
b. Share of the Group which have been incurred along with other investors	-	-	-	-
c. Group's share in relation to its interest in Joint venture	17.71	-	27.12	-

6C. Other Investments

Particulars	As at	
	31.03.2024	31.03.2023
Non-current		
(a) Investment in Equity instruments at FVTOCI		
Quoted		
Coromandel Engineering Company Limited (a)	-	88.25
Unquoted		
(i) Murugappa Management Services Private limited	11.30	11.30
(ii) Murugappa Water Technology And Solutions Private Limited	62.80	62.80
(b) Investments in Equity Instruments & Others at FVTPL		
(i) Quoted	13.85	12.26
(ii) Unquoted	0.56	0.56
Total (a+b)	**88.51**	**175.17**
Aggregate book value of quoted investments	13.85	100.51
Aggregate market value of quoted investments	13.85	100.51
Aggregate carrying value of unquoted investments	74.66	74.66
Aggregate amount of impairment in value of investments	-	-

(a) During the current year, the Parent had executed a share purchase agreement for the disposal of its investment in Coromandel Engineering Company Limited. Pursuant to the agreement, the investment has been disposed for an aggregate consideration of INR 41.08 million.

Category wise other investments - as per Ind AS 109	As at	
	31.03.2024	31.03.2023
Financial asset measured at FVTPL - Equity instruments & Others	14.41	12.82
Financial asset measured at FVTOCI - Equity instruments	74.10	162.35
	88.51	**175.17**

7. Other financial assets

Particulars	As at	
	31.03.2024	31.03.2023
A. Non-current		
Bank deposit with remaining maturity more than 12 months.	-	3.56
Margin money deposit	0.12	3.50
Security deposit	206.54	185.80
	206.66	**192.86**

Notes forming part of the Consolidated Financial Statements

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Particulars	As at	
	31.03.2024	31.03.2023
B. Current		
Deposits	5.52	3.75
Derivative financial Instruments	-	1.81
Contract assets	36.22	28.32
Other receivables		
Considered good	82.35	50.97
Considered doubtful	0.06	0.59
Less: Allowance for doubtful receivables	(0.06)	(0.59)
	124.09	**84.85**

8. Income tax

Particulars	As at	
	31.03.2024	31.03.2023
A. Deferred tax assets (net)	1105.60	762.15
B. Deferred tax liabilities (net)	608.38	525.17

Particulars	2023-24				
	Balance as at 31.03.2023	Recognised in Profit or Loss	Recognised in OCI	Translation adjustment	Balance as at 31.03.2024
A. Deferred tax assets					
Allowance for doubtful receivables and advances	129.50	23.26	-	(14.91)	137.85
Voluntary retirement scheme payments	0.20	(0.02)	-	-	0.18
Expenses allowed on payment/realisation basis	64.89	19.47	22.61	(0.04)	106.93
Temporary difference attributable to Property,plant and equipments	91.63	24.83	-	(3.32)	113.14
Tax losses including unabsorbed depreciation	553.69	193.27	-	(2.06)	744.90
Tax on unrealised profit on stock	71.11	46.95	-	-	118.06
Others deferred tax assets	66.26	82.83	(1.09)	(5.28)	142.72
Total	**977.28**	**390.59**	**21.52**	**(25.61)**	**1363.78**
B. Deferred tax liabilities					
Fair value adjustment arising on Business combination	269.48	(33.85)	-	-	235.63
Accelerated depreciation for tax purposes	274.80	50.35	-	(18.37)	306.78
Tax on undistributed profit	195.99	154.62	-	(28.62)	321.99
Others	0.03	2.13	-	-	2.16
Total Deferred tax liabilities	**740.30**	**173.25**	**-**	**(46.99)**	**866.56**
Net Deferred tax (asset)/liabilities - (B-A)	**(236.98)**	**(217.34)**	**(21.52)**	**(21.38)**	**(497.22)**
8A. Presented as deferred tax asset (net)	762.15				1105.60
8B. Presented as deferred tax liability (net)	525.17				608.38
Net Deferred tax (asset)/liabilities - (8B-8A)	**(236.98)**				**(497.22)**

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	2022-23				
	Balance as at 31.03.2022	Recognised in Profit or Loss	Recognised in OCI	Translation adjustment	Balance as at 31.03.2023
A. Deferred tax assets					
Allowance for doubtful receivables and advances	67.70	62.65	-	(0.85)	129.50
Voluntary retirement scheme payments	0.36	(0.16)	-	-	0.20
Expenses allowed on payment/realisation basis	58.05	6.84	-	-	64.89
Temporary difference attributable to Property,plant and equipments	89.41	(2.01)	-	4.23	91.63
Tax losses including unabsorbed depreciation	84.66	451.03	-	18.00	553.69
Tax on unrealised profit on stock	38.84	32.27	-	-	71.11
Others	67.76	(10.59)	0.47	8.62	66.26
Total Deferred tax assets	**406.78**	**540.03**	**0.47**	**30.00**	**977.28**
B. Deferred tax liabilities					
Fair value adjustment arising on Business combination	304.00	(34.52)	-	-	269.48
Accelerated depreciation for tax purposes	242.81	32.88	-	(0.89)	274.80
Tax on undistributed profit	-	195.99	-	-	195.99
Others	-	0.03	-	-	0.03
Total Deferred tax liabilities	**546.81**	**194.38**	**-**	**(0.89)**	**740.30**
Net Deferred tax (asset)/liabilities - (B-A)	**140.03**	**(345.65)**	**(0.47)**	**(30.89)**	**(236.98)**
8A. Presented as deferred tax asset (net)	269.20				762.15
8B. Presented as deferred tax liability (net)	409.23				525.17
Net Deferred tax (asset)/liabilities - (8B-8A)	**140.03**				**(236.98)**

(a) Tax losses in respect of subsidiaries where the foreseeable business profits are estimated reasonably in the near future is considered for recognition of deferred tax assets in respective entities in compliance with tax laws of the respective countries.

(b) Deferred tax assets have not been recognised in respect of certain losses as they may not be used to offset taxable profit elsewhere in the Group, also they have arisen in subsidiaries that are loss-making and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Particulars	As at	
	31.03.2024	31.03.2023
(c) Unrecognised Deferred tax asset on unused tax losses.	40.00	63.65

8C. Current tax liabilities (net)

Particulars	As at	
	31.03.2024	31.03.2023
Current tax liabilities (net)	393.39	16.11

9. Other assets

Particulars	As at	
	31.03.2024	31.03.2023
A. Non-current		
Capital advances	185.43	176.90
Prepayments	41.86	30.88
Deposits paid under protest relating to Sales tax, Central excise and Service tax demands	12.41	16.30

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	As at	
	31.03.2024	31.03.2023
Taxation (net of provisions)	172.82	51.46
	412.52	**275.54**
B. Current		
Prepayments	219.69	259.55
Trade advance to Supplier	338.62	426.57
Balances with Statutory authorities	133.78	224.23
	692.09	**910.35**

10. Inventories

Particulars	As at	
	31.03.2024	31.03.2023
Raw materials	2954.78	3242.07
Raw materials in transit	291.20	269.63
Work-in-progress	1991.23	1793.19
Stock-in-trade	381.09	349.10
Finished goods	2011.93	2247.87
Stores and spares	861.21	1087.39
Stores and spares in transit	10.29	-
	8501.73	**8989.25**

a) The mode of valuation of inventories has been stated in Note: 3(A)(h), 3(B)(c).

b) Raw materials includes captively manufactured intermediaries.

c) The cost of inventories recognised as an expense (consumption) during the year was ₹ 19150.49 million (Previous year: ₹ 19129.59 million).

d) All the above inventories are expected to be recovered within twelve months.

11. Trade receivables (Unsecured)

Particulars	As at	
	31.03.2024	31.03.2023
Current		
a. Considered good	7412.38	6832.52
b. Which have significant increase in Credit risk		
c. credit impaired	11.79	41.14
Allowance for doubtful receivables (expected credit loss allowance)	(633.77)	(599.86)
	6790.40	**6273.80**

a) Trade receivables are generally due between 30 to 60 days. The Group's term includes charging of interest for delayed payment beyond agreed credit days. However, the entities under the Group exercise charging of interest after considering the historical trend, business prospects, reason for delay, market conditions etc.

b) Credit risk is managed at the respective entity level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The entities under the Group may consider credit rating when needed. The credit limit and the credit period are reviewed regularly at periodical intervals.

c) Concentration risk considers significant exposures relating to industry, counterparty, geography, currency etc. The concentration of credit risk is not significant due to the fact that the customer base is large and diversified.

d) The respective entities under the Group have used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information.

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

e) Some trade receivable may be past due over 365 days without being impaired considering the certainty of realisation.

f) Trade Receivable includes dues from related party amounting ₹58.03 million (Previous year: ₹48.15 million).

g. Movement in the expected credit loss allowance	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	599.86	321.19
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses including translation impact	33.91	278.67
	633.77	**599.86**

11A Receivables

Particulars	As at 31 March 2024							
	Unbilled due	Not due	Less than 6 months	6 months to 1 year	1- 2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivable-Considered good	-	5242.31	1985.44	100.97	37.15	16.96	29.55	7412.38
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	5.22	2.24	3.80	11.26
(iv) Disputed Trade receivable-Considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-		-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-	0.53	0.53

Particulars	As at 31 March 2023							
	Unbilled due	Not due	Less than 6 months	6 months to 1 year	1- 2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivable-Considered good	-	4196.93	2327.39	234.14	6.87	9.88	54.65	6829.86
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-							
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	36.61	1.51	2.49	40.61
(iv) Disputed Trade receivable-Considered good	-	-	-	-	1.79	0.55	0.32	2.66
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-	0.53	0.53

12A. Cash and cash equivalents

Particulars	As at	
	31.03.2024	31.03.2023
Balances with banks	3990.73	3929.21
Deposit account with original maturity less than three months	1555.97	32.74
Cash on hand	2.08	1.76
	5548.78	**3963.71**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

12B. Bank balances other than above

Particulars	As at	
	31.03.2024	31.03.2023
Earmarked funds	21.25	21.25
Bank Deposit with original maturity more than 3 months but less than 12 months	9.20	16.17
	30.45	**37.42**

13. Equity Share Capital

Particulars	As at	
	31.03.2024	31.03.2023
Authorised share capital:		
387,250,000 (as at March 31, 2023: 387,250,000) equity shares of Re.1 each	387.25	387.25
Issued, Subscribed and Paid-up:		
190,257,608 (as at March 31, 2023: 189,943,974) equity shares of Re.1 each fully paid	190.26	189.94

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2024		As at 31.03.2023	
Equity shares with voting rights	No. of Shares	Value of Shares	No. of Shares	Value of Shares
At the beginning of the year	189943974	189.94	189856703	189.86
Add: Shares issued against Employee Stock Option Scheme/ Plan	313634	0.32	87271	0.08
At the end of the year	**190257608**	**190.26**	**189943974**	**189.94**

b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. Repayment of capital and surplus, if any, will be in proportion to the number of equity shares held.

c) Dividend details

Final dividend of ₹2.50/- per share was proposed for the year ended March 31, 2024 at the meeting of the Board of Directors held on May 03,2024 (previous year final dividend of ₹2/- was proposed and paid). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, upon which the liability will be recorded in the books. An Interim Dividend of ₹1.50/- per share was declared at the meeting of the Board of Directors held on January 31,2024 and the same has been paid, (previous year an interim dividend of ₹1.50/- per share was declared at the meeting of the Board of Directors held on January 31, 2023 and the same has been paid).

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at			
	31.03.2024		31.03.2023	
	No. of Shares held*	% of holding	No. of Shares held*	% of holding
Ambadi Investments Limited	56054244	29.46%	56054244	29.51%
SBI Mutual Fund	18535215	9.74%	18607487	9.80%

*Holdings combined based on the PAN of the shareholders

e) Stock Options granted under the Company's Employee Stock Option Scheme/Plan

Stock Options granted under the Company's Employee Stock Option Scheme/Plan pending exercise by option holders carry no right to dividend and voting rights. Further details of the Employee Stock Option Scheme/Plan are provided in Note: 37 of the Standalone financial statement

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

f) Details of shares held by promoters at the end of the year:

S.No	Particulars	No of shares held as at				% Change in no. of shares held during the year
		March 31, 2024		March 31, 2023		
		Nos.	%	Nos.	%	
1	M A M Arunachalam as a legal representative of M A Murugappan HUF	92000	0.05%	92000	0.05%	-
2	M A Alagappan in the capacity of Karta of M A Alagappan HUF	188000	0.10%	188000	0.10%	-
3	M M Murugappan as a legal representative of M M Muthiah HUF	335200	0.18%	335200	0.18%	-
4	M M Murugappan Karta of M M Murugappan HUF	16000	0.01%	16000	0.01%	-
5	A Venkatachalam Karta of HUF	1000	0.00%	1000	0.00%	-
6	M A M Arunachalam	1093800	0.57%	1008600	0.53%	8.45%
7	Arun Alagappan	471400	0.25%	471400	0.25%	-
8	M A Alagappan	786000	0.41%	786000	0.41%	-
9	A Vellayan	303260	0.16%	303260	0.16%	-
10	Valli Arunachalam Karta of M V Murugappan HUF	215600	0.11%	215600	0.11%	-
11	M M Murugappan	340140	0.18%	340140	0.18%	-
12	M A Alagappan Karta of AMM Arunachalam HUF	300400	0.16%	300400	0.16%	-
13	M V Subbiah as a Karta of M V Subbiah HUF	81600	0.04%	81600	0.04%	-
14	A Venkatachalam	598900	0.31%	598900	0.32%	-
15	V Narayanan	205900	0.11%	205900	0.11%	-
16	V Arunachalam	183740	0.10%	183740	0.10%	-
17	Arun Venkatachalam	186840	0.10%	186840	0.10%	-
18	Ambadi Enterprises Limited	-	0.00%	384700	0.20%	-100.00%
19	E.I.D.Parry (India) Limited	2000	0.00%	2000	0.00%	-
20	Ambadi Investments Limited	56054244	29.46%	56054244	29.51%	-
21	Cholamandalam Financial Holdings Limited	6000	0.00%	6000	0.00%	-
22	Subbiah.M.V, Alagappan M A And M M Murugappan Holds On Behalf Of The Firm Murugappa & Sons	480	0.00%	480	0.00%	-
23	Umayal.R.	979504	0.51%	979504	0.52%	-
24	Valli Annamalai	136480	0.07%	136480	0.07%	-
25	Vellachi Murugappan	856800	0.45%	856800	0.45%	-
26	Sigapi Arunachalam as a Trustee of Murugappan Arunachalam Children Trust	300000	0.16%	300000	0.16%	-
27	M A M Arunachalam Trustee of Arun Murugappan Children Trust AOP	345600	0.18%	345600	0.18%	-
28	Arun Alagappan Trustee of M A Alagappan Grandchildren Trust AOP	345600	0.18%	345600	0.18%	-
29	Lakshmi Chocka Lingam	518500	0.27%	412000	0.22%	25.85%
30	Lalitha Vellayan	116500	0.06%	116500	0.06%	-
31	Meyyammai Venkatachalam	100000	0.05%	100000	0.05%	-
32	A M Meyyammai	21300	0.01%	213000	0.11%	-90.00%
33	Meenakshi Murugappan	479900	0.25%	479900	0.25%	-
34	Valli Alagappan	15151	0.01%	15151	0.01%	-

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for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

S.No	Particulars	No of shares held as at				% Change in no. of shares held during the year
		March 31, 2024		March 31, 2023		
		Nos.	%	Nos.	%	
35	Valli Muthiah	-	0.00%	-	0.00%	-
36	Solachi Ramanathan	2000	0.00%	2000	0.00%	-
37	M V AR Meenakshi	367898	0.19%	367898	0.19%	-
38	A. Keertika Unnamalai	1000	0.00%	1000	0.00%	-
39	Uma Ramanathan	3250	0.00%	3250	0.00%	-
40	V Vasantha	50	0.00%	50	0.00%	-
41	Dhruv M Arunachalam	1200	0.00%	1200	0.00%	-
42	Pranav Alagappan	2000	0.00%	2000	0.00%	-
43	Krishna Murugappan Muthiah	5000	0.00%	5000	0.00%	-
44	A M M Vellayan Sons Private Limited	1700	0.00%	1700	0.00%	-
45	M.M.Muthiah Sons Private Limited	304000	0.16%	304000	0.16%	-
46	M.M.Muthiah Research Foundation	1104160	0.58%	1104160	0.58%	-
47	M A Alagappan Holdings Private Limited	210020	0.11%	236020	0.12%	-11.02%
48	M M Venkatachalam, Trustee of Lakshmi Venkatachalam Family Trust	200000	0.11%	200000	0.11%	-
49	A A Alagammai, Trustee of Lakshmi Ramaswamy Family Trust	390000	0.20%	390000	0.21%	-
50	Southern Energy Development Corporation Limited	2449240	1.29%	2449240	1.29%	-
51	M M Venkatachalam, Trustee of M V Muthiah Family Trust	262400	0.14%	262400	0.14%	-
52	M M Murugappan, Trustee of M M Veerappan Family Trust	352000	0.19%	352000	0.19%	-
53	M M Venkatachalam, Trustee of M M Venkatachalam Family Trust	222740	0.12%	222740	0.12%	-
54	M M Venkatachalam, Trustee of M V Subramanian Family Trust	262400	0.14%	262400	0.14%	-
55	M M Murugappan, Trustee of M M Muthiah Family Trust	352000	0.19%	352000	0.19%	-
56	Murugappa Educational and Medical Foundation	3811920	2.00%	3811920	2.01%	-
57	AR. Lakshmi Achi Trust	153140	0.08%	153140	0.08%	-
58	M V Subbiah, Trustee of Saraswathi Trust	388860	0.20%	388860	0.20%	-
59	M V Subbiah, Trustee of Shambho Trust	719021	0.38%	719021	0.38%	-
60	M A Murugappan Holdings LLP	235940	0.12%	235940	0.12%	-
61	Valliammai Murugappan	52000	0.03%	52000	0.03%	-
62	Valli Arunachalam	918800	0.48%	918800	0.48%	-
63	A V Nagalakshmi	75	0.00%	75	0.00	-

14. Other equity

Particulars	As at	
	31.03.2024	31.03.2023
A. Reserves and Surplus:		
a. Profit on Forfeiture of Shares / Warrants	6.03	6.03
b. Capital redemption reserve	27.68	27.68

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	As at	
	31.03.2024	31.03.2023
c. Capital reserve on consolidation	20.56	20.56
d. Securities premium	546.56	410.33
e. General reserve	9730.94	9230.94
f. Share options outstanding account	226.92	186.70
g. Retained earnings	21270.14	17900.79
h. Non Controlling interest put option reserve	(454.70)	(382.67)
B. Items of Other Comprehensive Income		
i. Reserve for equity instruments	42.39	70.21
j. Effective portion of Cash flow Hedge	(0.19)	(0.42)
k. Foreign currency translation reserve	(373.31)	521.83
l. Revaluation surplus	23.74	23.74
Total Other equity	**31066.76**	**28015.72**

a. Profit on forfeiture of shares/warrants

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	6.03	6.03
Movements	-	-
Balance at end of the year	**6.03**	**6.03**

During 1999, an amount of ₹6.03 million has been added on account of forfeiture of shares in the Parent company. This balance can be used in paying up unissued shares as fully paid bonus shares to the shareholders of the Parent company.

b. Capital redemption reserve

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	27.68	27.68
Movements	-	-
Balance at end of the year	**27.68**	**27.68**

During the year 2000-01, the Company bought back 2,768,000 shares at the then face value of ₹10 each at the price of ₹115 per share from the shareholders, pursuant to the offer of buy back of shares. A sum equal to nominal value of shares so bought back was transferred to capital redemption reserve account as per Companies Act, 1956. This reserve can be used in paying up unissued shares as fully paid bonus shares to the shareholders of the Company.

c. Capital reserve on consolidation

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	20.56	20.56
Movements	-	-
Balance at end of the year	**20.56**	**20.56**

Capital reserve on consolidation was created on account of acquisition of Joint Ventures: MMTCL & CIRIA; and Associate: WENDT, since the consideration paid was lower than the net worth of the acquiring company on the date of acquisition. The balance in this reserve will get transferred at the time of disposal of the relevant investment.

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d. Securities premium

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	410.33	382.36
Movements	136.23	27.97
Balance at end of the year	**546.56**	**410.33**

The Securities premium received during the year represents the premium received towards allotment of 313,634 shares. Cumulatively 3,549,608 equity shares were allotted during the period FY 2009-10 to FY 2023-24 under ESOP Scheme 2007 and ESOP Plan 2016(Refer Note: 37 of Standalone financial statements towards details of the Scheme/Plan).

This balance will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission/discount expenses on issue of shares/debentures, premium payable on redemption of redeemable preference shares/debentures and buy back of its own shares/securities under Section 68 of the Companies Act.

e. General reserve

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	9230.94	8730.94
Movements: Transfer from retained earning	500.00	500.00
Balance at end of the year	**9730.94**	**9230.94**

The general reserve is a free reserve, retained from Group's profits and can be utilized upon fulfilling certain conditions in accordance with statute of the relevant Act.

f. Share options outstanding account

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	186.70	128.80
Movements	40.22	57.90
Balance at end of the year	**226.92**	**186.70**

Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Refer Note: 37 of Standalone Financial Statements for details.

g. Retained earnings

Particulars	As at	
	31.03.2024	31.03.2023
Opening Balance	17900.79	14986.98
Add : Profits for the year	4612.50	4139.86
Add : Transfer from Non Controlling interest on account of increase in shareholding	1.57	2.25
Less : Transfer from Reserve for equity instruments	(19.34)	-
Less : Other Comprehensive Income arising from remeasurement of defined benefit obligation net of tax	(60.13)	(63.68)
Less : Transfer to General reserve	(500.00)	(500.00)
Less : Final dividend paid	(379.91)	(379.76)
Less : Interim dividend	(285.34)	(284.86)
	21270.14	**17900.79**

The amount that can be distributed by the Group as dividend to its equity shareholders is determined based on the financial position and dividend policy of the Group and in compliance with the applicable statutes.

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h. Non-Controlling interest put option reserve

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	(382.67)	(407.97)
Movements : Change in Fair value	(72.03)	25.30
Balance at end of the year	**(454.70)**	**(382.67)**

The above reserve represent the fair value of the consideration payable on the put option exercisable by the non-controlling interest of a subsidiary. The Parent at the time of acquisition has provided the erstwhile promoters of PLUSS, a put option exercisable within a pre-defined time period to sell their entire remaining holding to the Parent at the fair value (subject to a cap) as on that date. The Parent also has a call option to purchase the entire holding of promoters on similar terms.

The put option qualifies as a liability under Ind AS 32, since the Parent does not have an unconditional right to not purchase the interest as per the terms of the Agreement. In accordance with Ind AS, the Group has elected an accounting policy choice to recognise the gross liability with a corresponding debit to Group's other equity in its consolidated financial statements with subsequent change in the fair value of gross liability in other equity.

Since the call option is exercisable at fair value, the fair value of the option is NIL and accordingly no accounting is performed.

i. Reserve for equity instruments

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	70.21	84.51
Movements	(47.16)	(14.30)
Transfer to Retained earnings	19.34	-
Balance at end of the year	**42.39**	**70.21**

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income (Refer Note: 6C(a)), which will be reclassifed to retained earnings when those assets are disposed off.

j. Effective portion of Cash flow Hedge

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	(0.42)	(0.27)
Movements	0.23	(0.15)
Balance at end of the year	**(0.19)**	**(0.42)**

The hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The reserve will be reclassified to profit or loss when the hedged transaction impacts the profit or loss, or included as a basis adjustment to the non-financial hedged item.

k. Foreign currency translation reserve

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	521.83	(535.50)
Movements	(895.14)	1057.33
Balance at end of the year	**(373.31)**	**521.83**

Exchange differences relating to the translation of the results and net assets of the Group's foreign subsidiaries from their functional currencies to the Group's presentation currency (i.e. Indian Rupees) are recognised directly in Other Comprehensive Income and accumulated in the foreign currency translation reserve. Exchange differences accumulated in the foreign currency translation reserve are reclassified to Profit or Loss at the time of disposal of respective foreign operation.

Notes forming part of the Consolidated Financial Statements

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l. Revaluation surplus

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	23.74	23.74
Movements	-	-
Balance at end of the year	**23.74**	**23.74**

Land & Buildings of the Parent company added upto 31st August 1984 were revalued in 1984 based on the valuation done by an independent valuer. The value added on revaluation amounting to ₹58.41 million was credited to fixed asset revaluation reserve. The depreciation charged on the revalued portion was recouped every year from this reserve upto March 31, 2015 under previous GAAP.

15. Non-Controlling Interest [NCI]

Particulars	Year ended	
	31.03.2024	31.03.2023
Balance at beginning of the year	1278.98	859.39
Share of Profit	149.33	277.12
Share of Other Comprehensive Income	(38.31)	22.46
Dividend paid to Non-Controlling Interest	(127.78)	(100.77)
Non-Controlling interest share of additional equity raised by a subsidiary	132.49	223.03
Transaction with Non-Controlling interest arising from change in shareholding of a subsidiary	(1.57)	(2.25)
Balance as at the end of the year	**1393.14**	**1278.98**

Details of Non-Controlling Interests

The table below shows details relating to Non-Controlling Interest in the entities which are not wholly owned by the Group

Name of the Subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by Non-Controlling Interests	
		31.03.2024	31.03.2023
Southern Energy Development Corporation Limited	India	15.24%	15.24%
Sterling Abrasives Limited	India	40.00%	40.00%
CUMI (Australia) Pty Limited	Australia	48.78%	48.78%
Volzhsky Abrasives Works	Russia	2.56%	2.56%
Foskor Zirconia (Pty) Ltd.	South Africa	49.00%	49.00%
PLUSS Advanced Technologies Limited*	India	24.42%	24.59%

* Non Controlling interest after excluding ESOP shares held by PLUSS trust

Name of the Subsidiary	Accumulated Non-Controlling Interest		Profit/(Loss) allocated to Non-Controlling Interest		Other Comprehensive Income allocated to Non-Controlling Interest	
	As at		For the year		For the year	
	31.03.2024	31.03.2023	2023-24	2022-23	2023-24	2022-23
Southern Energy Development Corporation Limited	14.92	33.56	(18.64)	(6.69)	-	-
Sterling Abrasives Limited	391.16	357.22	55.41	65.90	0.12	(0.38)
CUMI (Australia) Pty Limited	376.56	348.91	128.96	96.19	-	-
Volzhsky Abrasives Works	179.62	179.14	38.09	38.97	-	-
Foskor Zirconia (Pty) Ltd.	221.95	132.06	(36.23)	137.90	(0.36)	0.24
PLUSS Advanced Technologies Limited	217.06	249.37	(31.41)	(33.87)	0.67	(0.65)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Name of the Subsidiary	Accumulated Non-Controlling Interest		Profit/(Loss) allocated to Non-Controlling Interest		Other Comprehensive Income allocated to Non-Controlling Interest	
	As at		For the year		For the year	
	31.03.2024	31.03.2023	2023-24	2022-23	2023-24	2022-23
Consolidation adjustment	(8.13)	(21.28)	13.15	(21.28)	(38.74)	23.25
Total	**1393.14**	**1278.98**	**149.33**	**277.12**	**(38.31)**	**22.46**

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The information below represents amounts before intragroup eliminations.

Particulars	Southern Energy Development Corporation Limited		Sterling Abrasives Limited		CUMI (Australia) Pty Limited	
	As at		As at		As at	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Non-Current assets *	174.04	206.75	909.95	888.33	271.71	283.51
Current assets	29.43	38.26	598.77	560.99	870.40	744.53
Non-Current liabilities	(3.14)	(3.15)	(175.74)	(256.99)	(108.83)	(127.68)
Current liabilities	(102.40)	(21.63)	(355.09)	(299.28)	(246.58)	(170.33)
Equity attributable to owners of the Company	**83.01**	**186.67**	**586.73**	**535.83**	**410.14**	**381.12**
Non-Controlling Interest	**14.92**	**33.56**	**391.16**	**357.22**	**376.56**	**348.91**

* Southern Energy Development Corporation Limited : Non current assets excludes fair valuation of the Parent company's shares held by it.

Particulars	Southern Energy Development Corporation Limited		Sterling Abrasives Limited		CUMI (Australia) Pty Limited	
	For the year		For the year		For the year	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue	327.08	261.25	1430.75	1398.33	1893.53	1665.05
Expenses #	(449.41)	(305.14)	(1292.37)	(1233.55)	(1629.17)	(1467.86)
Profit / (Loss) for the year	**(122.33)**	**(43.89)**	**138.38**	**164.78**	**264.36**	**197.19**
Profit / (Loss) attributable to owners of the Company	(103.69)	(37.20)	82.97	98.88	135.40	101.00
Profit / (Loss) attributable to the Non-Controlling Interest of the Company	(18.64)	(6.69)	55.41	65.90	128.96	96.19
Profit/(Loss) for the year	**(122.33)**	**(43.89)**	**138.38**	**164.78**	**264.36**	**197.19**
Other Comprehensive Income attributable to owners of the Company*	0.02	(0.03)	0.35	(0.58)	-	-
Other Comprehensive Income attributable to Non-Controlling Interest of the Company	0.00	0.00	0.12	(0.38)	-	-
Other Comprehensive Income for the year	**0.02**	**(0.03)**	**0.47**	**(0.96)**	**-**	**-**
Total Comprehensive Income attributable to owners of the Company	(103.67)	(37.23)	83.32	98.30	135.40	101.00
Total Comprehensive Income attributable to Non-Controlling Interest of the Company	(18.64)	(6.69)	55.53	65.52	128.96	96.19
Total Comprehensive Income for the year	**(122.31)**	**(43.92)**	**138.85**	**163.82**	**264.36**	**197.19**
Dividend paid to Non-Controlling Interests	**-**	**-**	**(21.60)**	**(19.44)**	**(95.26)**	**(67.11)**
Net cash inflow / (outflow) from Operating activities	(11.00)	(35.50)	202.89	165.85	171.04	253.52

Notes forming part of the Consolidated Financial Statements

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Particulars	Southern Energy Development Corporation Limited		Sterling Abrasives Limited		CUMI (Australia) Pty Limited	
	For the year		For the year		For the year	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Net cash inflow / (outflow) from Investing activities	8.10	(4.30)	(120.56)	(369.17)	(8.30)	(6.36)
Net cash inflow / (outflow) from Financing activities	(0.10)	-	(80.81)	202.70	(221.64)	(162.78)
Net cash inflow / (outflow)	**(3.00)**	**(39.80)**	**1.52**	**(0.62)**	**(58.90)**	**84.38**

* Southern Energy Development Corporation Limited: Other comprehensive income excludes fair valuation of the Parent company's shares held by it.

Particulars	Volzhsky Abrasives Works		Foskor Zirconia (Pty) Ltd.		PLUSS	
	As at		As at		As at	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Non-Current assets	2488.67	2257.64	353.09	331.84	1169.57	1298.56
Current assets	5126.62	5774.78	1107.68	834.03	282.75	273.54
Non-Current liabilities	(12.68)	(12.24)	(150.08)	(213.61)	(326.16)	(372.36)
Current liabilities	(597.00)	(1033.40)	(857.73)	(538.50)	(237.11)	(185.69)
Equity attributable to owners of the Company	**6825.99**	**6807.64**	**231.01**	**281.70**	**671.99**	**764.68**
Non-Controlling Interest	**179.62**	**179.14**	**221.95**	**132.06**	**217.06**	**249.37**

Particulars	Volzhsky Abrasives Works		Foskor Zirconia (Pty) Ltd.		PLUSS	
	For the year		For the year		For the year	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue	9025.88	9960.26	1688.36	2124.49	632.84	558.83
Expenses #	(7540.25)	(8440.39)	(1762.30)	(1843.06)	(760.55)	(695.52)
Profit / (Loss) for the year	**1485.63**	**1519.87**	**(73.94)**	**281.43**	**(127.71)**	**(136.69)**
Profit / (Loss) attributable to owners of the Company	1447.54	1480.90	(37.71)	143.53	(96.30)	(102.82)
Profit / (Loss) attributable to the Non-Controlling Interest of the Company	38.09	38.97	(36.23)	137.90	(31.41)	(33.87)
Profit / (Loss) for the year	**1485.63**	**1519.87**	**(73.94)**	**281.43**	**(127.71)**	**(136.69)**
Other Comprehensive Income attributable to owners of the Company	-	-	(0.39)	0.24	2.04	(1.97)
Other Comprehensive Income attributable to Non-Controlling Interest of the Company	-	-	(0.36)	0.24	0.67	(0.65)
Other Comprehensive Income for the year	**-**	**-**	**(0.75)**	**0.48**	**2.71**	**(2.62)**
Total Comprehensive Income attributable to owners of the Company	1447.54	1480.90	(38.10)	143.77	(94.26)	(104.79)
Total Comprehensive Income attributable to Non-Controlling Interest of the Company	38.09	38.97	(36.59)	138.14	(30.74)	(34.52)
Total Comprehensive Income for the year	**1485.63**	**1519.87**	**(74.69)**	**281.91**	**(125.00)**	**(139.31)**
Dividend paid to Non-Controlling Interests	**(10.92)**	**(14.22)**	**-**	**-**	**-**	**-**
Net cash inflow / (outflow) from Operating activities	1033.38	1970.17	(24.57)	149.91	(9.73)	(26.99)

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	Volzhsky Abrasives Works		Foskor Zirconia (Pty) Ltd.		PLUSS	
	For the year		For the year		For the year	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Net cash inflow / (outflow) from Investing activities	(516.45)	(577.52)	(19.80)	(19.80)	3.85	(33.49)
Net cash inflow / (outflow) from Financing activities	(428.37)	(562.94)	(27.22)	(15.52)	10.37	21.28
Net cash inflow / (outflow)	**88.56**	**829.71**	**(71.59)**	**114.59**	**4.49**	**(39.20)**

Expenses after netting off other income

During the year, the Parent acquired 3511 equity shares of ₹3127 per share in PLUSS. Difference between consideration paid and acquired networth has been considered as decrease in Non-Controlling interest amounting to ₹1.57 million.

16. Borrowings - Non Current:

Particulars	Maturity date	Repayment terms	Interest rate	As at	
				31.03.2024	31.03.2023
Secured - at amortised cost (a)					
Term loan from Bank	Mar-27	43 equal monthly installment starting from September 2023	6M Euribor Euro + Spread 1.702 p.a	213.10	255.59
Unsecured - at Amortised cost					
Long term borrowing - Others	Mar-26	Monthly installment	SA Prime rate + 3%	188.37	190.82
				401.47	**446.41**
Less: Current maturities of: (Refer Note: 18)					
- Term loan from Bank				65.59	17.84
- Long term borrowing- others				60.74	-
Total Non - Current Borrowings				**275.14**	**428.57**

(a) The funding facility availed by the subsidiary is secured by exclusive charge of factory building and collateral security exclusive charge on land.

17. Provision

Particulars	As at	
	31.03.2024	31.03.2023
A. Non-Current		
Employee benefits	**244.01**	**237.93**
B. Current		
Employee benefits	558.34	486.82
Provision for Warranties	33.00	18.00
Total	**591.34**	**504.82**

Provision for employee benefits movement represents the provision created for the year arising out of the valuation after considering the actual settlements made during the year. Also includes acquired through Business combination.

Provision for warranties represents provision made for estimated warranty claims in respect of product sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trend that may suggest future claims could differ from historical trend.

Notes forming part of the Consolidated Financial Statements

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Movement for Warranties	31.03.2024	31.03.2023
Opening balance	18.00	-
Acquired on Business Combination	-	16.35
Created during the year	15.10	0.54
Exchange difference	(0.10)	1.11
Closing balance	**33.00**	**18.00**

18. Borrowings-Current

Particulars	As at	
	31.03.2024	31.03.2023
Unsecured - at amortised cost		
Cash credit (repayable on demand)	-	69.89
Short term working capital loan	4.51	660.00
Current maturities of Non current borrowing - Others - Refer Note : 16	60.74	-
Short term loan	-	67.03
Secured - at amortised cost		
Short term working capital loan - **(a)**	-	380.00
Short term money market loan - **(b)**	498.41	536.22
Current maturities of term loans from bank - Refer Note: 16	65.59	17.84
Cash credit (repayable on demand) - **(c)**	122.27	78.36
Cash credit (repayable on demand) **- (d)**	100.56	63.09
	852.08	**1872.43**

(a) Secured by a pari-passu first charge on the current assets of the Parent - both present and future; and a pari-passu second charge on immovable properties - both present and future.

(b) The funding facility availed by the subsidiaries is secured by certain amount of receivables.

(c) The funding facility availed by the subsidiary is secured by hypothecation of all existing and future current assets and equitable mortgage of fixed assets, movable assets except vehicles and collateral security of factory land and building.

(d) The funding facility availed by the subsidiary is secured by current assets.

Particulars	31.03.2024
Unsecured - at amortised cost	
Short term working capital loan	1.68% Fixed Interest rate
Current maturities of Non current borrowing - Others - Refer Note : 16	SA Prime rate+3%
Secured - at amortised cost	
Short term money market loan - (b)	3.897% to 3.952% + Margin of 1.7% to 3.218 %
Cash credit (repayable on demand) - (c)	Repo Rate + 2% (Spread)
Cash credit (repayable on demand) - (d)	Interest is charged at Floating rate based on spread of 1.5% over repo rate

Particulars	31.03.2023
Unsecured - at amortised cost	
Cash credit (repayable on demand)	SOFR + 0.65%
Short term working capital loan	1 to 3 months T bill + Margin ranging from 105 bps to 165 bps
Short term loan	0.67% annual rate
Secured - at amortised cost	

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Particulars	31.03.2023
Short term working capital loan - (a)	3 months T bill + Margin ranging from 120 bps to 165 bps
Short term money market loan - (b)	3.75% to 4.18% per annum
Cash credit (repayable on demand) - (c)	Repo Rate + 2% (Spread)
Cash credit (repayable on demand) - (d)	Interest is charged at Floating rate based on spread of 1.5% over repo rate

19. Trade payables

Particulars	As at	
	31.03.2024	31.03.2023
Total outstanding dues to Micro and Small enterprises (c)	184.16	103.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	3793.53	3256.05
	3977.69	**3359.06**

a. Trade payables are non-interest bearing and are normally settled within the agreed due dates, generally ranging from 30 to 60 days.

b. All the payables are normally settled within the credit period as per pre-agreed terms. The entities in the Group have financial risk management policies in place to ensure that the payments are made within agreed period.

c. Dues to Micro and Small Enterprises have been determined to the extent such parties, as applicable, have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

19A Ageing schedule for Trade Payables:

As at 31st March 2024

Particulars	Not due	0-1 Years	1- 2 years	2-3 Years	More than 3 years	Total
(i) MSME	152.39	29.23	1.20	1.27	0.07	184.16
(ii) Others	3132.77	579.22	77.06	0.58	3.26	3792.89
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	0.13	0.12	0.39	-	0.64

As at 31st March 2023

Particulars	Not due	0-1 years	1- 2 years	2-3 years	More than 3 years	Total
(i) MSME	80.67	21.00	1.27	0.07	-	103.01
(ii) Others	1968.94	1253.30	13.59	3.27	16.95	3256.05
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

20. Other financial liabilities

Particulars	As at	
	31.03.2024	31.03.2023
A. Non-Current		
Payable for purchase of PLUSS ESOP shares (a)	-	13.17
Fair value of non-controlling interest put option	454.70	382.67
	454.70	**395.84**
B. Current		
Unclaimed and Unpaid dividends	26.10	85.33
Remuneration payable to directors	27.83	27.03

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Particulars	As at	
	31.03.2024	31.03.2023
Derivative Financial instruments	0.06	-
Deposits	53.98	55.86
Payable for purchase of PLUSS ESOP shares (a)	18.80	11.65
Payable relating to Capital expenditure	75.97	163.23
Other payables	292.37	688.90
	495.11	**1032.00**

(a) Refer Note : 18 of the standalone financial statement. Since all the shares of PLUSS ESOP Trust have been vested on the acquisition date under original ESOP plan, no disclosure have been given on this ESOP scheme.

(b) Refer Note : 14 in relation to fair value of non-controlling interest put options.

21. Other current/non-current liabilities

Particulars	As at	
	31.03.2024	31.03.2023
A. Non-Current		
Contract liabilities (a)	2.35	13.56
Statutory liabilities	-	390.96
	2.35	**404.52**
B. Current		
Contract liabilities (a)	175.00	261.64
Statutory liabilities	207.92	250.01
	382.92	**511.65**

(a) Details about Contract Liabilities:

(i) The outstanding balances in Contract liabilities have decreased from last year mainly on account of net decrease in receipt of advances during current year.

(ii) Revenue recognized in relation to Contract liabilities.

The following summary shows how much of the revenue recognized in the current year relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in the prior year.

Particulars	For the year	
	2023-24	2022-23
Revenue recognized that was included in the Contract liabilities balance at the beginning of the period	261.64	84.87
Revenue recognized from performance obligations satisfied in previous periods	-	-

(iii) In respect of the remaining performance obligations, the disclosure towards allocation of transaction price do not arise as the contracts that have an original expected duration of more than one year are not material.

22. Revenue from operations

Particulars	For the year	
	2023-24	2022-23
a. Sales/Income from Operations - Refer Note: 32 "Segmental Disclosure" for breakup of sales.		
Sale of products	44919.76	44667.36
Sale of services	1362.39	1343.00
	46282.15	**46010.36**

Notes forming part of the Consolidated Financial Statements

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Particulars	For the year	
	2023-24	2022-23
b. Other operating income		
Service income	56.74	52.38
Scrap Sales	228.17	197.11
Miscellaneous income	454.81	282.96
	739.72	**532.45**
Total Revenue from operations (a + b)	**47021.87**	**46542.81**

No element of financing is deemed present as the sales are made with a credit term which is one year or less.

Reconciliation of Revenue recognised with Contract price:

Particulars	For the year	
	2023-24	2022-23
Gross sales/income from operations	**46907.39**	**46570.36**
Service income	56.74	52.38
Scrap sales	228.17	197.11
Contract price	**47192.30**	**46819.85**
Less: Discount - Variable Consideration	625.24	560.00
Revenue recognised under Ind AS 115	**46567.06**	**46259.85**
Add: Miscellanous income	454.81	282.96
Revenue from operations	**47021.87**	**46542.81**

23. Other Income

Particulars	For the year	
	2023-24	2022-23
a) Dividend Income		
Dividend Income from Long term Investments	8.63	8.62
b) Interest Income earned on financial assets that are not designated as at fair value through profit or loss [FVTPL]		
Interest Income		
from banks	74.04	52.01
from others	104.41	90.08
	178.45	**142.09**
c) Net gain/(loss) arising on financial assets mandatorily measured at FVTPL		
(Refer Note: 6C(b)(i))	**1.59**	**1.09**
d) Other non-operating income		
Profit on sale of assets	1.82	1.72
Profit on exchange fluctuation (net)	302.29	324.97
Provision for expenses no longer required written back	22.41	8.20
Reversal of allowance for doubtful receivables and advances	213.26	189.50
Rental income	2.78	2.73
Miscellaneous income	35.30	88.31
	577.86	**615.43**
Total Other Income (a + b + c + d)	**766.53**	**767.23**

Notes forming part of the Consolidated Financial Statements

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24. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars		For the year	
		2023-24	2022-23
Opening stock			
Work-in-progress		1793.19	1221.16
Stock-in-trade		349.10	182.94
Finished goods		2247.87	1616.55
	(A)	**4390.16**	**3020.65**
Add: Acquistion under Business combination	**(B)**	-	**745.87**
Less: Closing stock			
Work-in-progress		1991.23	1793.19
Stock-in-trade		381.09	349.10
Finished goods		2011.93	2247.87
	(C)	**4384.25**	**4390.16**
(Accretion)/Decretion to stock (A) +(B) - (C)		**5.91**	**(623.64)**

25. Employee benefit expense

Particulars	For the year	
	2023-24	2022-23
Salaries, wages and bonus	5793.30	5512.24
Contribution to provident and other funds	526.27	419.23
Share based payments to employees (ESOPs) *	45.17	66.50
Remuneration to Executive Director - Refer Note : 23 of Standalone financial statements	39.73	46.24
Welfare expenses	796.50	878.92
	7200.97	**6923.13**

*includes expenses related to PLUSS ESOP scheme amounting ₹4.95 million(Previous year : ₹8.60 million)- Refer Note:20

26. Finance costs

Particulars	For the year	
	2023-24	2022-23
Interest costs		
- on Loans from Banks and others	140.27	200.24
- on Lease liabilities - Refer Note: 4B	34.14	30.59
Other borrowing costs	8.98	4.50
	183.39	**235.33**

27. Depreciation and amortisation expenses

Particulars	For the year	
	2023-24	2022-23
Depreciation of property, plant and equipment - Refer 4A	1496.43	1502.75
Depreciation of Right to use asset - Refer 4B	132.13	97.12
Amortisation of intangible assets - Refer 5B	278.89	273.49
	1907.45	**1873.36**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

28. Other expenses

Particulars	For the year	
	2023-24	2022-23
Consumption of stores and spares (a)	1563.14	1353.20
Power and fuel (b)	4781.09	5084.58
Rent	169.00	166.50
Rates and taxes	231.49	321.09
Insurance	154.44	161.18
Repairs to : (c)		
- Buildings	318.98	196.00
- Plant and Equipment	1252.70	1345.58
- Others	76.02	55.85
Data Processing Charges	189.20	175.51
Technical Fee / Royalty	161.63	173.66
Directors' Sitting fees	4.06	4.49
Commission to Non-wholetime Directors	18.00	15.50
Auditors' remuneration (Refer Note: 40 of Standalone financials)	9.31	8.00
Travel and Conveyance	333.57	271.03
Freight, delivery and shipping charges	1767.60	1840.14
Selling commission	271.11	231.84
Advertisement and publicity	303.43	239.30
Printing, stationery and communication	64.53	61.00
Professional fees	643.53	853.66
Impairment loss on financial assets	33.85	19.52
Less : Provision adjusted	(21.24)	(11.52)
	12.61	8.00
Allowance for doubtful receivables and advances	351.03	431.51
Services outsourced	2153.95	2361.51
Loss on sale of assets	22.48	32.66
Miscellaneous expenses	607.21	568.35
	15460.11	**15960.14**

(a) Includes consumption of packing materials amounting ₹685.53 million (Previous year: ₹666.55 million)

(b) Net of own power generation, which includes energy banked with Kerala State Electricity Board - ₹Nil million(Previous year: Nil)

(c) Repairs includes consumption of stores and spares amounting to ₹614.79 million (Previous year: ₹635.44 million)

29. Exceptional items

Particulars	For the year	
	2023-24	2022-23
Reversal of liability recognised towards fair value changes of a financial instrument availed by a stepdown subsidiary, consequent to settlement of its bank borrowings	-	249.15
	-	**249.15**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

30. Income tax expense

Particulars		For the year	
		2023-24	2022-23
A. Income tax expense recognised in Profit and loss:			
a. **Current tax**			
In respect of the current year		1958.00	1727.76
		1958.00	**1727.76**
b. **Deferred tax**		(217.34)	(345.65)
Total Income tax expense recognised during the year (net)		**1740.66**	**1382.11**
Income tax reconciliation:			
Profit before tax	A	**6502.49**	**5799.09**
Less : Share of Profit from Associate and Joint ventures	B	438.57	372.81
Profit from operations before share of profit of equity accounted investees and income tax	C= (A-B)	**6063.92**	**5426.28**
Applied tax rate as per Parent jurisdiction	D	25.168%	25.168%
Income tax expense calculated at the tax rate of 25.168%, applicable to the Parent Company	E = C x D	1526.17	1365.69
Total Tax expenses charged in Profit and Loss for the year	F	1740.66	1382.11
Differential tax impact	G = (F-E)	**214.49**	**16.42**
Differential tax impact due to the following (tax benefit)/tax expenses			
Effect of Income that is exempt from taxation net of disallowances		(0.40)	(0.27)
Effect of expenses that are not deductible in determining taxable profit		177.90	243.21
Tax on Undistributed profit		154.46	195.99
Payable towards release of water and royalty for Hydel Electric works		-	14.81
Fair value changes of a Financial instrument		-	(62.71)
Effect of increase in applicable tax rate jurisdiction		27.61	-
Tax benefit on (utilisation)/reversal of unrecognised losses - net		(16.92)	(250.81)
Effect of tax rate differentials in respect of subsidiaries operating in other jurisdictions		(119.88)	(123.80)
Others		(8.28)	-
Total	G	**214.49**	**16.42**

B. Income tax recognised in Other Comprehensive Income:

Particulars	For the year	
	2023-24	2022-23
Remeasurement of the defined benefit plans	21.65	0.39
Net gain/(loss) on Cash flow hedge	(0.13)	0.08
Total income tax recognised in Other Comprehensive Income	**21.52**	**0.47**
Bifurcation of the income tax recognised in Other Comprehensive Income into :		
Items that will not be reclassified to profit or loss	21.65	0.39
Items that will be reclassified to profit or loss	(0.13)	0.08

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

31. Earnings per share

Particulars	For the year	
	2023-24	2022-23
Basic earnings per share (₹)	24.27	21.80
Diluted earnings per share (₹)	24.22	21.74
The calculation of Basic and Diluted Earnings per share is based on the following data:		
Consolidated Net Profit after taxes for the year attributable to owners of the Company	4612.50	4139.86
Weighted average number of equity shares outstanding during the year		
- Basic	190037418	189888066
- Dilutive	190450740	190391112

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as given below:

Particulars	For the year	
	2023-24	2022-23
Weighted average number of equity shares used in the calculation of basic earnings per share	190037418	189888066
Shares deemed to be issued for no consideration in respect of:		
- Employee Stock Option Scheme/Plan	413322	503046
Weighted average number of equity shares used in the calculation of diluted earnings per share	190450740	190391112

32. Segment information

The Group provides solutions majorly for five industrial manufacturing needs by developing, manufacturing and marketing products using the properties of materials known as electrominerals.

The Business Group Management Committee headed by Managing Director (CODM) consists of Chief Financial Officer, Leaders of Strategic Business Units, Human Resources and Company Secretary reviews the performance of the Group and has identified three core reportable business segments organised using differences in products and services.

- Surface engineering (material removal, cutting, polishing) known as Abrasives. Abrasive segment comprise of Bonded, Coated, Processed cloth, Polymers, Power tools and Coolants.
- Technical ceramics and super refractory solutions to address wear protection, corrosion resistance, electrical resistance, heat protection and ballistic protection known as Ceramics.
- Electrominerals for surface engineering, refractories, energy and environment. It includes fused alumina, silicon carbide, zirconia, specialty minerals and captive power generation from hydel power plant.

Besides the above three core segments, the Group has a power generation entity to serve its power requirements of the core business segments. The Group also has an IT services company which provides IT infrastructure facility management services, software application development services, remote infrastructure management services and IT security management services and the Group has a Company with manufacturing facility for phase change materials and speciality polymeric additives , which are shown under “Others”.The Business Group Management Committee monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Power		IT Services		Others		Eliminations		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue																
External Sales	20493.87	19869.91	10346.33	9928.78	13266.50	14158.26	157.36	79.88	43.59	105.08	612.11	525.45			44919.76	44667.36
Sale of Services	377.29	443.13	393.12	315.87	107.72	124.56			479.47	442.51	4.79	16.93			1362.39	1343.00
Inter segment sales	39.21	39.66	27.72	29.05	2073.09	2054.76	169.52	178.81	49.94	37.53	0.29	0.01	(2359.77)	(2339.82)	-	-
Sales / Income from Operations	**20910.37**	**20352.70**	**10767.17**	**10273.70**	**15447.31**	**16337.58**	**326.88**	**258.69**	**573.00**	**585.12**	**617.19**	**542.39**	**(2359.77)**	**(2339.82)**	**46282.15**	**46010.36**
Results																
Segment result - EBITDA	2684.82	1826.11	3230.11	2838.38	2835.19	3311.57	(96.57)	(50.61)	50.31	49.10	(3.28)	8.97			8700.58	7983.52
Depreciation/amortisation	(868.20)	(778.63)	(374.15)	(331.70)	(460.93)	(558.55)	(5.60)	(4.77)	(9.04)	(6.10)	(159.66)	(171.37)			(1877.58)	(1851.12)
Unallocated corporate expenses (Net)															(764.36)	(871.74)
Interest expense															(183.39)	(235.33)
Profit from Associate															153.57	150.34
Profit from Joint ventures															285.00	222.47
Interest and dividend income															187.08	150.71
Fair valuation of Investment															1.59	1.09
Exceptional item															-	249.15
Profit before tax	**1816.62**	**1047.48**	**2855.96**	**2506.68**	**2374.26**	**2753.02**	**(102.17)**	**(55.38)**	**41.27**	**43.00**	**(162.94)**	**(162.40)**	**-**	**-**	**6502.49**	**5799.09**
Less : Income taxes															1740.66	1382.11
Net profit after taxes															**4761.83**	**4416.98**
Less : Non controlling interest															149.33	277.12
Profit for the year attributable to Owners of the Company															**4612.50**	**4139.86**
Other information :																
Segment assets	16349.59	15736.06	7128.83	7174.14	10572.16	10807.53	118.91	119.73	285.34	270.46	1600.09	1742.78			36054.92	35850.70
Unallocated corporate assets *															5464.07	3393.60
Total assets	**16349.59**	**15736.06**	**7128.83**	**7174.14**	**10572.16**	**10807.53**	**118.91**	**119.73**	**285.34**	**270.46**	**1600.09**	**1742.78**			**41518.99**	**39244.30**
Segment liabilities	2486.36	2232.60	1043.47	1256.54	1672.02	1598.37	45.89	24.54	135.98	156.97	222.13	225.39			5605.85	5494.41
Unallocated corporate liabilities															3262.98	4265.25
Total liabilities	**2486.36**	**2232.60**	**1043.47**	**1256.54**	**1672.02**	**1598.37**	**45.89**	**24.54**	**135.98**	**156.97**	**222.13**	**225.39**			**8868.83**	**9759.66**
Addition to Non - current assets #	935.26	1174.62	457.27	822.12	709.82	557.68	0.60	15.58	20.25	16.16	11.26	36.66				
Depreciation & Amortization	868.20	778.63	374.15	331.70	460.93	558.55	5.60	4.77	9.04	6.10	159.66	171.37				
Non-cash items other than depreciation and amortisation	42.94	25.27	39.04	20.48	240.41	388.43	-	-	0.57	0.38	3.71	1.37				

* includes Investment in Associate and Joint Ventures under equity method - ₹ 1627.17 million(Previous year: ₹1437.11 million)

excludes business combination effect

Notes forming part of the Consolidated Financial Statements

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Particulars	Abrasives		Ceramics		Electrominerals		Power		IT Services		Others		Eliminations/ (Unallocable)		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue recognised under Ind AS 115																
Sales / Income from Operations	20910.37	20352.70	10767.17	10273.70	15447.31	16337.58	326.88	258.69	573.00	585.12	617.19	542.39	(2359.77)	(2339.82)	46282.15	46010.36
Service income	0.55	0.66	-	-	6.72	8.14	-	-	-	-	-	-	49.47	43.58	56.74	52.38
Scrap sales	117.72	99.38	53.83	33.36	56.91	62.36	0.21	2.56	-	-	-	-	(0.50)	(0.55)	228.17	197.11
Total	**21028.64**	**20452.74**	**10821.00**	**10307.06**	**15510.94**	**16408.08**	**327.09**	**261.25**	**573.00**	**585.12**	**617.19**	**542.39**	**(2310.80)**	**(2296.79)**	**46567.06**	**46259.85**
Revenue recognised under Ind AS 115																
- At the point in time	20650.80	20008.95	8799.63	9264.85	15396.50	16275.38	327.09	261.25	60.44	116.30	612.40	525.46	(2360.27)	(2340.37)	43486.59	44111.82
- Over the period	377.84	443.79	2021.37	1042.21	114.44	132.70	-	-	512.56	468.82	4.79	16.93	49.47	43.58	3080.47	2148.03
Total	**21028.64**	**20452.74**	**10821.00**	**10307.06**	**15510.94**	**16408.08**	**327.09**	**261.25**	**573.00**	**585.12**	**617.19**	**542.39**	**(2310.80)**	**(2296.79)**	**46567.06**	**46259.85**

Sales between operating segments are carried out at arm's length basis and are eliminated at Group level consolidation.

The accounting policies of the reportable segments are same as that of Group's accounting policies described in Note: 3(A)(I). Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments other than investments, loans, current and deferred tax assets, unallocable current and non-current assets.

2. All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities and unallocable current and non-current liabilities.

Geographical information

The Parent company is domiciled in India. The amount of its revenue from external customers are broken down by location of those customers and information about its non-current assets other than investment, other financial instruments and deferred tax assets are given below:

Particulars	Revenue from external customer		Non-current assets	
	For the year		As at	
	2023-24	2022-23	31.03.2024	31.03.2023
India	21426.58	20321.24	8178.22	7971.32
Rest of the world	24855.57	25689.12	8625.29	8446.31
	46282.15	46010.36	16803.51	16417.63

Information about major customers

No single customer contributed 10% or more to the Group's revenue during the years 2023-24 and 2022-23

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33. Subsidiaries

Name of Subsidiary	Nature of Business	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group As at	
			31.03.2024	31.03.2023
Net Access India Limited	IT services	India	100%	100%
Southern Energy Development Corporation Limited	Power generation	India	84.76%	84.76%
Sterling Abrasives Limited	Manufacture/Trading of Abrasive products	India	60%	60%
CUMI (Australia) Pty Limited	Manufacture/Trading of Ceramic products & its related services	Australia	51.22%	51.22%
CUMI International Ltd.	Investment company	Cyprus	100%	100%
PLUSS Advanced Technologies Limited *	Manufacture of Speciality Polymer additives and Phase change materials	India	73.42%	72.73%
Holdings through Subsidiary:				
Volzhsky Abrasive Works	Manufacture of Abrasive, Electromineral and Ceramic products	Volgograd, Russia	97.44%	97.44%
Foskor Zirconia (Pty) Ltd.	Manufacture of Electromineral products	South Africa	51%	51%
CUMI America Inc.	Trading of Abrasive & Ceramic products	USA	100%	100%
CUMI Middle East FZE	Trading of Abrasive & Ceramic products	Ras Al Khaimah, UAE	100%	100%
CUMI Abrasives & Ceramics Co., Limited	Trading of Abrasive & Ceramic products	China	100%	100%
CUMI AWUKO Abrasives GmbH	Manufacture & Trading of Abrasives.	Germany	100%	100%
Rhodius Abrasives GmbH	Manufacture & Trading of Abrasives.	Germany	100%	100%
Rhodius Nederland B.V.	Trading of Abrasives product	Netherland	100%	100%
RHODIUS S.A.R.L., France	Trading of Abrasives product	France	100%	100%
Rhodius Korea INC.	Trading of Abrasives product	Korea	100%	100%
Rhodius South America Assessoria Técnica e Commercial em Abrasivos Ltda.	Trading of Abrasives product	South America	100%	100%
PLUSS Advanced Technologies B.V*	Trading of Speciality Polymer additives and Phase change materials	Netherland	73.42%	72.73%
CUMI Europe s.r.o	Trading of Electromineral products	Czech Republic	100%	100%

* Effective ownership after excluding share held by PLUSS trust is 75.58% (Previous year : 75.41%)

RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft mbH (investment company), a subsidiary of Rhodius Abrasives GmbH merged with Rhodius Abrasives GmbH w.e.f August 24,2023.

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Composition of the Group:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		As at	
		31.03.2024	31.03.2023
Manufacture & Trading of Abrasive products	China, America, UAE, Germany, Netherland, France, Korea, South America	9	9
Trading of Electromineral products	Czech Republic	1	1
IT services	India	1	1
Investment company	Cyprus	1	1
		12	12

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		As at	
		31.03.2024	31.03.2023
Manufacture & Trading of Abrasive products	India	1	1
Manufacture & Trading of Ceramic products	Australia	1	1
Manufacture & Trading of Electromineral products	South Africa, Russia	2	2
Power generation	India	1	1
Manufacture and Trading of Speciality Polymer additives and Phase change materials	India,Netherland	2	2
		7	7

Details of the Non-Controlling Interest relating to non-wholly owned subsidiary of the Group are disclosed in Note : 15

34. Contingent Liabilities and Commitments in respect of which no provision is considered necessary:

S.No	Particulars	As at	
		31.03.2024	31.03.2023
A.	**Contingent Liabilities**		
(a)	Disputed income tax, sales tax, excise duty, service tax, goods and service tax, provident fund and customs duty demands which are under various stages of appeal proceedings.	435.02	461.23
(b)	Claims against the companies in the Group not acknowledged as debts:		
	i. Disputed demands by Electricity Board	38.96	41.96
	ii. Others	678.91	72.46
(c)	Employees demands pending before Labour Courts - quantum not ascertainable at present		
	In respect of the above demands disputed by the Companies in the Group, appeals filed are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the respective Company's rights for future appeals. No reimbursements are expected.		
(d)	In respect of associate and joint ventures refer note 6A and 6B.		
B.	**Commitments**		
	Estimated amount of contracts remaining to be executed and not provided for :		
	- Towards capital account	398.01	358.93
	In respect of joint ventures refer note 6B.		
C.	**Others**		
(a)	Outstanding guarantees/letter of comfort given on behalf of Joint venture and others	95.36	90.00
(b)	Outstanding letters of credit	300.75	303.66

Notes forming part of the Consolidated Financial Statements

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35. Employee Benefits

Defined contribution plans

The Group operates defined contribution retirement benefit plans under various jurisdictions for all qualifying employees. The assets of the plans are held separately from those of respective companies under the control of trustees/Government organisations. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the respective companies in the Group are reduced by the amount of forfeited contributions.

Particulars	For the year	
	2023-24	2022-23
Contribution to Provident fund and Other funds recognised in Profit and Loss	485.51	377.58
Amounts outstanding as at the end of the respective year and paid subsequently	22.79	19.87

Defined benefit plans

The Group sponsors defined benefit plans for qualifying employees of the Parent company and its subsidiaries, wherever applicable. The defined benefit plans are administered by an independent Fund that is legally separated from the respective entities, where it is funded.

Under the plans applicable to the Parent Company and its domestic subsidiaries, the employees are entitled to post-retirement yearly instalments amounting to 57.69% of final salary for each year of service until the retirement age of 58.

These plans typically expose the Group to actuarial risks such as: Investment, Interest rate, longevity and salary escalation risk

Investment risk: The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the investments are made in accordance with the guidelines under the applicable statutes.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary escalation risk: The present value of the defined benefit plan liability is calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the subsidiary in United Arab Emirates, the end of service benefits is accounted on time basis in full for every employee in the service of that entity in accordance with the provisions of the applicable labour laws of that country. The effect of these plans are regarded as immaterial considering the monetary impact to the Group.

In respect of a subsidiary in Germany, the defined benefit plans provided to the employees are post retirement pension benefits and long service awards. The liability is ascertained using actuarial valuation and is accounted accordingly. The effect of these plans are regarded as immaterial considering the monetary impact to the Group.

In respect of the subsidiary in South Africa, the defined benefit plans provided to the employees are post retirement health benefits and long service awards. The liability is ascertained using actuarial valuation and is accounted accordingly. The effect of these plans are regarded as immaterial considering the monetary impact to the Group.

The actuarial valuation of the plan assets and the present value of the defined benefit obligations of the Parent Company and its subsidiaries in India were carried out as at March 31, 2024 by certified actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to the employees. In respect of the contribution made to provident funds, the Parent guarantees the interest notified by the appropriate authority and to the extent of interest rate guaranteed, the liability is considered as defined benefit. For the financial year ended March 31, 2024, the interest yield is adequate to meet the guaranteed interest.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Assumptions:

The principal assumptions used for the purposes of the actuarial valuations are given below :

Particulars	As at	
	31.03.2024	31.03.2023
Discount rate	3.8% to 7.25%	6.84% to 7.45%
Expected salary escalation	1% to 10%	5% to 12%
Mortality table used for domestic subsidiaries	Indian Assured Lives Mortality (2012-14) Ultimate for domestic entities	Indian Assured Lives Mortality (2012-14) Ultimate for domestic entities

Estimates of future salary increase takes into account: inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The details of actuarial valuation in respect of Gratuity liability is given below :

	Particulars	As at	
		31.03.2024	31.03.2023
i.	Projected benefit obligation as at beginning of the year	571.83	461.73
	Acquisition through Business Combination	-	55.61
	Service cost	38.31	43.10
	Interest cost	35.98	31.17
	Remeasurement (gain)/ loss:		
	Actuarial (gain)/loss arising from experience and financial adjustments	85.07	31.06
	Benefits paid	(41.38)	(50.84)
	Projected benefit obligation as at end of the year	**689.81**	**571.83**
ii.	Fair value of plan assets as at beginning of the year	376.16	343.89
	Expected return on plan assets	28.06	25.95
	Contributions	59.74	41.53
	Benefits paid	(36.51)	(50.26)
	Remeasurement gain/ (loss):		
	Actuarial Gain /(losses) on plan assets	(1.22)	15.05
	Fair value of plan assets as at end of the year	**426.23**	**376.16**
iii.	Amount recognised in the balance sheet:		
	Projected benefit obligation at the end of the year	689.81	571.83
	Fair value of the plan assets at the end of the year	426.23	376.16
	(Liability) / Asset recognised in the Balance sheet - net	**(263.58)**	**(195.67)**
iv.	Cost of the defined benefit plan for the year:		
	Current service cost	38.32	43.10
	Interest on obligation	35.98	31.17
	Expected return on plan assets	(28.08)	(25.95)
	Components of defined benefit cost recognised in the Statement of Profit and Loss	**46.22**	**48.32**
	(included in Note: 25 Contribution to Provident and other funds)		
	Remeasurement on the net defined benefit liability:		
	Actuarial (gain)/ loss arising from experience and financial adjustments	85.07	31.06
	Actuarial (gain) / loss on plan assets	1.22	(15.05)
	Components of defined benefit costs recognised in Other Comprehensive Income	**86.29**	**16.01**
	Total cost of the defined benefit plan for the year	**132.51**	**64.33**

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v. Particulars	As at	
	31.03.2024	31.03.2023
Present value of defined benefit obligation	689.81	516.22
Fair value of plan assets	426.23	376.16
Balance sheet (Liability)/ Asset	(263.58)	(140.06)

Particulars	For the year	
	2023-24	2022-23
Profit and Loss	46.22	48.32
Experience adjustment on plan liabilities (gain) / loss	85.07	31.06
Experience adjustment on plan assets (gain) / loss	1.22	(15.05)

In the absence of the relevant information, the above details does not include the composition of plan assets and expected return on each category of plan assets.

The actual return on plan assets was ₹26.84 million (for the year ended March 31, 2023: ₹41.00 million).

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below

Particulars	As at	
	31.03.2024	31.03.2023
Discount rate - 100 basis point higher	(44.28)	(34.90)
Discount rate - 100 basis point lower	48.23	39.73
Salary escalation rate - 100 basis point higher	48.69	35.37
Salary escalation rate - 100 basis point lower	(42.99)	(32.04)
Attrition rate - 100 basis point higher	0.45	4.20
Attrition rate - 100 basis point lower	(0.41)	(5.44)

In the above table, positive figures indicate increase in the liability and negative figures indicate decrease in the liability.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the benefit obligation as at March 31, 2024 ranges from 3 to 15.16 years (as at March 31, 2023: 3 to 15 years).

The Group expects to make a contribution of ₹191.81 million (as at March 31, 2023: ₹122.08 million) to the defined benefit plans during the next financial year.

B Provident fund

The actuary has assessed the calculations of the Interest Rate Guarantees based on the guidance note issued by the Institute of Actuaries of India. The disclosures required under Ind AS 19 is as set out below:

Fund and plan asset position of the Parent Company are as follows

Particulars	As at	
	31.03.2024	31.03.2023
Plan asset at the end of the year	1326.60	1222.36
Present value of benefit obligation at the end of the year	1445.12	1350.26
Surplus/(Deficit) available	(118.52)	(127.90)
Asset recognised in the Balance Sheet	Not applicable since a separate trust is maintained.	

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The plan assets are primarily invested in Government securities.

Assumptions for present value of interest rate guarantee are as follows:

Particulars	As at	
	31.03.2024	31.03.2023
Discount rate	7.03%	7.22%
Remaining term to maturity of portfolio (years)	6.06 years	5.91 years
Expected guaranteed rate (%)	8.25%	8.15%
Attrition rate	2%	2%

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below:

Particulars	As at	
	31.03.2024	31.03.2023
Discount rate - 100 basis point higher	(6.94)	(12.71)
Discount rate - 100 basis point lower	7.66	12.71
Guaranteed interest rate - 100 basis point higher	37.26	53.85
Guaranteed interest rate - 100 basis point lower	(70.78)	(63.54)
Current yield - 100 basis point higher	(73.47)	(21.26)
Current yield - 100 basis point lower	47.38	20.90

C. Remeasurement of defined benefit plans - Items that will not be reclassified to Profit or loss included under Other Comprehensive Income as detailed below :

Particulars	As at	
	31.03.2024	31.03.2023
In respect of Gratuity	(86.29)	(16.01)
In respect of Provident Fund	9.38	(46.40)
In respect of other plan of subsidiaries that are not material	(1.15)	0.52
Total Credited/(debited) to Other Comprehensive Income	**(78.06)**	**(61.89)**

36. Financial Instruments

(i) Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's objective when managing capital is to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and;
- Maintain an optimal capital structure to reduce the weighted average cost of capital.

In order to maintain or adjust the capital structure , the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell non-core assets to reduce the debt.

Debt to Equity ratio

Particulars	As at	
	31.03.2024	31.03.2023
Debt	1127.22	2301.00
Equity	31257.02	28205.66
Debt to Equity ratio	0.04	0.08

Lease liability amounting to ₹591.72 million (Previous year:₹471.56 million) arising on account of implementation of Ind AS 116 is not considered in the above working, as it is a liability. (Refer Note: 4B)

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Loan covenants :

As on March 31, 2024,there are no covenants applicable for long term loan outstanding.

Disclosure related to “Changes in liabilities arising from financial activities” under Ind AS 7 Statement of Cash flows:

Net debts reconciliation:	31.03.2024	31.03.2023
Cash and Cash equivalents	5548.78	3963.71
Borrowings	(1127.22)	(2301.00)
Net Cash/(Net debt)	**4421.56**	**1662.71**

Particulars	Other assets	Liabilities from Financing activities	Total
	Cash and Cash equivalents	Borrowings	
Net Cash/(Net debt) as at 31st March 2022	**3475.04**	**(2122.02)**	**1353.02**
Acquired through Business Combination	-	(357.94)	(357.94)
Conversion of non-current borrowing into equity share capital in a subsidiary	-	69.36	69.36
Conversion of trade payables into non-current borrowing under an arrangement	-	(190.82)	(190.82)
Cash flows (net) *	395.87	313.07	708.94
The effect of changes in foreign exchange rates	92.80	(12.65)	80.15
Net Cash/(Net debt) as at 31st March 2023	**3963.71**	**(2301.00)**	**1662.71**
Cash flows (net)	2010.35	1190.41	3200.76
Finance cost component added		(16.46)	(16.46)
The effect of changes in foreign exchange rates	(425.28)	(0.17)	(425.45)
Net Cash/(Net debt) as at 31st March 2024	**5548.78**	**(1127.22)**	**4421.56**

* In FY 2022-23, Cash flow represents outflows net of cash amounting to ₹86.66 million acquired on business combination.

Categories of financial instruments

Particulars	As at	
	31.03.2024	31.03.2023
A. Financial assets		
Measured at fair value through profit or loss (FVTPL): Mandatorily measured:		
- Equity and other investments	14.41	12.82
- Derivate financial Instruments	-	1.81
Measured at amortised cost		
- Cash and bank balances	5579.23	4001.13
- Other financial assets (including trade receivable balances)	7121.15	6549.70
Measured at fair value through Other Comprehensive Income (FVTOCI)		
- Investments in equity instruments designated upon initial recognition	74.10	162.35
B. Financial liabilities		
Measured at fair value through profit or loss (FVTPL) : Mandatorily measured:		
- Derivate financial Instruments	0.06	-
Measured at amortised cost (including trade payable balances)*	6191.68	7176.79

* The above excludes fair value of non-controlling interest put option amounting ₹454.70 million (Previous year :₹382.67 million) measured at fair value with subsequent changes in fair value recognised in equity

(ii) Financial risk management objectives

The Group’s activities expose it to market risk, liquidity risk and credit risk. The table given below explains the sources of risk which the Group is exposed to and how the Group manages the risk.

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Risk	Exposure arising from	Measurement	Management
a. Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis Credit ratings Financial analysis	Diversification of Short term investments, review of credit limits and credit locks and secured mode of payment
b. Market risk			
i.Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
ii. Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Market trends, Interest rate swaps
iii. Market risk - Price risk	Investment in securities	Sensitivity analysis	Portfolio diversification
c. Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sanctioned credit lines and borrowing facilities

The risk management is governed by policies developed in accordance with the Group guidelines and approved by the Board of Directors of the respective companies in the Group. They identify, evaluate and hedge financial risks in close co-ordination with their operating units.

a. Credit risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a(i). Trade receivables

Customer credit risk is managed by respective companies under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored through credit lock and release to effectively manage the exposure.

An impairment analysis is performed at each reporting date on an individual basis for all the customers. The impairment is based on expected credit model considering the historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note: 11.

The Group has low concentration of risk with respect to trade receivables, as its customers are located in various geographies and belong to diversified industries and operate in largely independent markets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In grouping the receivables, the management has deemed the probability of default in relation to related party receivables to the extent not eliminated are considered to be negligible given its historical experience and the relative networth of the related parties. Further in relation to certain overseas subsidiaries , the probability of default has also been considered to be negligible considering the historical experience , the portfolio of customers , the ageing balance among others .

The expected loss rates are based on the payment profiles of sales over the past 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables and contract assets are written off where there is no reasonable expectation of recovery.

Particulars	As at 31.03.2024			
	Not due & less than 6 months	6 months to 1 year	More than 1 year	Total
Gross carrying amount *	6552.09	76.31	114.63	6743.03
Expected loss rate**	7.8%	50.7%	70.9%	
Expected Credit loss	513.81	38.72	81.24	633.77
Carrying amount net of impairment	6038.28	37.59	33.39	6109.26

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Particulars	As at 31.03.2023			
	Not due & less than 6 months	6 months to 1 year	More than 1 year	Total
Gross carrying amount *	6172.07	100.85	114.54	6387.46
Expected loss rate**	7.8%	19.4%	87.7%	
Expected Credit loss	479.85	19.58	100.43	599.86
Carrying amount net of impairment	5692.22	81.27	14.11	5787.60

*Excludes trade receivables on which probability of default has been assessed to be NIL.

** Includes specific provision

Also this is a derived percentage representing the weighted average of expected loss rate under each bucket of the various entities.

a(ii). Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the respective companies in accordance with their policy. Group recommends investments of surplus funds in short-term liquid funds and deposits with banks. The Investment limits are set out and are reviewed by the Board of Directors of the respective company on an quarterly basis.

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, Investments (FVTOCI) and derivative financial instruments.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being measured and managed.

b (i). Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign exchange rate exposures are managed within policy parameters developed under guidelines of the Group and approved by Board of Directors of the respective companies. The Group recommends to its operating entities to perform, to the extent it is possible, their transactions in their functional currencies. Where this is not possible, the transactional currency risk may be hedged on an individual basis by currency forwards. The Group recommends hedging of around 50% of the net material exposure by currency. Exposures relating to capital expenditure beyond a threshold are hedged as per respective company's policy at the time of commitment.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period are as under:

Currency	Liabilities		Assets	
	As at		As at	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
US Dollar (USD)	358.93	470.30	2792.38	2787.73
Euro (EUR)	334.14	415.16	1620.32	1557.00
Great British Pound (GBP)	-	-	15.87	11.15
Australian Dollar (AUD)	3.70	3.75	6.92	5.08
Swedish Krona(SEK)	-	0.03	-	-
Japanese Yen (JPY)	3.56		2.03	6.97
Chinese Yuan (CNY)	17.59	3.16	22.14	3.57
Czech Kroner (CZK)	-	-	0.52	23.31
South Korean (Won)	-	-	26.59	-
Brazillian (Real)	-	-	2.61	-
Turkish lira	-	-	1.05	-

Quantum of Forward contract (derivatives) outstanding as at the end of the year (notional principal amount):

The details of outstanding forward exchange contracts taken towards hedging the trade exposures as on the reporting date are given as under:

Currency	Liabilities		Assets	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
USD	76.74	82.22	150.07	135.66

As at 31st March 2024, the outstanding forward exchange contracts were USD 1.80 million taken for receivable position & USD 0.92 million taken for payable position.

The value of the contracts outstanding currency wise is given below in the table:

Contracts booked for	Currency	As at 31.03.2024		As at 31.03.2023	
		Number of contracts	Notional value in ₹ in million	Number of contracts	Notional value in ₹ in million
Export receivable*	USD	12	150.07	11	135.66
Import payment	USD	5	76.74	10	82.22

* The Group has designated the above contracts in a cash flow hedge relationship

Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollar and Euro. The following table provides the sensitivity impact to a 10% strengthening or weakening of Indian rupee exchange rate against foreign currencies. The sensitivity analysis is done on net exposures. A positive number below indicates an increase in profit or equity when the Rupee weakens against the foreign currency and when net exposure is an asset.

Currency impact in (₹ million) relating to the foreign currencies of:	As at 31.03.2024		As at 31.03.2023	
	Profit or loss	Equity	Profit or loss	Equity
US Dollar (USD)	176.61	176.61	169.42	169.42
Euro (EUR)	96.25	96.25	85.45	85.45
Great British Pound (GBP)	1.19	1.19	0.83	0.83
Australian Dollar (AUD)	0.24	0.24	0.10	0.10
Swedish Krona(SEK)	-	-	-	-
Japanese Yen (JPY)	(0.11)	(0.11)	0.52	0.52
Chinese Yuan (CNY)	0.34	0.34	0.03	0.03
Czech Kroner (CZK)	0.04	0.04	1.74	1.74
South Korean (Won)	1.99	1.99	-	-
Turkish lira	0.20	0.20	-	-
Brazillian (Real)	0.08	0.08	-	-
Total	**276.83**	**276.83**	**258.09**	**258.09**

The Group sensitivity impact to foreign currency has marginally increased during the current year mainly due to the increase in the value of exposure of USD and EUR currency as at the end of the reporting period.

b(ii). Interest rate risk Management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has been availing the borrowings on a fixed and variable rate of interest. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107.

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Classification of borrowings by nature of interest rate	As at	
	31.03.2024	31.03.2023
Borrowings at variable interest rate		
- Non - Current	275.14	428.57
- Current*	847.57	1805.40
Borrowings at fixed interest rate		
- Non - Current	-	-
- Current*	4.51	67.03
Total Borrowings	**1127.22**	**2301.00**

* including non-current maturities.

The Impact of sensitivity on interest cost towards current and non-current borrowings at variable interest rate is not expected to be material considering the relative short tenure of the borrowing and stability of the relevant benchmark.

b(iii). Price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group equity investments are held for strategic rather than trading purposes. The Group also holds certain other equity investments for trading purposes.

Equity price sensitivity analysis

The accumulated fair value change recognised on equity investment which are held for strategic purpose and designated at Fair value through Other Comprehensive Income as at 31st March 2024 is ₹42.39 million (31st March 2023: ₹70.21 million) - Refer Note no: 14. The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting periods. If equity prices moves-up or decrease by 5%, the impact to Other Comprehensive Income and equity is given below:

Movement of equity price	Impact to Other Comprehensive Income/equity	
	As at 31.03.2024	As at 31.03.2023
Increase by 5%	3.14	7.55
Decrease by 5%	(3.14)	(7.55)

The impact of change in equity price on non-current investment recorded at Fair value through Profit and Loss and other investment designated as Fair value through Other Comprehensive Income is not significant.

c. Liquidity risk management

The Group has established a liquidity risk management framework. The Group manages liquidity risk through cash generation from business and by having adequate banking facilities. The Group continuously monitors forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Contractual maturities of financial liabilities

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2024:

Particulars	Carrying amount / Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial liabilities						
Borrowings *	275.14	-	320.49		-	320.49
Lease liabilities	510.58	-	208.50	172.40	231.19	612.09
Other financial liabilities	454.70	-	755.89	-	-	755.89
Current financial liabilities						
Borrowings *	852.08	869.50	-	-	-	869.50
Lease liabilities	81.14	81.14	-	-	-	81.14

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Particulars	Carrying amount / Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Trade payables	3977.69	3977.69	-	-	-	3977.69
Other financial liabilities	495.11	496.78	-	-	-	496.78
Others						
Outstanding guarantee/letter of comfort given on behalf of Joint venture	90.00	90.00	-	-	-	90.00

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2023 :

Particulars	Carrying amount / Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial liabilities						
Borrowings *	428.57	-	333.50	95.07	-	428.57
Lease liabilities	386.75	-	194.29	58.93	173.43	426.65
Other financial liabilities	395.84	-	15.55	719.04	-	734.59
Current financial liabilities						
Borrowings *	1872.43	1883.14	-	-	-	1883.14
Lease liability	84.81	97.64	-	-	-	97.64
Trade payables	3359.06	3359.06	-	-	-	3359.06
Other financial liabilities	1032.00	1033.28	-	-	-	1033.28
Others						
Outstanding guarantee/letter of comfort given on behalf of Joint venture	90.00	90.00	-	-	-	90.00

*Amount included in the above maturity analysis assumes interest outflows based on the actual interest rates.

Contractual maturities of financial assets

The table below provides details regarding the contractual maturities of financial assets as at 31st March 2024:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial assets						
Other financial assets	206.66	-	102.41	-	104.25	206.66
Current financial assets						
Trade receivables	6790.40	6790.40	-	-	-	6790.40
Other receivables	124.09	124.09	-	-	-	124.09

The table below provides details regarding the contractual maturities of financial assets as at 31st March 2023:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial assets						
Other financial assets	192.86	-	105.09	-	87.77	192.86
Current financial assets						
Trade receivables	6273.80	6273.80	-	-	-	6273.80
Other receivables	84.85	84.85	-	-	-	84.85

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Maturity analysis of Derivative financial instruments

The following table details the Group maturity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted estimated cash flows determined by reference to the projected market rates at the end of the reporting period.

Currency	Contracts booked for	As at 31.03.2024			As at 31.03.2023		
		Notional amount	Less than 1 year	1-3 years	Notional amount	Less than 1 year	1-3 years
USD	Export receivable	150.07	150.07	-	135.66	135.66	-
USD	Import payment	76.74	76.74	-	82.22	82.22	-

The note below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Financing facilities

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured term loan from bank:		
Amount used	-	-
Amount unused.	-	-
	-	**-**
Unsecured cash credit and other borrowings facility:		
Amount used	4.51	796.91
Amount unused.	4218.26	4216.66
	4222.77	**5013.57**
Secured term loan from bank:		
Amount used	711.51	255.59
Amount unused.	238.43	212.25
	949.94	**467.84**
Secured cash credit and other borrowings facility:		
Amount used	222.83	1057.68
Amount unused	1,315.70	898.54
	1538.53	**1956.22**
Total		
Amount used	938.85	2110.18
Amount unused	5772.39	5327.45
	6711.24	**7437.63**

Borrowing facilities - both funded and non-funded of the parent are secured by a pari-passu first charge on the current assets of the Parent - both present and future; and a pari-passu second charge on immovable properties - both present and future.

Fair value measurements

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

Fair value of the Group financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Financial assets/financial liabilities	Fair Value as at		Fair value hierarchy	Valuation techniques & key inputs used
	31.03.2024	31.03.2023		
Investments in quoted equity instruments at FVTOCI	-	88.25	Level 1	Quoted bid price in an active market (a)
Investments in quoted instruments at FVTPL	13.85	12.26	Level 1	Quoted bid price in an active market
Investments in unquoted instruments at FVTPL	0.56	0.56	Level 3	Fair valuation - (b)
Investments in unquoted instruments at FVTOCI	74.10	74.10	Level 3	Fair valuation - (b)
Other Financial asset - Derivative financial Instruments	-	1.81	Level 2	Basis bank forex rates
Other Financial liabilities - Derivative financial Instruments	0.06	-	Level 2	Basis bank forex rates
Other Financials liabilities - Put option payables	454.70	382.67	Level 3	Fair valuation - (c)

There were no changes in the fair value hierarchy levels in the above periods.

(a) These investments in equity instruments are not for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss. During the current year, the parent has disposed off this investment

(b) These investment in equity are not significant in value and hence additional disclosures are not presented.

(c) The significant assumptions in relation to determination of put option liability are the same as used in determination of recoverable amount of PLUSS. Refer Note 5A. Sensitivities are set out as below:

Change in assumptions	Increase/ (Decrease) in liability as at March 31, 2024	Increase/ (Decrease) in liability as at March 31, 2023
Discount rate - 50 basis point higher	(18.95)	(17.63)
Discount rate - 50 basis point lower	20.35	19.08
Terminal growth rate - 50 basis point higher	13.59	13.10
Terminal growth rate - 50 basis point lower	(12.68)	(12.14)

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	Fair value hierarchy	As at 31.03.2024		As at 31.03.2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost:					
Non-current financial assets					
Other financial assets	Level 3	206.66	194.54	192.86	182.35
Current financial assets					
Trade receivable	Level 3	6790.40	6790.40	6273.80	6273.80
Other receivables	Level 3	124.09	124.09	83.04	83.04
Financial liabilities held at amortised cost:					
Non-current financial liabilities					
Borrowings	Level 2	275.14	275.14	428.57	428.57
Lease Liabilities	Level 3	510.58	510.58	386.75	386.75

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	Fair value hierarchy	As at 31.03.2024		As at 31.03.2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Others financial liabilities	Level 3	-	-	13.17	13.17
Current financial liabilities					
Borrowings	Level 2	852.08	852.08	1872.43	1872.43
Lease Liabilities	Level 3	81.14	81.14	84.81	84.81
Trade payables	Level 3	3977.69	3977.69	3359.06	3359.06
Others financial liabilities	Level 3	495.05	495.05	1032.00	1032.00

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Financial instrument by Category

Particulars	31.03.2024			31.03.2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non-Current						
Investments	14.41	74.10	-	12.82	162.35	-
Other Financial Assets	-	-	206.66	-	-	192.86
Current						
Trade receivables	-	-	6790.40	-	-	6273.80
Cash and Cash equivalents	-	-	5548.78	-	-	3963.71
Bank balances Other than above	-	-	30.45	-	-	37.42
Other financial assets	-		124.09	1.81		83.04
	14.41	**74.10**	**12700.38**	**14.63**	**162.35**	**10550.83**
Financial Liabilities						
Non Current						
Borrowings	-	-	275.14	-	-	428.57
Lease Liabilities	-	-	510.58	-	-	386.75
Other financial liabilities*	-	-	-	-	-	13.17
Current						
Borrowings	-	-	852.08	-	-	1872.43
Lease Liabilities	-	-	81.14	-	-	84.81
Trade payables	-	-	3977.69	-	-	3359.06
Other financial liabilities*	0.06	-	495.05	-	-	1032.00
	0.06	**-**	**6191.68**	**-**	**-**	**7176.79**

* excludes fair value of non-controlling interest put option amounting to ₹454.70 million (Previous year : ₹382.67 million) measured at fair value with subsequent changes in fair value recognised in equity

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

37. Related Party Disclosures

List of related parties

Related party relationships are as identified by the management and relied upon by the auditors.

Joint ventures	
Murugappa Morgan Thermal Ceramics Limited	[MMTCL]
Ciria India Limited	[Ciria]
Associate and its subsidiaries	
Wendt (India) Limited	[Wendt]
Wendt Grinding Technologies Limited, Thailand	[WGTL]
Wendt (Middle East) FZE *	[WME]
* Ceased to be in existence from May 10,2022.	
Key Management Personnel	
Mr. N. Ananthaseshan, Managing Director (till August 02, 2023)	[AN]
Mr. Sridharan Rangarajan, Managing Director (from August 03, 2023 and Director – Finance & Strategy till August 02, 2023)	[SR]
Other Related parties	
Ambadi Investments Limited (Shareholder with significant influence and promoter holding more than 10%)	[AIL]
Parry Enterprises India Limited (Subsidiary of AIL)	[PEIL]
Parry Agro Industries Limited (Subsidiary of AIL)	[PAL]
Carborundum Universal Employees Provident fund	[CUEPF]
Non Executive Directors	
Mr. M.M. Murugappan, Chairman	[MMM]
Mr. Sanjay Jayavarthanavelu	[SJ]
Mr. Aroon Raman	[AR]
Mr. P S Raghavan	[PSR]
Mr. Sujjain Talwar	[ST]
Mrs.Soundara Kumar	[SK]

Retiral funds of Subsidiaries, Joint ventures, Associate and Other Related parties

Related Party	A. Transactions during FY 2023-24									
	Income from Sales & Services	Dividend income	Purchase of goods	Expenditure on other services	Rental Expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Joint Ventures										
MMTCL	33.71	71.54	27.82	-	-	-	5.48	-		
Ciria	41.88	111.00	-	-	-	-	-	-		
Total	**75.59**	**182.54**	**27.82**	**-**	**-**	**-**	**5.48**	**-**	**-**	
Associate & its subsidiaries										
Wendt	51.54	60.00	64.72	-	4.80	-	18.90	-	-	-
WGTL	77.71	-	5.08	-		-		-	-	-
Total	**129.25**	**60.00**	**69.80**	**-**	**4.80**	**-**	**18.90**	**-**	**-**	

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Related Party	A. Transactions during FY 2023-24									
	Income from Sales & Services	Dividend income	Purchase of goods	Expenditure on other services	Rental Expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Other related parties										
PEIL	1.06	-	-	44.83	-	-	-	-	-	-
PAL	3.41	-	-	0.15	-	-	-	-	-	-
CUEPF								167.85		
Total	**4.47**	**-**	**-**	**44.98**	**-**	**-**	**-**	**167.85**	**-**	**-**
KMP - Remuneration										
AN	-	-	-	-	-	21.15	-	-	-	-
SR	-	-	-	-	-	30.90	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**52.05**	**-**	**-**	**-**	**-**
Sitting Fees and commission paid to Non Executive Directors										
MMM	-	-	-	-	-	-	-	-	-	10.52
SJ	-	-	-	-	-	-	-	-	-	2.20
AR	-	-	-	-	-	-	-	-	-	2.19
PSR	-	-	-	-	-	-	-	-	-	2.85
ST	-	-	-	-	-	-	-	-	-	2.15
SK	-	-	-	-	-	-	-	-	-	2.15
	-	-	-	-	-	-	-	-	-	22.06
Grand Total	**209.31**	**242.54**	**97.62**	**44.98**	**4.80**	**52.05**	**24.38**	**167.85**	**-**	**22.06**

Related Party	B. Transactions during FY 2022-23									
	Income from Sales & Services	Dividend income	Purchase of goods	Expenditure on other services	Rental Expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Joint Ventures										
MMTCL	26.64	42.92	17.56	-	-	-	17.73	-	-	-
Ciria	27.06	30.00	-	-	-	-	-	-	90.00	-
Total	**53.70**	**72.92**	**17.56**	**-**	**-**	**-**	**17.73**	**-**	**90.00**	**-**
Associate & its subsidiaries										
Wendt	65.21	56.25	95.20	-	4.48	-	22.55	-	-	-
WGTL	77.90	-	9.99	-	-	-	-	-	-	-
Total	**143.11**	**56.25**	**105.19**	**-**	**4.48**	**-**	**22.55**	**-**	**-**	**-**
Other related parties										
PEIL	0.90	-	-	30.47	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Related Party	B. Transactions during FY 2022-23									
	Income from Sales & Services	Dividend income	Purchase of goods	Expenditure on other services	Rental Expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
PAL	3.60	-	-	-	-	-	-	-	-	-
CUEPF	-	-	-	-	-	-	-	157.56	-	-
Total	**4.50**	**-**	**-**	**30.47**	**-**	**-**	**-**	**157.56**	**-**	**-**
KMP - Remuneration										
AN	-	-	-	-	-	22.25	-	-	-	-
SR	-	-	-	-	-	24.25	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**46.50**	**-**	**-**	**-**	**-**
Sitting Fees and commission paid to Non Executive Directors										
MMM	-	-	-	-	-	-	-	-	-	10.52
SJ	-	-	-	-	-	-	-	-	-	1.85
AR	-	-	-	-	-	-	-	-	-	2.00
PSR	-	-	-	-	-	-	-	-	-	2.32
ST	-	-	-	-	-	-	-	-	-	1.60
SK	-	-	-	-	-	-	-	-	-	1.70
Grand Total	**201.31**	**129.17**	**122.75**	**30.47**	**4.48**	**46.50**	**40.28**	**157.56**	**90.00**	**19.99**

Related Party	C. Outstandings							
	As at 31.03.2024				As at 31.03.2023			
	Trade and other receivable	Deposit outstanding	Payables	Letter of comfort / Guarantee outstanding*	Trade and other receivable	Deposit outstanding	Payables	Letter of comfort / Guarantee outstanding*
Joint Ventures								
MMTCL	10.01	-	2.70	-	12.68	-	3.54	-
Ciria	15.76	-	-	90.00	3.64	-	-	90.00
Total	**25.77**	**-**	**2.70**	**90.00**	**16.32**	**-**	**3.54**	**90.00**
Associate & its subsidiaries								
Wendt	26.40	1.00	19.35	-	25.33	1.00	15.96	-
WGTL	5.36	-	1.49	-	6.10	-	2.52	-
Total	**31.76**	**1.00**	**20.84**	**-**	**31.43**	**1.00**	**18.48**	**-**
Other related parties								
PEIL	0.50	-	0.32	-	0.40	-	2.33	-
CUEPF	-	-	14.20	-	-	-	13.23	-
Total	**0.50**	**-**	**14.52**	**-**	**0.40**	**-**	**15.56**	**-**
KMP@								
AN	-	-	1.98	-	-	-	5.52	-
SR	-	-	7.85	-	-	-	6.01	-
Total	**-**	**-**	**9.83**	**-**	**-**	**-**	**11.53**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Related Party	C. Outstandings							
	As at 31.03.2024				As at 31.03.2023			
	Trade and other receivable	Deposit outstanding	Payables	Letter of comfort / Guarantee outstanding*	Trade and other receivable	Deposit outstanding	Payables	Letter of comfort / Guarantee outstanding*
Non Executive Directors								
MMM	-	-	10.00	-	-	-	10.00	-
SJ	-	-	1.50	-	-	-	1.00	-
AR	-	-	1.50	-	-	-	1.00	-
PSR	-	-	2.00	-	-	-	1.50	-
ST	-	-	1.50	-	-	-	1.00	-
SK	-	-	1.50	-	-	-	1.00	-
Total	**-**	**-**	**18.00**	**-**	**-**	**-**	**15.50**	**-**
Grand Total	**58.03**	**1.00**	**65.89**	**90.00**	**48.15**	**1.00**	**64.61**	**90.00**

Transactions with related parties in the nature of sale of goods, rendering of services, purchase of goods, procurement of services are at arm's length price.

@Incentive payable to Managing Director and Director – Finance & Strategy is provisional and subject to determination by the Nomination and Remuneration Committee.

* Issued towards availment of banking facilities by the respective entity

Compensation to Key Management Personnel

The remuneration to Key Management Personnel for the years is given below :

Particulars	31.03.2024			31.03.2023		
	AN	SR	Total	AN	SR	Total
Short term benefits	7.66	26.61	34.27	18.79	20.78	39.57
Post employment benefits	1.20	4.26	5.46	3.33	3.34	6.67
Other benefits	1.94	0.03	1.97	0.13	0.13	0.26
Retiral settlements	10.35	-	10.35	-	-	-
Total	**21.15**	**30.90**	**52.05**	**22.25**	**24.25**	**46.50**

The Remuneration to Key Management Personnel is determined by the Nomination and Remuneration Committee having regard to the performance of individual and market trends.

38 Research and Development expenditure incurred during the year is given below:

a) Revenue Expenditure (disclosed under respective heads of expenditure)

Particulars	For the year	
	2023-24	2022-23
Direct Material, Supplies and Consumables	64.34	77.35
Employee Benefit Expenses	111.80	89.89
Repair & Maintenance	6.71	5.61
Other Expenses	41.24	27.18
Depreciation	21.69	16.16
Total Revenue Expenditure	**245.78**	**216.19**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

b) Capital Expenditure

Particulars	For the year	
	2023-24	2022-23
Property, plant and equipment		
Buildings	2.78	1.10
Plant and equipment	14.79	71.05
Furniture and Fittings & Others	0.53	3.39
	18.10	**75.54**
Intangibles	0.10	0.16
Total	**18.20**	**75.70**
Capital Work-in-Progress	5.59	4.25
Total Capital Expenditure (including CWIP)	**23.79**	**79.95**

39. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	2023-24							
	Net assets i.e. total asset minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ million)	As % of consolidated Profit	Amount (₹ million)	As % of consolidated Other Comprehensive Income	Amount (₹ million)	As % of consolidated Total Comprehensive income	Amount (₹ million)
I. Parent								
Carborundum Universal Limited	73.50%	22975.18	75.96%	3503.50	10.48%	(105.00)	94.13%	3398.50
II. Subsidiaries (including Step down subsidiaries)								
a) Indian								
1. Net Access India Limited	0.56%	175.55	0.74%	33.95	0.05%	(0.50)	0.93%	33.45
2. Southern Energy Development Corporation Limited	0.31%	97.93	(2.65%)	(122.33)	0.00%	0.02	(3.39%)	(122.31)
3. Sterling Abrasives Limited	3.13%	977.89	3.00%	138.38	(0.05%)	0.47	3.85%	138.85
4. PLUSS Advanced Technologies Limited*	2.84%	889.05	(2.77%)	(127.71)	(0.27%)	2.71	(3.46%)	(125.00)
b) Foreign								
1. CUMI (Australia) Pty Limited	2.52%	786.70	5.73%	264.36	-	-	7.32%	264.36
2. CUMI International Ltd.	41.87%	13088.53	5.53%	255.12	-	-	7.07%	255.12
3. Volzhsky Abrasive Work	22.41%	7005.61	32.21%	1485.63	-	-	41.15%	1485.63
4. Foskor Zirconia (Pty) Ltd.	1.45%	452.96	(1.60%)	(73.94)	0.07%	(0.75)	(2.07%)	(74.69)
5. CUMI America Inc	2.32%	726.92	3.72%	171.66	-	-	4.75%	171.66
6. CUMI Middle East FZE	0.01%	3.79	(0.28%)	(12.64)	-	-	(0.35%)	(12.64)
7. CUMI Abrasives & Ceramics Co., Limited	(0.16%)	(48.59)	(0.40%)	(18.59)	-	-	(0.51%)	(18.59)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Name of the entity	2023-24							
	Net assets i.e. total asset minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ million)	As % of consolidated Profit	Amount (₹ million)	As % of consolidated Other Comprehensive Income	Amount (₹ million)	As % of consolidated Total Comprehensive income	Amount (₹ million)
8.CUMI Europe s.r.o	-	-	-	-	-	-	-	-
9. CUMI AWUKO Abrasives GmbH	3.73%	1165.99	(4.40%)	(202.78)	-	-	(5.62%)	(202.78)
10. Rhodius Abrasives GmbH	14.73%	4605.55	(2.96%)	(136.35)	0.32%	(3.21)	(3.87%)	(139.56)
Non controlling interest in all subsidiaries	(4.46%)	(1393.14)	(3.24%)	(149.33)	(3.82%)	38.31	(3.08%)	(111.02)
III. Associates (Investment as per equity method)								
1. Wendt (India) Limited	2.54%	795.40	3.33%	153.57	0.59%	(5.83)	4.09%	147.74
IV. Joint ventures (Investment as per equity method)								
Indian								
1. Murugappa Morgan Thermal Ceramics Limited	2.31%	721.11	4.64%	214.10	0.01%	(0.15)	5.93%	213.95
2. Ciria India Limited	0.34%	110.66	1.54%	70.90	0.02%	(0.20)	1.96%	70.70
Inter-company Elimination & Consolidation Adjustments	(69.95%)	(21880.07)	(18.10%)	(835.00)	92.60%	(928.07)	(48.83%)	(1763.07)
Total	**100.00%**	**31257.02**	**100.00%**	**4612.50**	**100.00%**	**(1002.20)**	**100.00%**	**3610.30**

* After considering the effect of acquisition accounting

Name of the entity	2022-23							
	Net assets i.e. total asset minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ million)	As % of consolidated Profit	Amount (₹ million)	As % of consolidated Other Comprehensive Income	Amount (₹ million)	As % of consolidated Total Comprehensive income	Amount (₹ million)
I. Parent								
Carborundum Universal Limited	71.14%	20065.16	79.94%	3309.36	(7.46%)	(73.00)	63.22%	3236.36
II. Subsidiaries (including Step down subsidiaries)								
a) Indian								
1. Net Access India Limited	0.61%	172.10	0.84%	34.72	(0.16%)	(1.56)	0.65%	33.16
2. Southern Energy Development Corporation Limited	0.78%	220.23	(1.06%)	(43.89)	0.00%	(0.03)	(0.86%)	(43.92)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Name of the entity	2022-23							
	Net assets i.e. total asset minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ million)	As % of consolidated Profit	Amount (₹ million)	As % of consolidated Other Comprehensive Income	Amount (₹ million)	As % of consolidated Total Comprehensive income	Amount (₹ million)
3. Sterling Abrasives Limited	3.17%	893.05	3.98%	164.78	(0.10%)	(0.96)	3.20%	163.82
4. PLUSS Advanced Technologies Limited*	3.60%	1014.05	(3.30%)	(136.69)	(0.27%)	(2.62)	(2.72%)	(139.31)
b) Foreign								
1. CUMI (Australia) Pty Limited	2.59%	730.03	4.76%	197.19	-	-	3.85%	197.19
2. CUMI International Ltd.	44.87%	12654.63	2.50%	103.46	-	-	2.02%	103.46
3. Volzhsky Abrasive Work	24.77%	6986.78	36.71%	1519.87	-	-	29.69%	1519.87
4. Foskor Zirconia (Pty) Ltd.	1.47%	413.76	6.80%	281.43	0.05%	0.48	5.51%	281.91
5. CUMI America Inc	1.93%	546.41	4.20%	173.94	-	-	3.40%	173.94
6. CUMI Middle East FZE	0.06%	16.29	(0.26%)	(10.25)	-	-	(0.20%)	(10.25)
7. CUMI Abrasives & Ceramics Co., Limited	(0.11%)	(30.73)	(1.13%)	(46.96)	-	-	(0.92%)	(46.96)
8.CUMI Europe s.r.o	-	-	0.02%	0.75	-	-	0.01%	0.75
9. CUMI AWUKO Abrasives GmbH	3.89%	1096.59	(7.42%)	(307.27)	-	-	(6.00%)	(307.27)
10. Rhodius Abrasives GmbH	16.59%	4680.62	(7.39%)	(305.94)	0.00%	0.00	(5.98%)	(305.94)
Non controlling interest in all subsidiaries	(4.53%)	(1278.98)	(6.69%)	(277.12)	(2.29%)	(22.46)	(5.85%)	(299.58)
III. Associates (Investment as per equity method)								
1. Wendt (India) Limited	2.51%	707.65	3.63%	150.34	0.65%	6.23	3.06%	156.57
IV. Joint ventures (Investment as per equity method)								
Indian								
1. Murugappa Morgan Thermal Ceramics Limited	2.05%	578.50	3.70%	153.04	(0.26%)	(2.52)	2.94%	150.52
2. Ciria India Limited	0.53%	150.96	1.68%	69.43	0.00%	(0.03)	1.36%	69.40
Inter-company Elimination & Consolidation Adjustments	(75.92%)	(21411.44)	(21.51%)	(890.33)	109.84%	1075.67	3.62%	185.34
Total	**100.00%**	**28205.66**	**100.00%**	**4139.86**	**100.00%**	**979.20**	**100.00%**	**5119.06**

*After considering the effect of acquisition accounting

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

40. Events after the reporting period

Refer Note : 13 for the Final dividend recommended by the Directors which is subject to the approval of the shareholder in the ensuing Annual General Meeting.

41a. Audit Trail - Ciria India Limited :

The Company is using an accounting software for maintaining its books of account where audit trail feature (edit log facilitiy) was not enabled during year ended March 31, 2024. The Company is in the process of implementing audit trail feature in the accounting software used for maintaining its books of account to comply with the requirement of Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014.

41b. Backup of books of account- Murugappa Morgan Thermal Ceramics Limited:

The Company (Accounts) Fourth Amendment Rules 2022 dated August 06, 2022, mandates the backup of books of account and other books and paper of the Company maintained in electronic mode including at the place located in India on a daily basis. The Company is maintaining daily backups for all the accounting software in a server which is physically located at United Kingdom, headquarters of Morgan Advanced Materials PLC, a Joint Venture partner of the Company.

42: Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Group , its associate and joint ventures for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Parent has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Parent with banks are in agreement with the books of accounts. Certain other subsidiaries also have borrowings from banks and financial institution on the basis of security of current assets, but they are not material.

(iii) Wilful defaulter

None of the entities in the Group, its associate and joint ventures have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Group, its associate and joint ventures, has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Group, its associate and joint ventures, has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Group, its associate and joint ventures has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Group, its associate and joint ventures has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries), its associate and joint ventures or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group, its associate and joint ventures has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group, its associate and joint ventures shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Group, its associate and joint ventures has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Group, its associate and joint ventures has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

43. Ratios

Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	Variance in % Favourable/ (Adverse)	Remarks
(a) Current ratio,	Current asset	Current liabilities	3.2	2.7	17%	Due to repayment of current borrowings.
(b) Debt-equity ratio,	Borrowings	Equity attributable to owner	0.04	0.08	56%	Due to repayment of entire current borrowings by the parent.
(c) Debt service coverage ratio,	Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PP&E etc.	Interest and principal repayments including lease payments.	18.8	22.8	(18%)	Decrease is due to repayment of part of the borrowing.
(d) Return on equity ratio	Net profit after tax and Non Controlling interest	Average shareholder equity	15.5%	16.0%	(3%)	Reduction is due to inclusion of exceptional income in last year
(e) Inventory turnover ratio	Sales	Average Inventory	5.3	5.8	(9%)	Mainly due to stabilisation of acquisition entities
(f) Trade receivables turnover ratio	Sales	Average Receivable	7.1	8.3	(14%)	Mainly due to stabilisation of acquisition entities
(g) Trade payables turnover ratio,	Total purchase and Service received	Average Trade payables	10.5	11.6	(9%)	Majorly due to stabilisation of acquisition entities
(h) Net capital turnover ratio	Net sales	Working capital	3.1	3.6	(13%)	Working capital increase in line with business growth added with repayment of current borrowings
(i) Net profit ratio,	Net profit after tax	Net Sales	10.3%	9.6%	7%	Net margin increase is due to product mix

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	Variance in % Favourable/ (Adverse)	Remarks
(j) Return on capital employed	Earning before interest and taxes	Capital employed = Tangible networth+Total debts+Deferred tax liability	23.4%	22.6%	4%	Better returns & effective utilisation of capital employed
(k) Return on investment						Significant investments held by the Group are for strategic purposes. Benchmarking the return on an annual basis will not reflect yield from such investments.

44. Rounding off :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

45. Approval of financial statements :

The financial statements were reviewed and recommended by the Audit Committee and has been approved by the Board of Directors at their meeting held on May 03, 2024.

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

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(in Indian Rupees million, unless otherwise stated)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate companies/Joint Ventures.

Pursuant to first proviso to sub-section (3) of Section 129 read with Companies (Accounts) Rules, 2014

(a) Summary financial information of Subsidiary Companies

Reporting currency	RUB		Rand		AUD		INR		USD	
Exchange rate	0.93	0.93	4.42	4.42	54.11	54.11	NA	NA	83.12	83.12
Particulars	Volzhsky Abrasive Works		Foskor Zirconia Pty Ltd		CUMI Australia Pty. Ltd		Sterling Abrasives Limited		CUMI International Ltd	
Financial year ended	2023	2022	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023	2022
Date of becoming subsidiary	7th September 2007		4th August 2008		1st September 2003		31st March 2003		7th July 2007	
1. Share capital	3.35	3.35	0.00	0.00	27.10	27.10	9.00	9.00	3361.16	3228.17
2. Reserves & Surplus	7114.67	5995.99	453.39	395.47	515.93	496.99	968.89	884.05	9714.61	9583.51
3. Total Liabilities [a]	670.96	1061.94	1008.78	718.89	604.64	574.76	530.83	556.27	8.88	40.50
4. Total Assets [b]	7788.98	7061.28	1462.17	1114.36	1147.67	1098.85	1508.72	1449.32	13084.65	12852.18
5. Investments	0.07	0.06	-	-	-	-	-	-	12032.83	11467.25
6. Turnover	9667.40	7741.61	1695.71	2028.52	1907.27	1670.80	1432.32	1398.99	406.19	507.09
7. Profit before Tax	1993.04	1517.62	(101.55)	97.45	375.90	277.02	194.35	220.08	328.13	120.57
8. Provision for Taxation	448.35	388.36	(27.61)	(165.64)	113.28	83.02	55.97	55.30	64.03	77.41
9. Profit after Tax	1544.69	1129.26	(73.94)	263.09	262.62	194.00	138.38	164.78	264.10	43.16
10. Proposed dividend [c]	446.99	428.20	-	-	243.68	194.00	45.00	54.00	-	-
11. % of Shareholding	98.07	98.07	51.00	51.00	51.22	51.22	60.00	60.00	100.00	100.00

Reporting currency	RMB		CZK		INR		INR		USD	
Exchange Rate	11.71	11.71	3.72	3.72	NA	NA	NA	NA	83.37	83.37
Particulars	CUMI Abrasives & Ceramics Co Ltd		CUMI Europe s.r.o		Southern Energy Development Corporation Limited		Net Access India Limited		CUMI Middle East FZE.	
Financial year ended	2023	2022	2023	2022	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Date of becoming subsidiary	31st December 2009		9th December 2014		31st March 2003		1st December 2001		11th December 2005	
1. Share capital	1178.60	1178.60	30.81	30.81	4.60	4.60	50.00	50.00	2.27	2.27
2. Reserves & Surplus	(1217.04)	(1208.40)	(30.81)	(30.81)	3181.00	2611.00	125.55	122.10	1.52	14.25
3. Total Liabilities [a]	61.07	67.41	-	-	105.50	24.70	136.25	157.10	12.71	60.03
4. Total Assets [b]	22.63	37.61	-	-	3291.10	2640.30	311.80	329.20	16.50	76.55
5. Investments	-	-	-	-	3169.30	2477.00	0.00	0.00	-	-
6. Turnover	-	72.45	-	0.81	338.20	271.30	576.80	587.70	37.46	83.52
7. Profit before Tax	(7.81)	(69.71)	-	0.81	(93.63)	(46.60)	44.65	44.72	(12.73)	(10.64)
8. Provision for Taxation	-	-	-	-	28.70	(2.71)	10.70	10.00	-	-
9. Profit after Tax	(7.81)	(69.71)	-	0.81	(122.33)	(43.89)	33.95	34.72	(12.73)	(10.64)
10. Proposed dividend [c]	-	-	-	-	-	-	27.50	15.00	-	-
11. % of Shareholding	100.00	100.00	100.00	100.00	84.76	84.76	100.00	100.00	100.00	100.00

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(in Indian Rupees million, unless otherwise stated)

Reporting currency	USD		INR		Euro		Euro		Euro	
Exchange Rate	83.37	83.37	NA	NA	90.22	90.22	90.22	90.22	90.22	90.22
Particulars	CUMI America Inc		PLUSS Advanced Technologies Limited		CUMI Awuko Abrasives GmbH		Rhodius Abrasives GmbH		Pluss Advanced Technologies B.V	
Financial year ended	2023-24	2022-23	2023-24	2022-23	Jan 24 to Mar 24	Jan to Dec 23	2023-24	2022-23	2023-24	2022-23
Date of becoming subsidiary	4th June 1999		6th October 2021		9th December 2021		28th January 2022		6th October 2021	
1. Share capital	716.98	716.98	5.10	5.10	2.26	2.26	2.26	2.26	34.28	34.28
2. Reserves & Surplus	9.93	(162.93)	240.77	279.01	1243.13	1239.08	4582.99	4722.91	(25.36)	(36.12)
3. Total Liabilities [a]	298.06	308.19	294.48	275.17	590.50	468.49	1961.55	1960.41	69.79	22.88
4. Total Assets [b]	1024.97	862.24	540.35	559.28	1835.89	1709.83	6546.80	6685.58	78.71	21.04
5. Investments	-	-	32.99	32.99	-	-	-	-	-	-
6. Turnover	1650.90	1506.83	526.93	583.23	228.02	832.83	5802.20	5908.03	146.30	26.50
7. Profit before Tax	249.06	180.41	(58.74)	(25.76)	(59.69)	(422.55)	(155.68)	(428.83)	3.29	(22.82)
8. Provision for Taxation	76.20	-	(17.73)	(7.59)	(18.63)	(133.35)	(18.98)	(99.17)	(7.47)	-
9. Profit after Tax	172.86	180.41	(41.01)	(18.17)	(41.06)	(289.20)	(136.70)	(329.66)	10.76	(22.82)
10. Proposed dividend [c]	-	-	-	-	-	-	-	-	-	-
11. % of Shareholding	100.00	100.00	73.42	72.73	100.00	100.00	100.00	100.00	73.42	72.73

Reporting currency	Brasilian reais		Korean Won		Euro		Euro		Euro	
Exchange Rate	16.62	16.62	0.06	0.06	90.22	90.22	90.22	90.22	90.22	90.22
Particulars	RHODIUS South América Assessoria Técnica e Comercial em Abrasivos Ltda		RHODIUS Korea INC.		Rhodius Nederland B.V.		Rhodius SARL		RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft mbH	
Financial year ended	2023-24	2022-23	Apr 23 to Mar 24	Jan to Mar 23	Apr 23 to Mar 24	Jan to Mar 23	Apr 23 to Mar 24	Jan to Mar 23	Apr 23 to Aug 23	Apr 22 to Mar 23
Date of becoming subsidiary	1st April 2022		1st April 2022		1st April 2022		1st April 2022		1st April 2022	
1. Share capital	2.56	2.56	4.50	4.50	1.71	1.71	55.00	55.00	2.35	2.35
2. Reserves & Surplus	(4.74)	(7.12)	105.46	106.44	48.91	45.80	90.31	65.05	0.22	0.23
3. Total Liabilities [a]	30.49	26.73	23.95	27.79	8.59	7.10	67.63	73.72	-	-
4. Total Assets [b]	28.31	22.17	133.91	138.73	59.21	54.61	212.94	193.77	2.57	2.58
5. Investments	-	-	-	-	-	-	-	-	0.05	0.05
6. Turnover	30.76	32.44	138.80	26.73	51.83	14.94	233.52	64.93	-	-
7. Profit before Tax	1.82	5.05	(0.98)	0.83	3.84	3.37	33.89	5.83	(0.01)	(0.06)
8. Provision for Taxation	(0.55)	1.63	-	0.09	0.73	0.64	8.63	1.49	-	-
9. Profit after Tax	2.37	3.42	(0.98)	0.74	3.11	2.73	25.26	4.34	(0.01)	(0.06)
10. Proposed dividend [c]	-	-	-	-	-	-	-	-	-	-
11. % of Shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-	100.00

Notes:

a. Total Liabilities include : Current Liabilities, Non Current Liabilities

b. Total Assets include : Current Assets, Non Current Assets

c. Including interim dividend as applicable. For Volzhsky Abrasive Works, Russia, dividend for 2023 is due for consideration by the shareholders in June 2024.

d. The above information has been furnished in accordance with Section 129(3) of the Companies Act 2013. The above statement is based on the financial statements of the respective subsidiary company which have been prepared in accordance with regulatory requirements as applicable in the country of incorporation. In case of foreign subsidiaries, the figures given in foreign currency have been translated into Indian Rupees based on the exchange rate as on 31.3.2024 / 31.12.2023, as applicable

e. The conversation rates have been maintained at the same for the previous financial year for comparative purposes

f. Investments in VAW, Foskor, CACCL China, CUMI Middle East, CUMI America, CUMI Europe, CUMI Awuko and Rhodius Abrasives are held by CUMI International Limited. Investment in PLUSS Advanced Technologies BV is held by PLUSS Advanced Technologies Private Limited.Investments in RHODIUS South América Assessoria Técnica e Comercial em Abrasivos Ltda, RHODIUS Korea INC, Rhodius Nederland B.V, Rhodius SARL, are held by RHODIUS Abrasives GmbH.

g. RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft mbH was merged with Rhodius Abrasives Gmbh during the financial year.

h. During the current financial year, CUMI Awuko Abrasives GmbH has changed the financial year from January to December to April to March. Hence the previous year and current year figures are not comparable.

i. During the previous financial year Rhodius Korea, Rhodius Nederland B.V, Rhodius SARL, has changed the financial year from January to December to April to March. Hence the previous year and current year figures are not comparable.

j. Consolidated figures considered for rhodius abrasives GmbH.

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(in Indian Rupees million, unless otherwise stated)

(b) Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S.no	Name of Associates/Joint Ventures	Wendt India Limited	Ciria India Limited	Murugappa Morgan Thermal Ceramics Limited
1	Latest audited Balance Sheet Date	31.03.2024	31.03.2024	31.03.2024
2	Date on which the Associate or Joint Venture was associated or acquired	16th October 1990	26th July 2000	13th November 1995
3	Shares of Associate/Joint Ventures held by the company on the year end			
	No. of shares	7,50,000	59,998	14,30,793
	Amount of Investment in Associates/Joint Venture ₹ In million	9.74	1.68	44.04
	Extent of Holding %	37.50	30.00	49.00
4	Description of how there is significant influence	Through shareholding	Through shareholding	Through shareholding
5	Reason why the associate/joint venture is not consolidated	Not applicable as the financials of this entity is consolidated in the Company's Consolidated Financials		
6	Networth attributable to Shareholding as per latest audited Balance Sheet	795.40	110.66	721.11
7	Profit/Loss for the year	409.52	236.33	436.95
	Considered in Consolidation	153.57	70.90	214.10
	Not Considered in Consolidation	255.95	165.43	222.85

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

Chennai
May 03, 2024

P Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To

The Members of Carborundum Universal Limited
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Carborundum Universal Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying value of investments in subsidiaries, joint ventures and associate Refer Note 3A(f) and Notes 6A, 6B and 6C of the Standalone Financial Statements. The Company's equity investments in subsidiaries, joint ventures and an associate amounted to INR 10,368.19 million as at March 31, 2024. Such investments are carried at cost as per Ind AS 27 – "Separate Financial Statements". The carrying value of investments in its subsidiaries, joint ventures and an associate was considered to be a key audit matter as these are material and significant to the Company and is dependent on the future performance of the subsidiaries, joint ventures and the associate. During the year, management has also identified an impairment indicator in relation to its investment in a subsidiary (PLUSS Advanced Technologies Limited). Management/ management expert judgement was required in certain key areas such as the discount and terminal growth rates in estimating future cash flows ("the model") and forecasts considered within the model to support the carrying value of the investment.	Our audit procedures included the following: ● Understood and performed procedures to assess the design and test the operating effectiveness of relevant controls related to carrying value of investment in subsidiaries, joint ventures and an associate. ● We obtained the Management's documentation and tested its assessment on whether there were indicators for impairment, if any, of the aforesaid investments as required by Ind AS 36 "Impairment of Assets". ● We also obtained the audited financial statements of the subsidiaries, joint ventures and the associate and compared the net worth of the respective subsidiaries, joint ventures and the associate to the carrying value of the investments made in those entities. ● In relation to investment in a subsidiary wherein an impairment trigger had been identified, we assessed the reasonableness of management's computation of the recoverable amount of carrying value of investment by: • Verifying that the forecasts considered within the model have been approved by the Board of Directors of the component. • Evaluating the independence, competence and objectivity of the Management's expert. • Assessing the historical accuracy of Management's forecasts by comparing the forecasts for the prior year with the actual performance in the current year and assessing the reasonableness of the forecasts within the model. • Engaging our auditor's expert to assist us in evaluating the reasonableness of assumptions relating to discount rate and terminal growth rate considered by the management within the model. • Performing sensitivity tests on the model for certain assumptions, such as discount rate and growth rate. Based on the procedure performed, we did not identify any material exceptions in the assessment carried out by the management in respect of the carrying value of its investment in subsidiaries, joint ventures and an associate.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of

most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 31 to the Standalone Financial Statements.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45(vii) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

            (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45(vii) to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

            (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

        v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and that has operated for part of the year from November 6, 2023 to March 31, 2024, for all relevant transactions recorded in the software. During the course of performing our procedures, except for the aforesaid aspect of audit trail not operating till November 5, 2023, where the question of our commenting on whether the audit trail has been tampered with does not arise, we did not notice any instance of the audit trail feature being tampered with for the period from November 6, 2023 to March 31, 2024.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 24213126BKFVPR9451

Place: Chennai
Date: May 03, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Carborundum Universal Limited on the Standalone Financial Statements as of and for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Carborundum Universal Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 24213126BKFVPR9451

Place: Chennai
Date: May 03, 2024

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Carborundum Universal Limited on the Standalone Financial Statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and Right-of-use assets.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4A to the Standalone Financial Statements, are held in the name of the Company. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc. are held in the name of the Company as per the Memorandum of Entry executed by the Company and confirmed by the banker as on the balance sheet date.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also, refer Note 45(ii) to the Standalone Financial Statements).

iii. (a) The Company has made investments in a company and stood guarantee to a body corporate during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to a subsidiary are as per the table given below:

	Guarantees (in INR millions)
Aggregate amount granted/ provided during the year	
- Subsidiary	208.43
Balance outstanding as at balance sheet date in respect of the above case	
- Subsidiary	208.43

The Company has not granted secured/ unsecured loans/advances in nature of loans or provided security to any parties.

(Also, refer Note 36 to the Standalone Financial Statements)

(b) In respect of the aforesaid investments and guarantees, the terms and conditions under which such investments were made and guarantees provided are not prejudicial to the Company's interest.

(c) The Company has not granted secured/ unsecured loans/advances in nature of loans. Therefore, the reporting under clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted secured/ unsecured loans/advances in nature of loans. Therefore, the reporting under clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans /advances in nature of loans which have fallen due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) There were no loans/ advances in nature of loans which were granted during the year, including to promoters/ related parties.

iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (in ₹ million)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	0.95	1986-1987	High Court of Kerala
Central Excise Act, 1944	Excise duty	0.37	1995-1996 and 2000-2003	Customs, Excise & Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Excise duty	0.43	1999-2001	Commissioner of Central Excise (Appeals), Chennai
Central Excise Act, 1944	Excise duty	1.38	2015-2017	Commissioner of Central Excise (Appeals), Bhopal
Central Excise Act, 1944	Excise duty	6.77	2015-2017	Commissioner (Appeals), Chennai
Finance Act, 1994	Service tax	0.02	2015-2017	Commissioner (Appeals), Chennai
Finance Act, 1994	Service tax	0.39	2019-2020	Customs, Excise & Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service tax	0.32	2007-2011	Commissioner (Appeals), Kerala
Tamil Nadu General Sales Tax Act, 1959	Sales tax	0.02	1995-1996	Sales Tax Appellate Tribunal, Chennai
The Central Sales Tax Act, 1956	Central Sales Tax	0.47	1989-1990	High Court of Madras

Name of the statute	Nature of dues	Amount (in ₹ million)*	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	0.23	2002-2003	Sales Tax Appellate Tribunal, Chennai
The Central Sales Tax Act, 1956	Central Sales Tax	0.06	2004-2005	Sales Tax Appellate Tribunal, Uttar Pradesh
The Central Sales Tax Act, 1956	Central Sales Tax	1.53	2012-2013	Deputy Commissioner Appeals, Madhya Pradesh
The Central Sales Tax Act, 1956	Central Sales Tax	1.43	2011-2012	Commercial Tax Appellate Board, Madhya Pradesh
Kerala Value Added Tax Act, 2003	Value Added Tax	15.04	2013-2014	Deputy Commissioner Appeals, Ernakulam
The Central Sales Tax Act, 1956	Central Sales Tax	1.29	2016-2017	Assistant Commissioner, Madhya Pradesh
The Central Sales Tax Act, 1956	Central Sales Tax	10.14	2011-2012	Additional Commissioner - West Bengal VAT
Goods and Services Tax Act, 2017	Goods and Services Tax	0.19	2019-2020	High Court of Kerala
Goods and Services Tax Act, 2017	Goods and Services Tax	0.18	2019-2020	State Appellate Authority, Karnataka
Goods and Services Tax Act, 2017	Goods and Services Tax	1.94	2017-2018	Commissioner (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	2.53	2017-2018	Joint Commissioner State (Appeals), Kerala
Goods and Services Tax Act, 2017	Goods and Services Tax	0.55	2021-22	Commissioner (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	0.22	2018-2019	Deputy Commissioner State (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	2.47	2017-2018	Joint/Deputy Commissioner State (Appeals)
Income Tax Act, 1961	Income Tax	105.09	2013-2021	Commissioner of Income tax (Appeals)

*Amount considered above is net of INR 340.81 million paid under protest/adjusted against refund.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 2 CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 24213126BKFVPR9451

Place: Chennai
Date: May 03, 2024

Balance Sheet

(in Indian Rupees million, unless otherwise stated)

Particulars	Notes	As at 31.03.2024	As at 31.03.2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	5131.71	4709.27
(b) Right of use assets	4B	72.08	73.64
(c) Capital work-in-progress	4C	474.51	465.04
(d) Intangible assets	5	62.44	74.11
(e) Financial assets			
(i) Investments			
(a) Investment in associate	6A	9.74	9.74
(b) Investment in joint ventures	6B	45.72	45.72
(c) Investment in subsidiaries	6C	10312.73	10307.77
(d) Other investments	6D	25.33	111.99
(ii) Other financial assets	7A	189.97	167.25
(f) Other non-current assets	8A	109.36	112.18
Total Non-current assets		**16433.59**	**16076.71**
Current assets			
(a) Inventories	9	3612.45	3795.36
(b) Financial assets			
(i) Trade receivables	10	3785.79	3897.19
(ii) Cash and cash equivalents	11A	1725.53	99.19
(iii) Bank balances other than (ii) above	11B	23.99	25.39
(iv) Other financial assets	7B	51.13	46.34
(c) Other current assets	8B	287.99	443.48
Total Current assets		**9486.88**	**8306.95**
Total Assets		**25920.47**	**24383.66**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	190.26	189.94
(b) Other equity	13	22784.92	19875.22
Total Equity		**22975.18**	**20065.16**
LIABILITIES			
Non-Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4B	-	0.16
(ii) Other financial liabilities	18A	-	13.17
(b) Provisions	14A	128.27	115.18
(c) Deferred tax liabilities (net)	15A	34.17	52.36
Total Non-Current liabilities		**162.44**	**180.87**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	1040.00
(ii) Lease liabilities	4B	0.16	0.79
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	17	132.48	43.72
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	2113.15	2342.93
(iv) Other financial liabilities	18B	382.89	457.60
(b) Other current liabilities	19	71.27	210.00
(c) Provisions	14B	56.90	33.58
(d) Current tax liabilities (net)	15B	26.00	9.01
Total Current liabilities		**2782.85**	**4137.63**
Total Liabilities		**2945.29**	**4318.50**
Total Equity and Liabilities		**25920.47**	**24383.66**
See accompanying notes forming part of the financial statements			

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Statement of Profit and Loss

(in Indian Rupees million, unless otherwise stated)

S.No	Particulars	Notes	For the year 2023-24	For the year 2022-23
I	Revenue from Operations	20	26331.75	25098.59
II	Other income	21	454.62	318.95
III	**Total Income (I+II)**		**26786.37**	**25417.54**
IV	**Expenses**			
	Cost of material consumed		10299.15	9990.56
	Purchases of stock-in-trade		910.71	718.19
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	35.56	(27.47)
	Employee benefits expense	23	2583.79	2369.04
	Finance costs	24	41.51	150.35
	Depreciation and amortisation expense	25	726.51	744.94
	Other expenses	26	7558.22	7404.62
	Total expenses (IV)		**22155.45**	**21350.23**
V	**Profit before exceptional items and tax (III-IV)**		**4630.92**	**4067.31**
VI	Exceptional item	27	-	249.15
VII	**Profit before tax (V+VI)**		**4630.92**	**4316.46**
VIII	**Tax expense**			
	(1) Current tax	28A	1123.00	1050.00
	(2) Deferred tax	15A	4.42	(42.90)
	Total tax expense [VIII]		**1127.42**	**1007.10**
IX	**Profit for the year (VII-VIII)**		**3503.50**	**3309.36**
X	**Other Comprehensive Income (OCI)**			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit plans	34C	(80.45)	(58.70)
	(b) Equity instruments through OCI		(47.16)	(14.30)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	28B	22.61	-
	Total Other Comprehensive Income (X)		**(105.00)**	**(73.00)**
XI	**Total Comprehensive Income for the year (IX+X)**		**3398.50**	**3236.36**
XII	**Earnings per equity share (Re.1 each) on profit for the year (IX)**	29		
	- Basic (₹)		18.44	17.43
	- Diluted (₹)		18.40	17.38

See accompanying notes forming part of the financial statements

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Statement of changes in equity

(in Indian Rupees million, unless otherwise stated)

A. Equity share capital - Refer Note: 12

Balance as at March 31, 2022	**189.86**
Changes in equity share capital during the year	
Shares issued against Employee Stock Options Scheme/Plan	0.08
Balance as at March 31, 2023	**189.94**
Changes in equity share capital during the year	
Shares issued against Employee Stock Options Scheme/Plan	0.32
Balance as at March 31, 2024	**190.26**

B. Statement of changes in other equity

Particulars	Reserves and Surplus - Refer Note: 13A						Items of Other Comprehensive Income - Refer Note: 13B		Total
	Profit on Forfeiture of Shares / Warrants	Capital redemption reserve	Securities premium	General Reserve	Share options outstanding account	Retained Earnings	Reserve for equity instruments	Revaluation surplus	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Balance at the beginning of the year - March 31, 2022	**6.03**	**27.68**	**382.36**	**8675.43**	**128.80**	**7931.45**	**42.12**	**23.74**	**17217.61**
Profit for the year	-	-	-	-	-	3309.36	-	-	3309.36
Other Comprehensive income for the year	-	-	-	-	-	(58.70)	(14.30)	-	(73.00)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3250.66**	**(14.30)**	**-**	**3236.36**
Share premium received on allotment of equity shares under ESOP	-	-	27.97	-	-	-	-	-	27.97
Recognition of share-based payments	-	-	-	-	57.90	-	-	-	57.90
Final dividend paid during the year	-	-	-	-	-	(379.76)	-	-	(379.76)
Interim dividend paid during the year	-	-	-	-	-	(284.86)	-	-	(284.86)
Transfer to General Reserve	-	-	-	500.00	-	(500.00)	-	-	-
Balance at the end of the year - March 31, 2023	**6.03**	**27.68**	**410.33**	**9175.43**	**186.70**	**10017.49**	**27.82**	**23.74**	**19875.22**
Profit for the year	-	-	-	-	-	3503.50	-	-	3503.50
Other Comprehensive income for the year	-	-	-	-	-	(57.84)	(47.16)	-	(105.00)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3445.66**	**(47.16)**	**-**	**3398.50**
Share premium received on allotment of equity shares under ESOP	-	-	136.23	-	-	-	-	-	136.23
Recognition of share-based payments	-	-	-	-	40.22	-	-	-	40.22
Final dividend paid during the year	-	-	-	-	-	(379.91)	-	-	(379.91)
Interim dividend paid during the year	-	-	-	-	-	(285.34)	-	-	(285.34)
Transfer from Reserve for equity instruments	-	-	-	-	-	(19.34)	19.34	-	-
Transfer to General Reserve	-	-	-	500.00	-	(500.00)	-	-	-
Balance at the end of the year - March 31, 2024	**6.03**	**27.68**	**546.56**	**9675.43**	**226.92**	**12278.56**	**-**	**23.74**	**22784.92**

See accompanying notes forming part of the financial statements

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars		For the year			
		2023-24		2022-23	
A. Cash flow from Operating activities					
Profit before tax			**4630.92**		**4316.46**
Adjustment for:					
Depreciation and amortisation expense		726.51		744.94	
Exceptional item - Refer Note :27		-		(249.15)	
Fair valuation of investments		(1.59)		(1.09)	
Finance costs		41.51		150.35	
Interest income		(21.97)		(12.41)	
Dividend income		(405.71)		(237.65)	
Expenses recognised in respect of equity-settled share-based payments		40.22		57.90	
Allowance for doubtful receivable and advances		61.80		57.04	
Reversal of allowance for doubtful receivables and advances		(21.89)		(13.07)	
Provision for expenses no longer required written back		(0.05)		(2.33)	
(Profit)/Loss on sale of assets (net)		10.74		9.46	
Unrealised exchange (gain)/loss - net		(8.35)	421.22	9.87	513.86
Operating profit before working capital changes			**5052.14**		**4830.32**
Movement in working capital					
(Increase)/decrease in trade receivables		72.29		(634.41)	
(Increase)/decrease in inventories		182.91		206.66	
(Increase)/decrease in other financial assets		(28.04)		8.21	
(Increase)/decrease in other assets		161.59		167.30	
Increase/(decrease) in trade payables		(222.69)		(10.74)	
Increase/(decrease) in provision and other current liabilities		(102.32)		94.60	
Increase/(decrease) in other financial liabilities		(1.73)	62.01	(266.57)	(434.95)
Cash generated from Operations			**5114.15**		**4395.37**
Income tax paid			(1106.01)		(955.00)
Net cash generated by Operating activities	**[A]**		**4008.14**		**3440.37**
B. Cash flow from Investing activities					
Payments to acquire property, plant and equipment		(1216.51)		(1547.63)	
Payments for intangible assets		(18.77)		(22.20)	
Proceeds from sale of property, plant and equipment		9.16		5.96	
Investment in Subsidiaries		(10.98)		(806.61)	
Proceeds from sale of non-current investment		41.08		-	
Redemption of /(Investment) in Bank deposits with original maturity beyond three months (net)		(0.26)		(0.24)	
Interest income received		19.77		11.17	
Dividend income received		405.71		237.65	
Net cash (used in) / generated by Investing activities	**[B]**		**(770.80)**		**(2121.90)**
C. Cash flow from Financing activities					
Proceeds from issue of equity shares		136.55		28.05	
Proceed/(Repayment) of short-term borrowings - net		(1040.00)		(590.00)	
Principal portion of lease payments		(0.79)		(0.79)	
Finance costs paid		(41.51)		(150.35)	
Dividends paid to Shareholders		(665.25)		(664.62)	
Net cash (used in) / generated by Financing activities	**[C]**		**(1611.00)**		**(1377.71)**
Net increase/(decrease) in cash and cash equivalents [A]+[B]+[C]	**[D]**		**1626.34**		**(59.24)**
Add: Cash and Cash equivalents at the beginning of the year			99.19		158.43
Cash and Cash equivalents at the end of the year			**1725.53**		**99.19**
See accompanying notes forming part of the financial statements					

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Statement showing the applicable Key Accounting Standards (Ind AS) with related Policy & Notes references as per Standalone financial statements.

Ind AS No.	Description	Accounting policy Reference	Note Reference
2	Inventories	3(A)(h),3(B)(c)	9
7	Statement of Cash flows	3(B)(l)	11,35
8	Accounting Policies, Changes in Accounting Estimates and Errors	3(A)(a)	
10	Event after the reporting period		44
12	Income taxes	3(B)(o)	8A,15,28
16	Property, plant and equipment	3(A)(c),3(B)(a)	4A,4C,25
19	Employee benefits	3(A)(i),3(B)(m)	23,34
24	Related party disclosures		36
28	Investments in associates and joint ventures		6A,6B
33	Earnings per share	3(B)(r)	29
36	Impairment of assets	3(B)(e), 3(B)(t)	4A,4B,4C,5,35
37	Provisions, Contingent liabilities and Contingent assets	3(B)(p)	14,31
38	Intangible assets	3(A)(e),3(B)(b)	5,25
102	Share based payment	3(B)(n)	37
107 & 109	Financial instruments	3(A)(f),3(B)(d)	6D,10,7,16,17,18,21,35
108	Operating segments	3(A)(l)	30
113	Fair value measurement		35
115	Revenue from Contracts with Customers	3(A)(j)	19,20,30
116	Leases	3(A)(d),3(B)(h)	4B,24,25

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

1. Brief description of the Company

Carborundum Universal Limited (CUMI) was incorporated in India as a Public Limited Company in 1954 and the shares of the Company are listed in National Stock Exchange of India Ltd. and BSE Ltd. The address of its registered office and place of business are disclosed in the Annual Report.

CUMI manufactures and sells mainly Abrasives, Ceramics (Industrial Ceramics, Refractories) and Electrominerals. (Refer Note: 30).

2. Basis of preparation

a. Preparation and compliance with Ind AS

These standalone financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b. Historical cost convention

The standalone financial statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

c. Current/non-current classification

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. Deferred tax assets are classified as non-current.

d. New and amended standards adopted by the Company.

The Ministry of Corporate Affairs vide notification dated 31st March 2023, notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 1, 2023:

Disclosure of accounting policies - amendments to Ind AS 1

Definition of accounting estimates - amendments to Ind AS 8

Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

3A. Material accounting policies

a) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date and reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The estimates and the assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

b) Critical estimates and judgement

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements:

S.No	Particulars	Notes
I	Estimation of useful life of tangible and intangible asset	3A(c) & 3A(e)
II	Estimation of fair value of unlisted securities	6D & 35
III	Impairment of Trade receivables: Expected credit loss	10 & 35
IV	Recoverable value of investment in Subsidiaries	6C
V	Recognition and measurement of provisions and contingencies; Key assumptions about the likelihood and magnitude of an outflow of resources.	14 & 31
VI	Measurement of defined benefit obligation: Key actuarial assumptions.	34

The estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

c) Property, plant, and equipment

Freehold land is carried at historical cost. All other property, plants and equipment are recognised at historical cost less depreciation.

Depreciation is calculated using straight line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as prescribed in Schedule II to the Companies Act, 2013. Individual assets costing less than INR 5,000 are depreciated in full in the year of acquisition. Leasehold improvements are depreciated over the shorter of their useful life or the lease term unless the entity expects to use the assets beyond the lease term.

See note 3B(a) for the other accounting policy relevant to property, plant, and equipment.

d) Leases (where the Company is the Lessee)

The Company leases various assets for its business purposes but may have extension options which are mutually exercisable. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case of leases entered into by the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received.
- makes adjustments specific to the lease, if any, e.g.: term, country, currency, and security

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option.

See note 3B(h) for the other accounting policies relevant to leases.

e) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

The Company amortises intangible assets with a limited useful life using the straight-line method.

See note 3B(b) for the other accounting policies relevant to intangible assets.

f) Financial assets

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

All other recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the following measurement categories:

I. Those measured subsequently at fair value through other comprehensive income (in case of certain investments in equity instruments – an irrevocable option exercised on an instrument by instrument basis on initial recognition) and through profit or loss (in case of investments in mutual funds and other equity instruments); and

II. Those measured at amortised cost.

The classification is based on the Company's business model for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

III. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Company determines whether there has been a significant increase in credit risk.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

See note 3B(e)for the other accounting policies relevant to Financial assets.

g) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised as fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less loss allowance.

For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

h) Inventories

The costs of individual items of inventory are determined as follows:

- In respect of raw materials, stores and spare parts, traded stock cost is determined on weighted average basis.
- In respect of work in progress and finished goods, cost includes all direct costs and applicable production overheads, to bring the goods to the present location and condition.

See note 3B(c) for the other accounting policies relevant to inventory.

i) Employee benefit obligations

(i) Post-employment benefits

The Company provides gratuity for employees per the regulations and the terms of service. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan, and the Company makes contribution to recognised funds in India. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

(ii) Other retirement benefit:

The employees and the Company make monthly fixed contributions to the Carborundum Universal Limited Employee's Provident Fund Trust, equal to a specified percentage of the covered employee's salary. The interest rate payable by the Trust to the beneficiaries is being notified by the Government every year. The Company obtains an independent actuarial valuation of the Interest Guarantees as at the Balance Sheet date and provides for the shortfall, if any, in the present value of obligation of interest over the fair value of the surplus in the Fund.

See note 3B(m) for the other accounting policies for employee benefit obligations.

j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price for each separate performance obligation taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The transaction price is net of estimated customer returns, rebates and other similar allowances. No significant element of financing is deemed present as the sales are made with a credit term predominantly ranging from 30 to 90 days, which is consistent with the market price.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognized at a point in time when the control of the products has transferred which generally coincides with dispatch of products to customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

Rendering of services

Revenue from divisible service contracts

i. service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and

ii. the revenue relating to supplies are measured in line with policy set out under sale of goods above.

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (i) above.

k) Other income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised and accrued using effective interest rate method.

Rental income is recognised on a straight-line basis in accordance with the agreement.

l) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

The Business Group Management Committee headed by the Managing Director (CODM) and consisting of Chief Financial Officer, Leaders of Strategic Business Units, Human Resources and Company Secretary have identified the reportable segment and its reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed. The accounting policies adopted for Segment reporting are in line with the accounting policies of the Company with the following additional policies:

- Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.
- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis, have been included under "Un-allocated Corporate expenses".

m) Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

n) Exceptional item

Exceptional items are those which in the management's judgement are material items that derive from events or transactions falling within the ordinary activities of the Company but are not expected to be recurring. The nature and amount of exceptional items are relevant to the users of the financial statements in understanding the financial position or performance of the Company. The same is presented separately in the statement of profit and loss (pre-tax) and balance sheet as applicable.

3B. Summary of other accounting policies

a. Property, plant, and equipment

Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the Management.

Subsequent costs related to an item of property, plant and equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets.' Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition is recognised in the Statement of Profit and Loss.

The depreciation charge for each year is recognised in the Statement of Profit and Loss. The useful life and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

b. Intangible assets

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

An intangible asset is derecognised at disposal, or when no future economic benefits are expected from use or disposal.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

c. Inventories

Inventories are stated at lower of cost and net realisable value. Cost includes freight, taxes, and duties net of non-refundable taxes credit wherever applicable. Cost of work in progress and finished goods comprises of purchase price, non- refundable taxes, labour and applicable manufacturing overheads. Cost of inventory also includes all other costs incurred to bring the inventory to the present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written down for obsolete/ slow moving/ non-moving items, wherever necessary.

d. Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provision of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

e. Financial assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Investments in subsidiaries, associate and joint ventures are measured at cost. All other recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the following measurement categories:

- Those measured subsequently at fair value through other comprehensive income (in case of investments in equity instruments) and through profit or loss (in case of investments in mutual funds); and
- Those measured at amortised cost.

The classification is based on the Company's business model for managing financial assets and the contractual terms of the cash flows. The Company classifies its financial assets at amortised cost only if both the following conditions are met:

- The asset is held with a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give risk to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, cash and cash equivalents, bank balances, security deposits among others.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

<u>Investment in equity instruments at Fair value through Other Comprehensive Income [FVTOCI]</u>

On initial recognition, the company can make an irrevocable election (on an instrument- by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity investment is held for trading.

These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gain and loss arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instrument through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term.
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Company has equity instrument in an entity [March 31, 2023 – two entities], which are not held for trading. The Company has elected the FVTOCI irrevocable option for both of these investments (Refer Note: 6D). Fair value is determined in the manner described in Note: 35.

Dividend on these investments are recognised in profit or loss when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, which does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividend recognised in profit and loss is included in 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gain or loss on them on different bases. The Company has not designated any such debt instrument as at FVTPL.

Financial asset at FVTPL is measured at fair value at the end of each reporting period, with gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporate any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial asset at FVTPL is recognised when the company's right to receive the dividends is established. It is probable that the economic benefits associated with the dividend will flow to the entity which does not represent a recovery of part of cost of the investment and the amount can be measured reliably.

Impairment of financial assets

The Company applied the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivable, trade receivable, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial assets). The company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayments, extension, call and similar options) through the expected life of that financial instrument.

The company measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. The 12 months expected credit losses are a portion of the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash short falls that are predicted over 12 months.

If the company measured loss allowance for the financial instruments at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make the assessment, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the company always

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the Balance Sheet.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains subsequently all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than its entirety (e.g., when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carried over amount of financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

Foreign exchange gain and loss

The fair value of financial assets denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For Foreign currency denominated financial asset measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gain and loss, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial asset are recognised in other comprehensive income.

f. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument.

Equity instruments

An equity instrument is a contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest methods or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- the financial liability forms part of a Company of financial asset or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not-held for trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effect of changes in credit risk are recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gain or loss on financial guarantee contract and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss is recognised in profit or loss. Fair value is determined in the manner described in Note: 35.

Financial liabilities subsequently measured at amortised cost.

Financial liabilities are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expenses that are not capitalised as part of cost of an asset is included in the 'Finance cost' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair value and, if not designated as at FVTPL, are subsequently measured at a higher of:

- the amount of loss allowance determined in accordance with impairment requirement of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

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for the year ended March 31, 2024

Foreign exchange gain and loss

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gain and loss are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial assets denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gain or loss and is recognised in profit or loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between lenders of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

g. Other operating revenue

Export Incentives

Incentives on exports are recognised in books after consideration of certainty of utilisation/receipt of such incentives.

Government Grants

Government grants are not recognised until there is a reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related cost for which the grants are intended to compensate. Specifically, Government grants whose primary condition is that the Company should purchase, construct, or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Export benefits on account of entitlement to import goods free of duty under 'Exports Benefit Scheme' are accounted based on eligibility and when there is no uncertainty in receiving the same.

h. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

(i) Fixed payments (including in-substance fixed payments), less any lease incentives receivable

(ii) Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

(iii) Amounts expected to be payable by the Group under residual value guarantees

(iv) The exercise price of a purchase option if the Group is reasonably certain to exercise that option,

(v) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

(i) The amount of the initial measurement of lease liability

(ii) Any lease payments made at or before the commencement date less any lease incentives received

(iii) Any initial direct costs and

(iv) Restoration costs

i. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period agreed with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

j. Contributed equity.

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

k. Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss. The foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/(expenses).

l. Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents for the purpose of presentation in the Cash Flow Statement comprises cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

m. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The same has been presented as trade payables in the balance sheet.

Other long-term employee benefit obligations

The Company has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The Company does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore certain amount of provision has been presented as current and remaining as non-current.

Post employment obligations

Gratuity

The liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period as reduced by the fair value of the plan assets.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gain and loss, the effect of the changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income;
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefit expense'. Curtailment gain and loss are accounted for as past service costs.

A liability for a termination benefit is recognised when the entity can no longer withdraw the offer of the termination benefit as per the relevant scheme.

Voluntary retirement compensation

Compensation to employees who have retired under voluntary retirement scheme is charged off to revenue.

n. Share based payment arrangements.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in Note: 37.

The fair value determined at the grant date of the equity-settled-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share options outstanding account.

o. Taxes on Income

Tax expense comprises of current and deferred taxes.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years (Temporary differences) and items that are never taxable or deductible (Permanent differences). The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

p. Provision and contingent liabilities

Provisions

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

Contingent liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognised as contingent liability.

q. Research and Development

All revenue expenditure related to research and developments are charged to the respective heads on the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

r. Earnings Per Share

Basic earnings per share are computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

s. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

t. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

4A. Property, plant and equipment

Particulars	As at	
	31.03.2024	31.03.2023
Carrying amounts		
Freehold land	444.56	444.56
Buildings	1445.28	1439.05
Plant and equipment	3129.12	2733.48
Furniture and fittings	38.13	29.51
Vehicles	74.62	62.67
Total	**5131.71**	**4709.27**

Cost	Freehold land	Buildings (a)	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2022	**37.86**	**1840.84**	**6487.14**	**84.47**	**60.75**	**8511.06**
Additions - **(b)**	406.70	140.25	658.10	10.84	32.07	1247.96
Disposals	-	(0.37)	(110.06)	(4.69)	(13.94)	(129.06)
Balance at March 31, 2023	**444.56**	**1980.72**	**7035.18**	**90.62**	**78.88**	**9629.96**
Additions - **(b)**	-	98.81	986.60	16.24	35.21	1136.86
Disposals	-	(0.64)	(150.90)	(2.94)	(19.54)	(174.02)
Balance at March 31, 2024	**444.56**	**2078.89**	**7870.88**	**103.92**	**94.55**	**10592.80**

Accumulated depreciation and impairment	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2022	**-**	**455.53**	**3788.46**	**58.31**	**13.34**	**4315.64**
Depreciation expense	-	86.26	617.45	7.24	7.73	718.68
Eliminated on disposals	-	(0.12)	(104.21)	(4.44)	(4.86)	(113.63)
Balance at March 31, 2023	**-**	**541.67**	**4301.70**	**61.11**	**16.21**	**4920.69**
Depreciation expense	-	92.28	584.67	7.22	10.34	694.51
Eliminated on disposals	-	(0.34)	(144.61)	(2.54)	(6.62)	(154.11)
Balance at March 31, 2024	**-**	**633.61**	**4741.76**	**65.79**	**19.93**	**5461.09**

Carrying amounts	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2022	**37.86**	**1385.31**	**2698.68**	**26.16**	**47.41**	**4195.42**
Additions	406.70	140.25	658.10	10.84	32.07	1247.96
Depreciation expense	-	(86.26)	(617.45)	(7.24)	(7.73)	(718.68)
Disposals (net)	-	(0.25)	(5.85)	(0.25)	(9.08)	(15.43)
Balance at March 31, 2023	**444.56**	**1439.05**	**2733.48**	**29.51**	**62.67**	**4709.27**
Additions	-	98.81	986.60	16.24	35.21	1136.86
Depreciation expense	-	(92.28)	(584.67)	(7.22)	(10.34)	(694.51)
Disposals (net)	-	(0.30)	(6.29)	(0.40)	(12.92)	(19.91)
Balance at March 31, 2024	**444.56**	**1445.28**	**3129.12**	**38.13**	**74.62**	**5131.71**

(a) Includes ₹975.90 million (Previous year: ₹930.11 million) being cost of building on leasehold land.

(b) Includes Research and Development capital expenditure of ₹16.74 million (Previous year: ₹72.27 million) - Refer Note: 41(b) on Research & Development expenditure

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

(c) Assets pledged as security

Immovable properties of the Company carry pari-passu charge in favour of the consortium of bankers, as security for banking facilities availed.

(d) Capitalised borrowing cost

Borrowing costs capitalised on property, plant and equipment during the year - ₹ Nil (Previous year: ₹ Nil).

(e) Contractual obligations

Refer Note: 31B for disclosure of Contractual commitments for the acquisition of property, plant and equipment.

(f) Title deeds

The title deeds of all the immovable properties are held in the name of the Company.

4B. Leases

i) Amount recognised in balance sheet

Particulars	As at 31.03.2024	As at 31.03.2023
Right of use Assets		
Land	72.08	73.64
	72.08	**73.64**
Lease liabilities		
Non-Current	-	0.16
Current	0.16	0.79
	0.16	**0.95**

Cost	Land
Balance at March 31, 2022	**80.06**
Disposals	-
Balance at March 31, 2023	**80.06**
Disposals	-
Balance at March 31, 2024	**80.06**

Accumulated depreciation and impairment	Land
Balance at March 31, 2022	**4.82**
Depreciation expense	1.60
Balance at March 31, 2023	**6.42**
Depreciation expense	1.56
Balance at March 31, 2024	**7.98**

Carrying amount	Land
Balance at March 31, 2022	**75.24**
Depreciation expense	(1.60)
Balance at March 31, 2023	**73.64**
Depreciation expense	(1.56)
Balance at March 31, 2024	**72.08**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

ii) Amount recognised in profit and loss

Particulars	For the year 2023-24	For the year 2022-23
Depreciation charge of right of use assets - Refer Note: 25		
Land	1.56	1.60
	1.56	**1.60**
Interest expenses (included in Finance cost) - Refer Note: 24	0.10	0.10
Expenses related to Short term leases(included in Rent : Other expenses) - Refer Note: 26	54.37	50.46

a) Addition to the right of use assets during the year: ₹Nil (Previous year: ₹Nil).

b) The total cash outflow for leases for the year: ₹0.89 million (Previous year: ₹0.89 million).

c) Extension and termination options

Extension and termination options are included in the above leases across the Company. These are used to maximise operational flexbility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

d) To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

e) The Company has not incurred any expenses relating to low-value assets during the current year. There are no expenses relating to variable lease payments.

f) The Company leases land, offices, warehouses, furniture, fittings, equipment and vehicles. Lease contracts in respect of land are typically made for periods of upto 99 years.

4C: Capital work-in-progress:

Particulars	As at	
	31.03.2024	31.03.2023
Capital work-in-progress(a)	474.51	465.04

Capital work-in-progress movement	Total
Balance at March 31, 2022	**180.24**
Addition during the year	1532.76
Capitalised during the year	(1247.96)
Balance at March 31, 2023	**465.04**
Addition during the year	1146.33
Capitalised during the year	(1136.86)
Balance at March 31, 2024	**474.51**

(a) Includes Research and Development capital expenditure of ₹ 5.59 million (Previous year: ₹4.25 million) - Refer Note: 41(b) on Research & Development expenditure.

(b) Ageing of Capital work-in-progress:

As at March 31, 2024

Particulars	Amount of CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	435.82	31.54	7.15		474.51
Projects temporarily suspended	-	-	-	-	-

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

As at March 31, 2023

Particulars	Amount of CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	441.52	15.44	3.49	4.59	465.04
Projects temporarily suspended	-	-	-	-	-

(c) The expected completion of amounts lying in capital work-in-progress which are delayed is as below:

As at March 31, 2024

Particulars	Amount of CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Growth projects	23.75	-	-	-	23.75
Total	**23.75**	**-**	**-**	**-**	**23.75**

There are no delay in completion of amounts lying in Capital work-in-progress as at March 31, 2023.

(d) There are no reportable cost over-run project for the year ended March 31, 2024 & March 31, 2023.

5. Intangible assets

Particulars	As at	
	31.03.2024	31.03.2023
Carrying amounts		
Software	47.93	63.18
Technical know-how	14.51	10.93
Total	**62.44**	**74.11**

Cost	Software	Technical know-how	Total
Balance at March 31, 2022	**114.39**	**143.02**	**257.41**
Additions - (a)	21.60	0.60	22.20
Disposals	(0.03)	(2.54)	(2.57)
Balance at March 31, 2023	**135.96**	**141.08**	**277.04**
Additions - (a)	10.48	8.29	18.77
Disposals	(1.00)	-	(1.00)
Balance at March 31, 2024	**145.44**	**149.37**	**294.81**

Accumulated amortisation and impairment	Software	Technical know-how	Total
Balance at March 31, 2022	**51.99**	**128.85**	**180.84**
Amortisation expense	20.82	3.84	24.66
Disposals	(0.03)	(2.54)	(2.57)
Balance at March 31, 2023	**72.78**	**130.15**	**202.93**
Amortisation expense	25.73	4.71	30.44
Disposals	(1.00)	-	(1.00)
Balance at March 31, 2024	**97.51**	**134.86**	**232.37**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Carrying amounts	Software	Technical know-how	Total
Balance at March 31, 2022	**62.40**	**14.17**	**76.57**
Additions	21.60	0.60	22.20
Amortisation expense	(20.82)	(3.84)	(24.66)
Disposals	-	-	-
Balance at March 31, 2023	**63.18**	**10.93**	**74.11**
Additions	10.48	8.29	18.77
Amortisation expense	(25.73)	(4.71)	(30.44)
Disposals	-	-	-
Balance at March 31, 2024	**47.93**	**14.51**	**62.44**

(a) Includes Research and Development capital expenditure of ₹0.10 million(Previous year: ₹0.16 million) - Refer Note: 41(b) on Research & Development expenditure

(b) Internally generated intangible assets - Nil (Previous year: ₹Nil).

6. Investments - Non-Current

Particulars	Quantity in numbers		Nominal value (f)	Notes	Value	
	As at 31.03.2024	As at 31.03.2023			As at 31.03.2024	As at 31.03.2023
Non-Current investments:						
(A) Investment in associate - Equity Shares (fully paid)						
Quoted (Trade): Instruments at cost						
Wendt (India) Limited	750000	750000	10		9.74	9.74
				6A	**9.74**	**9.74**
(B) Investments in joint ventures - Equity Shares (fully paid)						
Unquoted (Trade): Instruments at cost						
Murugappa Morgan Thermal Ceramics Limited	1430793	1430793	10		44.04	44.04
Ciria India Limited	59998	59998	10		1.68	1.68
				6B	**45.72**	**45.72**
(C) Investments in subsidiaries - Equity Shares (fully paid)						
Unquoted (Trade): Instruments at cost						
CUMI International Ltd., Cyprus	40437406	40437406	USD 1		8965.52	8965.52
Sterling Abrasives Limited	54000	54000	100		37.10	37.10
Southern Energy Development Corporation Limited	389908	389908	10		54.66	54.66
Net Access India Limited	5000000	5000000	10		50.00	50.00
CUMI (Australia) Pty Limited, Australia	1050	1050	AUD 1		14.79	14.79
PLUSS Advanced Technologies Limited (a)	374740	371229	10		1171.86	1160.88
PLUSS Advanced Technologies Limited (a)					18.80	24.82
				6C	**10312.73**	**10307.77**
(D) Other Investments						
Instruments at Fair Value Through Other Comprehensive Income [FVTOCI]						
Investments in equity instruments - Equity Shares (fully paid)						

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	Quantity in numbers		Nominal value (f)	Notes	Value	
	As at 31.03.2024	As at 31.03.2023			As at 31.03.2024	As at 31.03.2023
Quoted (Trade)						
Coromandel Engineering Co. Limited (b)	-	3042900	10		-	88.25
Unquoted (Non - Trade)						
Murugappa Management Services Private Limited	44704	44704	100		11.30	11.30
				6D(i)	**11.30**	**99.55**
Instruments at Fair Value Through Profit or Loss [FVTPL]						
Quoted (Non-Trade)						
Investments in equity instruments - Equity Shares (fully paid)						
Grindwell Norton Limited	800	800	5		1.52	1.50
Orient Ceratech Limited	10000	10000	1		0.48	0.23
RHI Magnesita India Limited	10000	10000	1		5.53	6.31
EID Parry (India) Limited	1000	1000	1		0.55	0.47
Cholamandalam Investment and Finance Co Limited	500	500	2		0.58	0.36
Cholamandalam Financial Holdings Limited	1000	1000	1		1.11	0.54
Tube Investments of India Limited	1000	1000	1		3.74	2.56
Coromandel International Limited	330	330	1		0.34	0.29
				6D(ii)	**13.85**	**12.26**
Un Quoted (Non-Trade)						
Investments in equity instruments - Equity Shares (fully paid)						
Chennai Willingdon Corporate Foundation (₹50 only) - **(c)**	5	5	10		0.00	0.00
John Oakey Mohan Limited	1900	1900	10		0.05	0.05
CUMI Employees Co-operative Society/Stores	-	-	-		0.03	0.03
Kerala Enviro Infrastructure Limited	10000	10000	10		0.10	0.10
Other Investment						
7 Years National Savings Certificate of ₹2,000/- deposited with the Government	-	-	-		0.00	0.00
				6D(iii)	**0.18**	**0.18**
				6D	**25.33**	**111.99**
Investment - Non Current Grand Total [6A]+ [6B] + [6C] +[6D]					**10393.52**	**10475.22**

(a) Before acquisition, PLUSS Advanced Technologies Limited [PLUSS] had an ESOP scheme wherein the employees of PLUSS were granted shares based on satisfaction of certain service condition or the happening of a liquidation event. All the options had vested as on the acquisition date. The Company has modified the terms of the ESOP by increasing the service condition and has also agreed to purchase ESOP shares in future from the employees of PLUSS once vested and exercised. Consequently, to the extent of service received from employees of PLUSS, this has been accounted as an investment with corresponding increase to other financial liability. Of the said balance during the year, the Company has purchased 3511 equity shares at ₹ 3127 per share. The Company has also performed a detailed impairment assessment of investment in PLUSS and based on the assessment performed no impairment is deemed necessary.

(b) During the current year, the Company had executed a share purchase agreement for the disposal of its investment in Coromandel Engineering Company Limited. Pursuant to the agreement, the investment has been disposed for an aggregate consideration of INR 41.08 million.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

(c) Shares allotted against corporate membership contribution.

(d)

Particulars	As at 31.03.2024	As at 31.03.2023
Aggregate book value of quoted investments	23.59	110.25
Aggregate market value of quoted investments	8439.20	6482.04
Aggregate carrying value of unquoted investments	10369.93	10364.97

(e)

Category wise other investments as per Ind AS 109	As at 31.03.2024	As at 31.03.2023
Mandatorily measured at FVTPL - 6D(ii)+6D(iii)	14.03	12.44
Financial assets designated at FVTOCI (equity instruments) - 6D(i)	11.30	99.55
Investments at cost (represent investment in associate, joint ventures and subsidiaries) - 6A+6B+6C	10368.19	10363.23
	10393.52	**10475.22**

(f) Nominal value per share is given in Indian rupees or in respective foreign currency where stated.

7. Other financial assets

Particulars	As at 31.03.2024	As at 31.03.2023
A. Non-current		
Security deposits	189.97	167.25
	189.97	**167.25**
B. Current		
Other receivables:		
Considered good	51.13	46.34
Considered doubtful	0.06	0.59
Less: Allowance for doubtful receivables	(0.06)	(0.59)
	51.13	**46.34**

8. Other assets

Particulars	As at 31.03.2024	As at 31.03.2023
A. Non-current		
Capital advances	96.96	95.89
Deposits paid under protest relating to Sales tax, Value added tax, Central excise and Service tax demands	12.40	16.29
Taxation (net of provisions)	-	-
	109.36	**112.18**
B. Current		
Prepayments	56.88	53.59
Trade advance to Suppliers	208.14	256.40
Balances with/amount receivable from Statutory Authorities	22.97	133.49
	287.99	**443.48**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

9. Inventories

Particulars	As at	
	31.03.2024	**31.03.2023**
Raw materials	1519.98	1602.13
Raw materials in transit	162.68	225.45
Work-in-progress	819.08	882.38
Stock-in-trade	121.43	77.10
Finished goods	609.64	626.23
Stores and spares	369.35	382.07
Stores and spares in transit	10.29	-
	3612.45	**3795.36**

a The method of valuation of inventories are stated in Note: 3A(h), 3B(c).

b The cost of inventories recognised as an expense (consumption) during the year was ₹12731.35 million (previous year: ₹12115.49 million)

c Raw materials includes captively manufactured intermediaries.

d All the above inventories are expected to be recovered/utilised within twelve months.

10. Trade receivables (Unsecured)

Particulars	As at	
	31.03.2024	**31.03.2023**
Current		
a. Considered good	3869.10	3927.96
b. Which have significant increase in Credit Risk	-	-
c. Credit impaired	42.21	76.07
Allowance for doubtful receivables (expected credit loss allowance)	(125.52)	(106.84)
	3785.79	**3897.19**

a Trade receivables are generally due between 30 to 60 days. The Company's term includes charging of interest for delayed payment beyond agreed credit days. However, the Company charges interest after considering the historical trend, business prospects, reason for delay, market conditions etc.

b **Credit risk** is managed at the operational segment level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The credit limit and the credit period are reviewed regularly at periodical intervals.

c **Concentration risk** considers significant exposures relating to industry, counterparty, geography, currency etc. The concentration of credit risk is not significant as the customer base is large and diversified.

d The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix which takes into account the historical credit loss experience adjusted for forward looking information.

e Some trade receivable may be past due over 365 days without being impaired considering the certainty of realisation.

f Trade Receivable includes dues from Related party amounting ₹534.11 million (Previous year : ₹536.10 million).

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

g Movement in expected credit loss allowance:

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	106.84	66.91
Add: Allowance made during the year	61.80	56.86
Less: Reversal / Utilisation of allowance during the year	(43.12)	(16.93)
Balance at the end of the year	**125.52**	**106.84**

10A. Ageing of Trade receivables

As at 31 March 2024								
Particulars	Unbilled due	Not due	Less than 6 months	6 months to 1 year	1- 2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivable-Considered good	-	3027.20	743.86	58.00	12.26	5.04	22.74	3869.10
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-		-	-	-	-	-	-
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	40.69	1.52	-	42.21
(iv) Disputed Trade receivable-Considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-

Particulars	As at 31 March 2023							
	Unbilled due	Not due	Less than 6 months	6 months to 1 year	1- 2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivable-Considered good	-	3228.53	591.57	28.39	23.48	9.35	46.64	3927.96
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-		-	-	-	-	-	-
(iii) Undisputed Trade receivable-credit impaired	-	-	6.19	34.51	35.37	-	-	76.07
(iv) Disputed Trade receivable-Considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-

11A. Cash and cash equivalents

Particulars	As at	
	31.03.2024	31.03.2023
Balances with banks - Current account	224.47	98.26
Deposit account with original maturity less than three months	1500.00	-
Cash on hand	1.06	0.93
	1725.53	**99.19**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Non-cash transactions:

The Company has not entered into any non-cash transactions on investing and financing activities.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and previous year.

11B. Bank balances other than above

Particulars	As at	
	31.03.2024	31.03.2023
Earmarked funds - Unclaimed and unpaid dividend - Refer Note: 18	17.79	19.45
Bank Deposit with original maturity more than three months but less than 12 months	6.20	5.94
	23.99	**25.39**

12. Equity Share Capital

Particulars	As at	
	31.03.2024	31.03.2023
Authorised share capital:		
387,250,000 (as at March 31, 2023: 387,250,000) equity shares of Re.1 each	387.25	387.25
Issued, Subscribed and Paid-up		
190,257,608 (as at March 31, 2023: 189,943,974) equity shares of Re.1 each fully paid	**190.26**	**189.94**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2024		As at 31.03.2023	
Equity shares with voting rights	No. of Shares	Value of Shares	No. of Shares	Value of Shares
At the beginning of the year	189943974	189.94	189856703	189.86
Add: Shares issued against Employee Stock Option Scheme/Plan	313634	0.32	87271	0.08
At the end of the year	190257608	190.26	189943974	189.94

b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. Repayment of capital and surplus, if any, will be in proportion to the number of equity shares held.

c) Dividend details

Final dividend of ₹2.50/- per share was proposed for the year ended March 31, 2024 at the meeting of the Board of Directors held on May 03,2024 (previous year final dividend of ₹2/- was proposed and paid). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, upon which the liability will be recorded in the books. An Interim Dividend of ₹1.50/- per share was declared at the meeting of the Board of Directors held on January 31,2024 and the same has been paid, (previous year an interim dividend of ₹1.50/- per share was declared at the meeting of the Board of Directors held on January 31, 2023 and the same has been paid).

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at			
	31.03.2024		31.03.2023	
	No. of Shares held*	% of holding	No. of Shares held*	% of holding
Ambadi Investments Limited	56054244	29.46%	56054244	29.51%
SBI Mutual Fund	18535215	9.74%	18607487	9.80%

*Holdings combined based on the PAN of the shareholders

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

e) Stock Options granted under the Company's Employee Stock Option Scheme/Plan

Stock Options granted under the Company's Employee Stock Option Scheme/Plan pending exercise by option holders carry no right to dividend and voting rights. Further details of the Employee Stock Option Scheme/Plan are provided in Note: 37.

(f) Details of shares held by promoters at the end of the year:

S.No	Promoter Name	No of shares held as at				% Change in no. of shares held during the year
		March 31, 2024		March 31, 2023		
		Nos.	%	Nos.	%	
1	M A M Arunachalam as a legal representative of M A Murugappan HUF	92000	0.05%	92000	0.05%	-
2	M A Alagappan in the capacity of Karta of M A Alagappan HUF	188000	0.10%	188000	0.10%	-
3	M M Murugappan as a legal representative of M M Muthiah HUF	335200	0.18%	335200	0.18%	-
4	M M Murugappan Karta of M M Murugappan HUF	16000	0.01%	16000	0.01%	-
5	A Venkatachalam Karta of HUF	1000	0.00%	1000	0.00%	-
6	M A M Arunachalam	1093800	0.57%	1008600	0.53%	8.45%
7	Arun Alagappan	471400	0.25%	471400	0.25%	-
8	M A Alagappan	786000	0.41%	786000	0.41%	-
9	A Vellayan	303260	0.16%	303260	0.16%	-
10	Valli Arunachalam Karta of M V Murugappan HUF	215600	0.11%	215600	0.11%	-
11	M M Murugappan	340140	0.18%	340140	0.18%	-
12	M A Alagappan Karta of AMM Arunachalam HUF	300400	0.16%	300400	0.16%	-
13	M V Subbiah as a Karta of M V Subbiah HUF	81600	0.04%	81600	0.04%	-
14	A Venkatachalam	598900	0.31%	598900	0.32%	-
15	V Narayanan	205900	0.11%	205900	0.11%	-
16	V Arunachalam	183740	0.10%	183740	0.10%	-
17	Arun Venkatachalam	186840	0.10%	186840	0.10%	-
18	Ambadi Enterprises Limited	-	-	384700	0.20%	-100.00%
19	E.I.D.Parry (India) Limited	2000	0.00%	2000	0.00%	-
20	Ambadi Investments Limited	56054244	29.46%	56054244	29.51%	-
21	Cholamandalam Financial Holdings Limited	6000	0.00%	6000	0.00%	-
22	Subbiah.M.V, Alagappan M A And M M Murugappan Holds On Behalf Of The Firm Murugappa & Sons	480	0.00%	480	0.00%	-
23	Umayal.R.	979504	0.51%	979504	0.52%	-
24	Valli Annamalai	136480	0.07%	136480	0.07%	-
25	Vellachi Murugappan	856800	0.45%	856800	0.45%	-
26	Sigapi Arunachalam as a Trustee of Murugappan Arunachalam Children Trust	300000	0.16%	300000	0.16%	-
27	M A M Arunachalam Trustee of Arun Murugappan Children Trust AOP	345600	0.18%	345600	0.18%	-
28	Arun Alagappan Trustee of M A Alagappan Grandchildren Trust AOP	345600	0.18%	345600	0.18%	-
29	Lakshmi Chocka Lingam	518500	0.27%	412000	0.22%	25.85%
30	Lalitha Vellayan	116500	0.06%	116500	0.06%	-
31	Meyyammai Venkatachalam	100000	0.05%	100000	0.05%	-
32	A M Meyyammai	21300	0.01%	213000	0.11%	-90.00%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

S.No	Promoter Name	No of shares held as at				% Change in no. of shares held during the year
		March 31, 2024		March 31, 2023		
		Nos.	%	Nos.	%	
33	Meenakshi Murugappan	479900	0.25%	479900	0.25%	-
34	Valli Alagappan	15151	0.01%	15151	0.01%	-
35	Valli Muthiah	-	0.00%	-	0.00%	-
36	Solachi Ramanathan	2000	0.00%	2000	0.00%	-
37	M V AR Meenakshi	367898	0.19%	367898	0.19%	-
38	A. Keertika Unnamalai	1000	0.00%	1000	0.00%	-
39	Uma Ramanathan	3250	0.00%	3250	0.00%	-
40	V Vasantha	50	0.00%	50	0.00%	-
41	Dhruv M Arunachalam	1200	0.00%	1200	0.00%	-
42	Pranav Alagappan	2000	0.00%	2000	0.00%	-
43	Krishna Murugappan Muthiah	5000	0.00%	5000	0.00%	-
44	A M M Vellayan Sons Private Limited	1700	0.00%	1700	0.00%	-
45	M.M.Muthiah Sons Private Limited	304000	0.16%	304000	0.16%	-
46	M.M.Muthiah Research Foundation	1104160	0.58%	1104160	0.58%	-
47	M A Alagappan Holdings Private Limited	210020	0.11%	236020	0.12%	-11.02%
48	M M Venkatachalam, Trustee of Lakshmi Venkatachalam Family Trust	200000	0.11%	200000	0.11%	-
49	A A Alagammai, Trustee of Lakshmi Ramaswamy Family Trust	390000	0.20%	390000	0.21%	-
50	Southern Energy Development Corporation Limited	2449240	1.29%	2449240	1.29%	-
51	M M Venkatachalam, Trustee of M V Muthiah Family Trust	262400	0.14%	262400	0.14%	-
52	M M Murugappan, Trustee of M M Veerappan Family Trust	352000	0.19%	352000	0.19%	-
53	M M Venkatachalam, Trustee of M M Venkatachalam Family Trust	222740	0.12%	222740	0.12%	-
54	M M Venkatachalam, Trustee of M V Subramanian Family Trust	262400	0.14%	262400	0.14%	-
55	M M Murugappan, Trustee of M M Muthiah Family Trust	352000	0.19%	352000	0.19%	-
56	Murugappa Educational and Medical Foundation	3811920	2.00%	3811920	2.01%	-
57	AR. Lakshmi Achi Trust	153140	0.08%	153140	0.08%	-
58	M V Subbiah, Trustee of Saraswathi Trust	388860	0.20%	388860	0.20%	-
59	M V Subbiah, Trustee of Shambho Trust	719021	0.38%	719021	0.38%	-
60	M A Murugappan Holdings LLP	235940	0.12%	235940	0.12%	-
61	Valliammai Murugappan	52000	0.03%	52000	0.03%	-
62	Valli Arunachalam	918800	0.48%	918800	0.48%	-
63	A V Nagalakshmi	75	0.00%	75	0.00	-

13. Other equity

Particulars	As at 31.03.2024	As at 31.03.2023
A. Reserves and Surplus		
a. Profit on Forfeiture of shares/warrants	6.03	6.03
b. Capital redemption reserve	27.68	27.68
c. Securities premium	546.56	410.33

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	As at 31.03.2024	As at 31.03.2023
d. General reserve	9675.43	9175.43
e. Share options outstanding account	226.92	186.70
f. Retained earnings	12278.56	10017.49
B. Items of Other Comprehensive Income		
g. Reserve for equity instruments	-	27.82
h. Revaluation Surplus	23.74	23.74
Total Other Equity	**22784.92**	**19875.22**

a. Profit on Forfeiture of shares / warrants

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	6.03	6.03
Movements	-	-
Balance at end of the year	**6.03**	**6.03**

During 1999, an amount of ₹6.03 million has been added on account of forfeiture of shares. This balance can be used in paying up unissued shares as fully paid bonus shares to the shareholders of the Company.

b. Capital redemption reserve

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	27.68	27.68
Movements	-	-
Balance at end of the year	**27.68**	**27.68**

During the year 2000-01, the Company bought back 2,768,000 shares at the then face value of ₹10 each at the price of ₹ 115 per share from the shareholders, pursuant to the offer of buy back of shares. A sum equal to nominal value of shares so bought back was transferred to capital redemption reserve account as per Companies Act, 1956. This reserve can be used in paying up unissued shares as fully paid bonus shares to the shareholders of the Company.

c. Securities premium

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	410.33	382.36
Movements	136.23	27.97
Balance at end of the year	**546.56**	**410.33**

The Securities premium received during the year represents the premium received towards allotment of 313,634 shares. Cumulatively 3,549,608 equity shares were allotted during the period FY 2009-10 to FY 2023-24 under ESOP Scheme 2007 and ESOP Plan 2016 (Refer Note: 37 towards details of the Scheme/Plan).

This balance will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission/discount expenses on issue of shares/debentures, premium payable on redemption of redeemable preference shares/debentures and buy back of its own shares/securities under Section 68 of the Companies Act.

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

d. General reserve

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	9175.43	8675.43
Transfer from retained earnings	500.00	500.00
Balance at end of the year	**9675.43**	**9175.43**

The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with the Companies Act.

e. Share options outstanding account

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	186.70	128.80
Movements	40.22	57.90
Balance at end of the year	**226.92**	**186.70**

Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Refer Note: 37 for details.

f. Retained earnings:

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	10017.49	7931.45
Add: Profits for the year	3503.50	3309.36
Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of tax	(57.84)	(58.70)
Less : Transfer from Reserve for equity instruments	(19.34)	-
Less: Transfer to General reserve	(500.00)	(500.00)
Less: Final dividend paid	(379.91)	(379.76)
Less: Interim dividend paid	(285.34)	(284.86)
Balance at end of the year	**12278.56**	**10017.49**

The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the financial position and dividend policy of the Company and in compliance with the requirements of the Companies Act, 2013.

g. Reserve for equity instruments

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	27.82	42.12
Movements	(47.16)	(14.30)
Transfer to Retained earnings	19.34	-
Balance at end of the year	**-**	**27.82**

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income (Refer Note: 6D(i)), which will be reclassifed to retained earnings when those assets are disposed off.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

h. Revaluation Surplus

Particulars	As at	
	31.03.2024	31.03.2023
Balance at the beginning of the year	23.74	23.74
Movements	-	-
Balance at end of the year	**23.74**	**23.74**

Land & Buildings added upto 31st August 1984 were revalued in 1984 based on the valuation done by an independent valuer. The value added on revaluation amounting to ₹58.41 million was credited to fixed asset revaluation reserve. The depreciation charged on the revalued portion was recouped every year from this reserve upto March 31, 2015 under previous GAAP.

14. Provisions

Particulars	As at	
	31.03.2024	31.03.2023
A. Non-Current		
Employee benefits - Compensated absences	128.27	115.18
B. Current		
Employee benefits - Compensated absences	56.90	33.58

The movement represents the provision created for the year arising out of the actuarial valuation after considering the actual settlements made during the year.

15A. Deferred tax liabilities (net)

Particulars	As at	
	31.03.2024	31.03.2023
Deferred tax liabilities (net)	34.17	52.36

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences.

Particulars	2023-24			
	Balance as at 31.03.2023	Recognised in Profit & loss	Recognised in Other Comprehensive Income	Balance as at 31.03.2024
Breakup of deferred tax liabilities (net):				
Allowance for doubtful receivables and advances	(27.04)	(4.57)	-	(31.61)
Voluntary retirement scheme payments	(0.20)	0.02	-	(0.18)
Expenses allowed on payment basis	(51.34)	(9.16)	(22.61)	(83.11)
Accelerated depreciation for tax purposes	130.94	18.13	-	149.07
	52.36	**4.42**	**(22.61)**	**34.17**

Particulars	2022-23			
	Balance as at 31.03.2022	Recognised in Profit & loss	Recognised in Other Comprehensive Income	Balance as at 31.03.2023
Breakup of deferred tax liabilities (net):				
Allowance for doubtful receivables and advances	(16.95)	(10.09)	-	(27.04)
Voluntary retirement scheme payments	(0.36)	0.16	-	(0.20)

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	2022-23			
	Balance as at 31.03.2022	Recognised in Profit & loss	Recognised in Other Comprehensive Income	Balance as at 31.03.2023
Expenses allowed on payment basis	(47.37)	(3.97)	-	(51.34)
Accelerated depreciation for tax purposes	159.94	(29.00)	-	130.94
	95.26	**(42.90)**	**-**	**52.36**

15B. Current tax liabilities (net)

Particulars	As at	
	31.03.2024	31.03.2023
Curent tax liabilites (net)	26.00	9.01

16. Current borrowings

Particulars	As at	
	31.03.2024	31.03.2023
Secured - at amortised Cost (a)		
Short term working capital loan -[Previous year : 3 months T bill + Margin ranging from 120 bps to 165 bps]	-	380.00
Unsecured - at amortised cost		
Short term working capital loan - [Previous year : 1 to 3 months T bill + Margin ranging from 105 bps to 165 bps]	-	660.00
	-	**1040.00**

(a) Secured by a pari-passu first charge on the current assets of the Company - both present and future; and a pari-passu second charge on immovable properties - both present and future.

17. Trade payables

Particulars	As at	
	31.03.2024	31.03.2023
Total outstanding due to micro and small enterprises(c) - Refer Note: 33	132.48	43.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	2113.15	2342.93
	2245.63	**2386.65**

a. Trade payables are non-interest bearing and are normally settled as per due dates generally ranging from 30 to 60 days.

b. The Company has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.

c. Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the auditors.

17A Ageing of Trade Payables

Particulars	As at 31 March 2024					
	Not due	0-1 Years	1- 2 years	2-3 Years	More than 3 years	Total
(i) MSME	132.48	-	-	-	-	132.48
(ii) Others	1798.45	265.36	46.21	1.30	1.83	2113.15
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	As at 31 March 2023					
	Not due	0-1 Years	1- 2 years	2-3 Years	More than 3 years	Total
(i) MSME	43.72	-	-	-	-	43.72
(ii) Others	1676.33	645.23	3.64	2.66	15.07	2342.93
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

18. Other financial liabilities

Particulars	As at	
	31.03.2024	31.03.2023
A. Non Current		
Payable for purchase of PLUSS ESOP shares - Refer Note : 6(a)	-	13.17
	-	**13.17**
B. Current		
Unsecured		
Unclaimed and Unpaid dividends (a)	17.79	19.45
Remuneration payable to directors	27.83	27.03
Deposits	50.39	52.32
Payable relating to Capital expenditure	56.92	126.01
Payable for purchase of PLUSS ESOP shares - Refer Note: 6(a)	18.80	11.65
Other payables	211.16	221.14
	382.89	**457.60**

(a) There is no amount which has fallen due as at Balance sheet date to be credited to Investor Education and Protection Fund. The unclaimed dividend portion is kept separately in earmarked bank accounts - Refer Note: 11B.

19. Other current liabilities

Particulars	As at	
	31.03.2024	31.03.2023
Contract Liabilities **(a)**	41.98	187.04
Statutory liabilities	29.29	22.96
	71.27	**210.00**

(a) Details about Contract Liabilities:

i) The outstanding balances in Contract liabilities have decreased from last year mainly on account of net decrease in receipt of advances during current year.

ii) Revenue recognized in relation to Contract liabilities :

The following summary shows how much of the revenue recognized in the current year relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in the prior year.

Particulars	For the year	
	2023-24	2022-23
Revenue recognized that was included in the Contract liability balance at the beginning of the year	187.04	100.75
Revenue recognized from performance obligations satisfied in previous periods	-	-

iii) In respect of the remaining performance obligations, the disclosure towards allocation of transaction price do not arise as the contract has an original expected duration of one year or less.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

20. Revenue from operations

Particulars	For the year	
	2023-24	2022-23
a. Sales/Income from Operations Refer Note : 30 "Segment Disclosure" for breakup of Sales		
Sale of products	25229.04	24033.26
Sale of services	702.61	698.58
	25931.65	**24731.84**
b. Other operating income:		
Service income	107.44	100.14
Scrap Sales	166.46	142.89
Miscellaneous income		
- Export benefits	108.73	115.95
- Others	17.47	7.77
	400.10	**366.75**
Total Revenue from operations (a + b)	**26331.75**	**25098.59**

No element of financing is deemed present as the sales are made with a credit term which is one year or less.

Reconciliation of Revenue recognised with Contract price

Particulars	2023-24	2022-23
Gross Sales/Income from operations	26336.98	25075.43
Service income	107.44	100.14
Scrap Sales	166.46	142.89
Contract price	**26610.88**	**25318.46**
Less : Discount - Variable Consideration	405.33	343.59
Revenue recognized under Ind AS 115	**26205.55**	**24974.87**
Add: Miscellaneous income	126.20	123.72
Revenue from operations	**26331.75**	**25098.59**

21. Other Income

Particulars	For the year	
	2023-24	2022-23
(a) Dividend Income		
Dividend Income from Non-Current Investments		
Dividend from Subsidiaries	163.12	108.43
Dividend from Joint ventures	182.54	72.92
Dividend from Associate	60.00	56.25
Dividend from Others	0.05	0.05
	405.71	**237.65**
(b) Interest Income earned on financial assets that are not designated as fair value through profit or loss [FVTPL]		
from bank deposits (at amortised cost)	11.24	1.44
from other financial assets carried (at amortised cost)	10.73	10.97
	21.97	**12.41**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year	
	2023-24	2022-23
(c) Net gain arising on financial assets mandatorily measured at fair value through profit or loss [FVTPL] - (Refer Note: 6D(ii) & 6D(iii))	**1.59**	**1.09**
(d) Other Non operating income		
Profit on sale of assets	0.78	0.67
Profit on exchange fluctuation (net)	-	49.28
Reversal of allowance for doubtful receivables and advances	21.89	13.07
Provision for expenses no longer required written back	0.05	2.33
Rental income	2.63	2.45
	25.35	**67.80**
Total Other Income (a + b + c + d)	**454.62**	**318.95**

22. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year	
	2023-24	2022-23
Opening stock		
Work-in-progress	882.38	803.65
Stock-in-trade	77.10	120.82
Finished goods	626.23	633.77
(A)	**1585.71**	**1558.24**
Less: Closing stock		
Work-in-progress	819.08	882.38
Stock-in-trade	121.43	77.10
Finished goods	609.64	626.23
(B)	**1550.15**	**1585.71**
(Accretion)/Decretion to stock (A) - (B)	**35.56**	**(27.47)**

23. Employee benefits expense

Particulars	For the year	
	2023-24	2022-23
Salaries, wages and bonus	1893.16	1709.10
Contribution to provident and other funds	212.73	193.16
Share based payments to employees (ESOPs) - Refer Note: 37	40.22	57.90
Remuneration to Executive Directors*$ - Refer Note: 36D	39.73	46.24
Welfare expenses	397.95	362.64
	2583.79	**2369.04**

*excludes gratuity, compensated absences and share based compensation expenses since employee-wise valuation is not available

$ Includes Incentive to Executive Directors that is provisional and subject to determination by the Nomination and Remuneration Committee.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

24. Finance costs

Particulars	For the year	
	2023-24	2022-23
Interest costs		
- on loans from bank	39.65	148.21
- on lease liabilities	0.10	0.10
Other borrowing costs	1.76	2.04
	41.51	**150.35**

25. Depreciation and amortisation expense

Particulars	For the year	
	2023-24	2022-23
Depreciation of property, plant and equipment - Refer Note: 4A	694.51	718.68
Depreciation of Right of use assets - Refer Note : 4B	1.56	1.60
Amortisation of intangible assets - Refer Note: 5	30.44	24.66
	726.51	**744.94**

26. Other expenses

Particulars	For the year	
	2023-24	2022-23
Consumption of stores and spares **(a)**	1125.73	1085.69
Power and fuel **(b)**	2307.55	2295.05
Rent	99.92	92.80
Rates and taxes	71.99	71.78
Insurance	43.22	41.82
Repairs to: **(c)**		
- Buildings	46.32	34.61
- Plant and equipment	623.81	618.41
Directors' Sitting fees (refer Corporate Governance report)	4.06	4.49
Commission to Non-wholetime Directors (refer Corporate Governance report)	18.00	15.50
Auditors' remuneration (Refer Note: 40)	9.31	8.00
Travel and conveyance	192.50	154.74
Freight, delivery and shipping charges	704.43	732.40
Impairment loss on financial assets	21.76	3.86
Less: Provision adjusted	(21.76)	(3.86)
Allowance for doubtful receivables and advances	61.80	57.04
Selling commission	65.80	43.98
Advertisement and publicity	181.22	125.96
Printing, stationery and communication	38.52	35.46
Loss on exchange fluctuation (net)	2.31	-
Professional fees	203.58	284.79
Services outsourced	1520.38	1466.93
Loss on sale of assets	11.52	10.13
Miscellaneous expenses	226.25	225.04
	7558.22	**7404.62**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

(a) Includes consumption of packing materials amounting ₹596.71million (previous year: ₹580.58 million)

(b) Net of own power generation, which includes energy banked with Kerala State Electricity Board - ₹Nil million(Previous year: ₹Nil)

(c) Repairs includes consumption of stores and spares amounting to ₹360.20 million (Previous year: ₹348.52 million)

27. Exceptional item

Particulars	For the year	
	2023-24	2022-23
Reversal of liability recognised towards fair value changes of a financial instrument availed by a stepdown subsidiary, consequent to settlement of its bank borrowings	-	249.15
	-	**249.15**

28. Income tax expense

Particulars	For the year	
	2023-24	2022-23
A. Income tax expense recognised in Profit and loss:		
a. Current tax		
In respect of the current year	1123.00	1050.00
	1123.00	**1050.00**
b. Deferred tax		
In respect of the current year	4.42	(42.90)
	4.42	**(42.90)**
Total Income tax expense recognised during the year (net)	**1127.42**	**1007.10**
Income tax reconciliation		
Profit before tax	**4630.92**	**4316.46**
Income tax expense calculated at the applicable tax rate of 25.168% on Profit before tax	1165.51	1086.37
Tax expenses recognised during the year	1127.42	1007.10
Differential tax impact	**(38.09)**	**(79.27)**
Differential tax impact due to the following (tax benefit)/tax expenses		
Dividend income eligible for section 80M deduction	(102.10)	(59.80)
Expenditure on Corporate Social Responsibility	4.20	3.18
Movement in the fair valuation of the quoted Investment	(0.40)	(0.27)
Donations paid	11.60	6.34
Payables towards District mineral fund	7.80	-
Enhanced depreciation allowed earlier	25.40	-
Payable towards release of water and royalty for Hydel Electric works	-	14.81
Share based payments - ESOP	10.10	14.57
Reversal of liability on fair value changes of a Financial instrument	-	(62.71)
Others	5.31	4.61
	(38.09)	**(79.27)**
B. Income tax expense recognised in Other Comprehensive Income:	(22.61)	-

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

29. Earnings per share

Particulars	For the year	
	2023-24	2022-23
Basic earnings per share (₹)	18.44	17.43
Diluted earnings per share (₹)	18.40	17.38
The calculation of Basic and Diluted Earnings per share is based on the following data:		
Profits for the year after tax	3503.50	3309.36
Weighted average number of equity shares outstanding during the year:		
- Basic	190037418	189888066
- Dilutive	190450740	190391112

The weighted average number of equity shares for the purpose of dilute earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as given below:

Particulars	For the year	
	2023-24	2022-23
Weighted average number of equity shares used in the calculation of basic earnings per share	190037418	189888066
Shares deemed to be issued for no consideration in respect of:		
- Employee Stock Option Scheme/Plan	413322	503046
Weighted average number of equity shares used in the calculation of diluted earnings per share	190450740	190391112

30. Segment information

Carborundum Universal Limited provides solutions for following industrial manufacturing needs by developing, manufacturing and marketing products using the properties of materials known as electrominerals:

- Surface engineering (material removal, cutting, polishing) known as Abrasives. This segment comprise of Bonded, Coated, Processed cloth, Polymers, Power tools and Coolants.
- Technical ceramics and super refractory solutions to address wear protection, corrosion resistance, electrical resistance, heat protection and ballistic protection known as Ceramics.
- Electrominerals for surface engineering, refractories, energy and environment. It includes fused alumina, silicon carbide, zirconia, specialty minerals and captive power generation from hydel power plant.

The Business Group Management Committee headed by Managing Director (CODM) consisting of Chief Financial Officer, Leaders of Strategic Business Units , Human Resources and Company Secretary have identified the above three reportable business segments. It reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Eliminations		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Sales										
External Sales	11219.85	10715.05	8405.56	8020.33	5603.63	5297.88			25229.04	24033.26
Sale of services	253.92	320.12	380.16	301.07	68.53	77.39			702.61	698.58
Inter segment sales	29.65	33.61	26.90	20.10	1738.42	1644.94	(1794.97)	(1698.65)	-	-
Sales / Income from Operations	**11503.42**	**11068.78**	**8812.62**	**8341.50**	**7410.58**	**7020.21**	**(1794.97)**	**(1698.65)**	**25931.65**	**24731.84**
Results										
Segment result - EBITDA	2193.96	1754.55	2483.88	2292.09	889.44	1221.10			5567.28	5267.74
Depreciation/amortisation	(239.03)	(242.59)	(270.85)	(244.12)	(186.74)	(235.62)			(696.62)	(722.33)
Unallocated corporate (expenses)/ Income									(627.50)	(578.90)
Interest expense									(41.51)	(150.35)
Interest and dividend income									427.68	250.06
Fair valuation of Investment									1.59	1.09
Exceptional item									-	249.15
Profit before tax	**1954.93**	**1511.96**	**2213.03**	**2047.97**	**702.70**	**985.48**	-	-	**4630.92**	**4316.46**
Income taxes									(1127.42)	(1007.10)
Net profit after taxes									**3503.50**	**3309.36**
Other information:										
Segment assets	5301.29	4599.28	4951.75	5180.47	3367.81	3370.19			13620.85	13149.94
Unallocated corporate assets									12299.62	11233.72
Total assets	**5301.29**	**4599.28**	**4951.75**	**5180.47**	**3367.81**	**3370.19**			**25920.47**	**24383.66**
Segment liabilities	877.52	902.61	715.23	944.40	690.83	834.58			2283.58	2681.59
Unallocated corporate liabilities									661.71	1636.91
Total liabilities	**877.52**	**902.61**	**715.23**	**944.40**	**690.83**	**834.58**	-		**2945.29**	**4318.50**
Addition to Non - Current assets	519.64	363.17	388.55	518.97	224.15	253.79				
Depreciation & Amortization	239.03	242.59	270.85	244.12	186.74	235.62				
Impairment losses	0.03	42.70	23.68	10.34	1.63	0.42				

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Eliminations/ Unallocable		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue recognised under Ind AS 115										
Sales / Income from Operations	11503.42	11068.78	8812.62	8341.50	7410.58	7020.21	(1794.97)	(1698.65)	25931.65	24731.84
Service income	-	-	-	-	-	-	107.44	100.14	107.44	100.14
Scrap sales	102.88	87.72	53.83	33.36	10.25	23.06	(0.50)	(1.25)	166.46	142.89
Total	**11606.30**	**11156.50**	**8866.45**	**8374.86**	**7420.83**	**7043.27**	**(1688.03)**	**(1599.76)**	**26205.55**	**24974.87**
Revenue recognised under Ind AS 115 comprise of:										
- At the point in time	11352.38	10836.38	8486.29	8073.79	7352.30	6965.88	(1795.47)	(1699.90)	25395.50	24176.15
- Over the period	253.92	320.12	380.16	301.07	68.53	77.39	107.44	100.14	810.05	798.72
Total	**11606.30**	**11156.50**	**8866.45**	**8374.86**	**7420.83**	**7043.27**	**(1688.03)**	**(1599.76)**	**26205.55**	**24974.87**

Sales between operating segments are carried out at arm's length basis and are eliminated at entity level consolidation.

The accounting policies of the reportable segments are the same as that of Company's accounting policies described in Note: 3(A)(l); Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities:

For the purposes of monitoring segment performance and allocating resources between segments:

1. All assets other than investments, current and deferred tax assets, unallocable current and non-current assets, are allocated to reportable segments.
2. All liabilities other than borrowings, current and deferred tax liabilities and unallocable current and non-current liabilities, are allocated to reportable segments.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Geographical information:

The Company is domiciled in India. The amount of its revenue from external customers is broken down by location of the customers and information about its non-current assets other than financial instruments, deferred tax assets, post employment benefit asset and right arising from insurance contracts by location are detailed below:

Particulars	Sales from external customers		Non-current assets	
	For the year		As at	
	2023-24	2022-23	31.03.2024	31.03.2023
India	19687.00	18399.89	5850.10	5434.24
Rest of the world	6244.65	6331.95	-	-
	25931.65	**24731.84**	**5850.10**	**5434.24**

Information about major customers:

No single customer contributed 10% or more to the Company's revenue during the years 2023-24 and 2022-23.

31. Contingent Liabilities and commitments:

Particulars		As at 31.03.2024	As at 31.03.2023
A.	**Contingent Liabilities**		
a.	No provision is considered necessary for disputed income tax, sales tax, service tax, Goods and Service tax, excise duty and customs duty demands which are under various stages of appeal proceedings as given below:		
i.	Income Tax Act, 1961	367.20	388.97
ii.	Central Sales Tax Act,1956 & Local Sales Tax laws of various states	32.44	35.36
iii.	Central Excise Act,1944	11.18	11.18
iv.	Service Tax	0.87	3.55
v.	Goods and Services Tax	9.09	7.80
vi.	Customs Act, 1962	0.84	0.99
b.	Claims against the Company not acknowledged as debts		
i.	Electricity tax	3.92	3.92
ii.	Stamp duty	1.90	1.90
iii.	Claim filed by ship liner towards damages	-	14.00
iv.	Claim filed before Consumer Dispute Redressal Forum / Civil Court	13.78	20.57
v.	Additional Electricity Deposit Demand - Tamil Nadu Electricity Board	-	3.00
vi.	Contribution to District Mineral Foundation under Mines and Minerals (Development and Regulation) Act, 1957	-	22.76
vii.	Demand by Gujarat Mining Department against alleged excess mining by the Company	650.00	-
c.	Employees demands pending before Labour Courts - quantum not ascertainable at present		
In respect of the above demands disputed by the Company, appeals filed are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.			
B.	**Commitments**		
	Estimated amount of contracts remaining to be executed (net of advances):		
	- Towards capital account	364.56	295.40
C.	**Others**		
a.	Outstanding guarantees/letter of comfort given on behalf of subsidiaries and Joint ventures	298.43	295.55
b.	Outstanding letters of credit	300.75	303.66

Notes forming part of the Standalone Financial Statements

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32. The following pre-commissioning expenses incurred during the year on various projects have been included in Fixed Assets/ Capital Work-in-Progress:

Particulars	For the year	
	2023-24	2022-23
Account Head:		
Salary ,Wages & Bonus	8.36	-
Travel & Conveyance	4.97	-
Freight, Delivery and Shipping charges	0.81	1.34
Professional Fees	1.65	3.19
Rent	0.34	0.00
Others	0.15	1.65
Total	**16.28**	**6.18**

33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act,2006

Particulars	As at	
	31.03.2024	31.03.2023
Principal amount remaining unpaid to suppliers (Refer Note: 17)	132.48	43.72
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. There were no overdue amounts / interest payable to Micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date or any time during the year.		

34. Employee Benefits:

a. Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees. When employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

Particulars	FY 2023- 24	FY 2022-23
Contribution to Provident fund and Other funds recognised in Profit and Loss for the year	182.08	160.52
Amounts outstanding as at the end of the respective year and paid subsequently	20.28	18.10

b. Defined benefit plans

The Company sponsors funded defined benefit plans for employees. Under the plans, the employees are entitled to post-retirement benefits by way of gratuity amounting to 57.69% of last drawn salary for each year of completed service until the retirement age of 58. The defined benefit plans are administered by separate funds, independent of the Company.

These plans typically expose the Company to actuarial risks such as: Investment, Interest rate, longevity and salary risk

i) **Investment risk:** The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

iii) **Longevity risk:** The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) **Salary escalation risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2024 by a certified actuary of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to the employees. In respect of the contribution made to provident funds, the employer guarantees the interest notified by the appropriate authority and to the extent of interest rate guaranteed, the liability is considered as defined benefit. For the financial year ended March 31, 2024, the interest yield is adequate to meet the guaranteed interest.

Assumptions:

The principal assumptions used for the purposes of the actuarial valuations are given below:

Particulars	As at	
	31.03.2024	31.03.2023
Discount rate	7.03%	7.22%
Expected salary increment	6%	5%
Attrition rate	2%	2%
Mortality table used	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A. Gratuity

The details of actuarial valuation in respect of Gratuity liability are given below:

Particulars	31.03.2024	31.03.2023
i. Projected benefit obligation as at beginning of the year	448.12	403.61
Service cost	30.11	35.45
Interest cost	31.33	27.60
Remeasurement (gain)/ loss:		
Actuarial (gain)/loss arising from experience and financial adjustments	87.61	27.34
Benefits paid	(28.36)	(45.88)
Projected benefit obligation as at end of the year	**568.81**	**448.12**
ii. Fair value of plan assets as at beginning of the year	339.98	310.90
Expected return on plan assets	25.33	23.74
Contributions	50.00	36.18
Benefits paid	(28.36)	(45.88)
Remeasurement gain/ (loss):		
Actuarial Gain /(losses) on plan assets	(2.22)	15.04
Fair value of plan assets as at end of the year	**384.73**	**339.98**
iii. Amount recognised in the balance sheet:		
Projected benefit obligation at the end of the year	568.81	448.12
Fair value of the plan assets at the end of the year	384.73	339.98
(Liability) / Asset recognised in the Balance sheet - net	**(184.08)**	**(108.14)**
iv. Cost of the defined benefit plan for the year:		
Current service cost	30.11	35.45
Interest on obligation	31.33	27.60

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	31.03.2024	31.03.2023
Expected return on plan assets	(25.33)	(23.74)
Components of defined benefit cost recognised in the Statement of Profit and Loss	**36.11**	**39.31**
(included in Note: 23 Contribution to Provident and other funds)		
Remeasurement on the net defined benefit liability:		
Actuarial (gain)/ loss arising from experience and financial adjustments	87.61	27.34
Actuarial (gain) / loss on plan assets	2.22	(15.04)
Components of defined benefit costs recognised in Other Comprehensive Income	**89.83**	**12.30**
Total cost of the defined benefit plan for the year	125.94	51.61

V. Particulars	31.03.2024	31.03.2023
Present value of defined benefit obligation	568.81	448.12
Fair value of plan assets	384.73	339.98
Balance sheet (Liability)/ Asset	(184.08)	(108.14)
P & L (Income) / expenses	36.11	39.31
Experience and Financial adjustment on plan liabilities (gain) / loss	87.61	27.34
Experience and Financial adjustment on plan assets (gain) / loss	2.22	(15.04)

In the absence of the relevant information from the actuary, the above details do not include the composition of plan assets and expected return on each category of plan assets.

The actual return on plan assets was ₹ 23.10 million for the year ended March 31, 2024 (for the year ended March 31, 2023: ₹38.78 million).

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below

Particulars	As at	
	31.03.2024	31.03.2023
Discount rate - 100 basis point higher	(37.81)	(30.45)
Discount rate - 100 basis point lower	40.36	34.58
Salary escalation rate - 100 basis point higher	41.15	31.05
Salary escalation rate - 100 basis point lower	(36.70)	(28.05)
Attrition rate - 100 basis point higher	0.37	2.76
Attrition rate - 100 basis point lower	(0.31)	(2.96)

In the above table, positive figures indicate increase in the liability and negative figures indicate decrease in the liability.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the benefit obligation as at March 31, 2024 is 15.16 years (as at March 31, 2023: 15 years).

The Company expects to make a contribution of ₹ 184.08 million (as at March 31, 2023: ₹ 108.14 million) to the defined benefit plans during the next financial year.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

B Provident fund

The actuary has assessed the calculations of the Interest Rate Guarantees based on the guidance note issued by the Institute of Actuaries of India. The disclosures required under Ind AS 19 is as set out below:

Fund and plan asset position are as follows:

Particulars	As at	
	31.03.2024	31.03.2023
Plan asset at the end of the year	1326.60	1222.36
Present value of benefit obligation at the end of the year	1445.12	1350.26
(Deficit) / Surplus	(118.52)	(127.90)
Asset recognised in the Balance Sheet	Not applicable since a separate trust is maintained.	

The plan assets are primarily invested in Government securities.

Assumptions for present value of interest rate guarantee are as follows:

Particulars	As at	
	31.03.2024	31.03.2023
Discount rate	7.03%	7.22%
Remaining term to maturity of portfolio (years)	6.06 years	5.91 years
Expected guaranteed rate (%)	8.25%	8.15%
Attrition rate	2%	2%

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below:

Particulars	As at	
	31.03.2024	31.03.2023
Discount rate - 100 basis point higher	(6.94)	(12.71)
Discount rate - 100 basis point lower	7.66	12.71
Guaranteed interest rate - 100 basis point higher	37.26	53.85
Guaranteed interest rate - 100 basis point lower	(70.78)	(63.54)
Current yield - 100 basis point higher	(73.47)	(21.26)
Current yield - 100 basis point lower	47.38	20.90

In the above table, positive figures indicate increase in the liability and negative figures indicate decrease in the liability.

C. Remeasurement of defined benefit plans - Items that will not be reclassified to Profit or loss included under Other Comprehensive Income as detailed below :

Particulars	As at	
	31.03.2024	31.03.2023
In respect of Gratuity	(89.83)	(12.30)
In respect of Provident Fund	9.38	(46.40)
Total Credited / (debited) to Other Comprehensive Income	**(80.45)**	**(58.70)**

35. Financial Instruments

(i) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and

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- Maintain an optimal capital structure to reduce the weighted average cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell non-core assets to reduce the debt.

Debt to Equity ratio

Particulars	As at	
	31.03.2024	31.03.2023
Debt	-	1040.00
Equity	22975.18	20065.16
Debt to Equity ratio	-	0.05

Lease liability amounting to ₹0.16 Million(Previous year : ₹0.95 million) arising on account of implementation of Ind AS 116 is not considered in the above working, the Company treats this is a liability.(Refer Note : 4B).

Loan covenants:

No covenants are applicable as of March 31, 2024.

Disclosure related to "Changes in liabilities arising from financial liabilities" under Ind AS 7 Statement of Cash flow :

Net debts reconciliation:	31.03.2024	31.03.2023
Cash and Cash equivalents	1725.53	99.19
Borrowings	-	(1040.00)
(Net debt)/Net Cash	**1725.53**	**(940.81)**

Particulars	Other assets		Liabilities from Financing activities	Total
	Cash and Cash equivalents	Other investments (liquid)	Borrowings	
Net Cash/(Net debt) as at 31st March 2022	**158.43**	**-**	**(1630.00)**	**(1471.57)**
Cash flows (net)	(59.24)	-	590.00	530.76
Net Cash/(Net debt) as at 31st March 2023	**99.19**	**-**	**(1040.00)**	**(940.81)**
Cash flows (net)	1626.34	-	1040.00	2666.34
Net Cash/(Net debt) as at 31st March 2024	**1725.53**	**-**	**-**	**1725.53**

Categories of financial instruments

Particulars	As at	
	31.03.2024	31.03.2023
A. Financial assets		
Measured at Fair Value through Profit or Loss (FVTPL) - Mandatorily measured:		
- Equity and other investments	14.03	12.44
Measured at Amortised cost		
- Cash and bank balances	1749.52	124.58
- Other financial assets (including trade receivable balances)	4026.89	4110.78
Measured at Fair Value through Other Comprehensive Income (FVTOCI)		
- Investments in equity instruments designated upon initial recognition	11.30	99.55
Measured at Cost		
- Investments in Equity instruments in subsidiaries, joint ventures and associate	10368.19	10363.23
B. Financial liabilities		
Measured at amortised cost (including trade payable balances)	2628.68	3898.37

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(iii) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk. The table given below explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
a. Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis Credit ratings Financial analysis	Diversification of Short term investments, review of credit limits and credit locks and secured mode of payment.
b. Market risk: I. Market risk - Foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Foreign exchange forward contracts
ii. Market risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Market trends, Interest rate swaps
iii. Market risk - Price risk	Investment in securities	Sensitivity analysis	Portfolio diversification
c. Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sanctioned credit lines and borrowing facilities

The Company's risk management is governed by its policies. The Company's treasury identifies, evaluates and hedges financial risks in close coordination with the Company's operating units. The risk management policy of the Company provides written principles for overall risk management covering areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

a. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a (i) Trade receivables

Customer credit risk is managed by each business unit under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on this evaluation, credit limit and credit terms are decided. Exposure on customer receivables are regularly monitored and managed through credit lock and release. For export customers, credit insurance is generally taken.

The impairment is based on expected credit loss model considering the historical data and ageing profile of receivable at each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note: 10. The Company does not hold any collateral as security.

The Company has low concentration of risk with respect to trade receivables, as its customers are widely spread and belong to diversified industries and operate in largely independent markets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In grouping the receivables, the management has deemed the probability of default in relation to related party receivables are considered to be negligible given its historical experience and the relative networth of the related parties except, in relation to a subsidiary.

The expected loss rates are based on the payment profiles of sales over the past 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery.

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	As at 31.03.2024					
	Not due and 0 to 90 days	91 to 180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount *	3210.01	46.83	30.46	24.52	74.07	3385.89
Expected loss rate**	0.21%	26.0%	56.3%	83.8%	93.0%	
Expected Credit loss	6.69	12.20	17.15	20.56	68.92	125.52
Carrying amount net of impairment	3203.32	34.63	13.31	3.96	5.15	3260.37

Particulars	As at 31.03.2023					
	Not due and 0 to 90 days	91 to 180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount *	3319.73	48.55	19.23	7.71	86.76	3481.98
Expected loss rate**	0.20%	18.2%	58.5%	79.2%	85.3%	
Expected Credit loss	6.64	8.84	11.25	6.11	74.01	106.84
Carrying amount net of impairment	3313.09	39.71	7.98	1.60	12.75	3375.13

*Excludes trade receivables on which probability of default has been assessed to be NIL.

** Includes specific provision

a (ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made for short-term in liquid funds of rated mutual funds and deposits with banks. The Investment limits are set out per Mutual fund and the value of total fixed deposit in Banks to minimise the concentration risk. Investments are reviewed by the Board of Directors on a quarterly basis.

The Company has no exposure to credit risk relating to these cash deposits as at: March 31, 2024 and March 31, 2023. The Corporate guarantees given by the Company to bankers on behalf of its subsidiaries and Joint venture are duly approved by the Board of Directors and are reviewed on a quarterly basis. The total exposure to corporate guarantees is limited to figures reported in Note: 31C.

In respect of other financial instruments, these primarily comprised of security deposit with Company's suppliers/regulatory authorities with whom Company has recurring transactions, the credit risk of which is assessed to be negligible given the historical experience and recurring nature of transaction among others.

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, Investments (FVTOCI) and derivative financial instruments.

Market risk exposures are measured using sensitivity analysis. There has been no change in the measurement and management of the Company's exposure to market risks.

b(i) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign exchange rate exposures are managed within policy parameters approved by Board of Directors. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum of 12 month period of forecasted receipts and payments. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match with the terms of the hedged exposure. The Company hedges around 50% of the net material exposure by currency. Exposures relating to capital expenditure beyond a threshold are hedged as per Company policy at the time of commitment.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

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Currency	Liabilities as at		Assets as at	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
US Dollar (USD)	230.89	404.71	955.87	1173.48
Euro (EUR)	108.57	150.01	400.89	222.58
Great British Pound (GBP)	-	-	0.89	1.60
Japanese Yen (JPY)	3.56	-	2.03	6.97
Chinese Yuan(CNY)	17.54	3.16	9.95	3.57
Australian Dollar (AUD)	3.70	3.75	6.92	5.08
Swedish Krona (SEK)	-	0.03	-	-

Quantum of Forward contract (derivatives) (all of which identified as hedges) outstanding as at the end of the year (notional principal amount) on

Contracts booked for	Currency	As at 31.03.2024		As at 31.03.2023	
		Number of contracts	value	Number of contracts	value
Import payment	USD	-	-	-	-
Import payment	EUR	-	-	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to US Dollar and Euro . The following table provides the sensitivity impact to a 10% strengthening or weakening of Indian rupee exchange rate against foreign currencies. The sensitivity analysis is done on net exposures. A positive number below indicates an increase in profit or equity when the Rupee weakens against the foreign currency and when net exposure is an asset.

Currency impact in (₹ million) relating to the foreign currencies of:	As at 31.03.2024		As at 31.03.2023	
	Profit or loss	Equity	Profit or loss	Equity
US Dollar (USD)	54.25	54.25	57.53	57.53
Euro (EUR)	21.88	21.88	5.43	5.43
Great British Pound (GBP)	0.07	0.07	0.12	0.12
Japanese Yen (JPY)	(0.11)	(0.11)	0.52	0.52
Chinese Yuan(CNY)	(0.57)	(0.57)	0.03	0.03
Australian Dollar (AUD)	0.24	0.24	0.10	0.10
Swedish Krona (SEK)	-	-	(0.00)	(0.00)
Total	**75.76**	**75.76**	**63.73**	**63.73**

The Company's sensitivity impact to foreign currency has increased during the current year end mainly due to the increase in quantum of exposure in EUR as at the end of the reporting period.

b(ii) Interest rate risk Management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has been availing the borrowings on a fixed and variable rate of interest. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107.

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Classification of borrowings by nature of interest rate	As at	
	31.03.2024	31.03.2023
Borrowings at variable interest rate		
- Non - Current	-	-
- Current	-	1040.00
Borrowings at fixed interest rate		
- Non - Current	-	-
- Current	-	-
Total Borrowings	**-**	**1040.00**

The Impact of sensitivity on interest cost towards current borrowings at variable interest rate is not expected to be material considering the short tenure of the borrowing

b(iii) Price risks

The Company is exposed to equity price risks arising from equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes. The Company also holds certain other equity investments for trading purposes.

Equity price sensitivity analysis

The accumulated fair value change recognised on equity investment which are held for strategic purpose and designated at Fair value through Other Comprehensive Income as at 31st March 2024 is ₹Nil million (31st March 2023: ₹27.82 million) - Refer Note no: 13. The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting periods. If equity prices moves-up or decrease by 5%, the impact to Other Comprehensive Income and equity is given below:

Movement of Equity Price	Impact to Other Comprehensive income/Equity	
	As at 31.03.2024	As at 31.03.2023
Increase by 5%	-	4.41
Decrease by 5%	-	(4.41)

The impact of change in equity price on non-current investment recorded at Fair value through Profit and Loss and other investment designated as Fair value Through Other Comprehensive Income is not significant.

c. Liquidity risk management

The Company's treasury under the guidance of Board of Directors have established an appropriate liquidity risk management framework. The Company manages liquidity risk through cash generation from business and have adequate banking facilities. The Company continuously forecasts and monitors actual cash flows and matches the maturity profiles of financial assets and liabilities.

Contractual maturities of financial liabilities

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2024:

Particulars	Carrying amount/ Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial liabilities						
Lease liabilities	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Current financial liabilities						
Borrowings	-	-	-	-	-	-
Lease liabilities	0.16	0.16	-	-	-	0.16
Trade payables	2245.63	2245.63	-	-	-	2245.63
Other financial liabilities	382.89	384.56	-	-	-	384.56
Others						
Outstanding guarantees/letter of comfort given on behalf of subsidiaries and Joint venture	298.43	298.43	-	-	-	298.43

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2023:

Particulars	Carrying amount/ Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial liabilities						
Lease liabilities	0.16	-	0.16	-	-	0.16
Other financial liabilities	13.17	-	15.55	-	-	15.55
Current financial liabilities						
Borrowings	1040.00	1050.73	-	-	-	1050.73
Lease liabilities	0.79	0.83	-	-	-	0.83
Trade payables	2386.65	2386.65	-	-	-	2386.65
Other financial liabilities	457.60	458.88	-	-	-	458.88
Outstanding guarantees/letter of comfort given on behalf of subsidiaries and Joint venture	295.55	295.55	-	-	-	295.55

Contractual maturities of financial assets

The table below provides details regarding the contractual maturities of financial assets as at 31st March 2024:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial assets						
Other financial assets	189.97	-	92.72	-	97.25	189.97
Current financial assets						
Trade receivables	3785.79	3785.79	-	-	-	3785.79
Other receivables	51.13	51.13	-	-	-	51.13

The table below provides details regarding the contractual maturities of financial assets as at 31st March 2023:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial assets						
Other financial assets	167.25	-	92.05	-	75.20	167.25
Current financial assets						
Trade receivables	3897.19	3897.19	-	-	-	3897.19
Other receivables	46.34	46.34	-	-	-	46.34

Maturity analysis of Derivative financial instruments

The following table details the Company's maturity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted estimated cash flows determined by reference to the projected market rates at the end of the reporting period. A positive amount represents an anticipated cash inflow and a negative amount represents an anticipated cash outflow.

Currency	Contracts booked for	As at 31.03.2024			As at 31.03.2023		
		Notional amount	Less than 1 year	1-3 years	Notional amount	Less than 1 year	1-3 years
USD	Import payment	-	-	-	-	-	-
EUR	Import payment	-	-	-	-	-	-

The note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Financing facilities

Particulars	As at	
	31.03.2024	31.03.2023
Unsecured cash credit and other borrowings facility		
Amount used	-	660.00
Amount unused.	4001.00	4081.00
	4001.00	**4741.00**
Secured cash credit and other borrowings facility		
Amount used	-	380.00
Amount unused.	1070.00	690.00
	1070.00	**1070.00**
Total facilities		
Amount used	-	1,040.00
Amount unused.	5071.00	4771.00
	5071.00	**5811.00**

Borrowing facilities - both funded and non-funded are secured by a pari-passu first charge on the current assets of the Company - both present and future; and a pari-passu second charge on immovable properties -both present and future

(iii) Fair value measurements

This note provides information about how the Company determines fair value of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

Financial assets/financial liabilities	Fair Value as at		Fair value hierarchy	Valuation techniques & key inputs used
	31.03.2024	31.03.2023		
Investments in quoted equity instruments at FVTOCI	-	88.25	Level 1	Quoted bid price in an active market **(a)**
Investments in quoted instruments at FVTPL	13.85	12.26	Level 1	Quoted bid price in an active market
Investments in unquoted instruments at FVTPL	0.18	0.18	Level 3	Fair valuation - **(b)**
Investments in unquoted instruments at OCI	11.30	11.30	Level 3	Fair valuation - **(b)**

There were no changes in the fair value hierarchy Levels in the above periods. The investments in quoted equity instruments at FVTOCI has been sold during the current year. Refer Note 6D.

a) These investments in equity instruments are not for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Directors believe that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss. During the current year, the Company has disposed off this investment- Refer Note: 6(b).

b) These investments in equity are not significant in value and hence additional disclosures are not presented.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	Fair value hierarchy	As at 31.03.2024		As at 31.03.2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost					
Non-current financial assets					
- Other financial assets - Security deposit	Level 3	189.97	179.00	167.25	158.69
Current financial assets					
- Trade receivables	Level 3	3785.79	3785.79	3897.19	3897.19
- Other receivables	Level 3	51.13	51.13	46.34	46.34
Financial liabilities held at amortised cost					
Non-current financial liabilities					
- Lease liabilities	Level 3	-	-	0.16	0.16
- Other financial liabilities	Level 3	-	-	13.17	13.17
Current financial liabilities					
- Borrowings	Level 2	-	-	1040.00	1040.00
- Lease liabilities	Level 3	0.16	0.16	0.79	0.79
- Trade payables	Level 3	2245.63	2245.63	2386.65	2386.65
- Other financial liabilities	Level 3	382.89	382.89	457.60	457.60

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Financial instruments by Category

Particulars	As at 31.03.2024			As at 31.03.2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non-Current						
Investments	14.03	11.30	-	12.44	99.55	-
Other financial assets	-	-	189.97	-	-	167.25
Current						
Trade receivables	-	-	3785.79	-	-	3897.19
Cash and Cash equivalent	-	-	1725.53	-	-	99.19
Bank balances other than above	-	-	23.99	-	-	25.39
Other financial assets	-	-	51.13	-	-	46.34
	14.03	**11.30**	**5776.41**	**12.44**	**99.55**	**4235.36**
Financial Liabilities						
Non-Current						
Lease liabilities	-	-	-	-	-	0.16
Other financial liabilities	-	-	-	-	-	13.17

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	As at 31.03.2024			As at 31.03.2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Current						
Borrowings			-			1040.00
Lease liabilities	-	-	0.16	-	-	0.79
Trade payables	-	-	2245.63	-	-	2386.65
Other financial liabilities	-	-	382.89	-	-	457.60
	-	**-**	**2628.68**	**-**	**-**	**3898.37**

Non Current Investment amounting ₹10368.19 million (Previous year: 10363.23 million) has been valued at Cost.

36. Related Party Disclosures

List of related parties

Related party relationships are as identified by the management and relied upon by the auditors.

i) Parties where control exists-subsidiaries

Direct holding:

Net Access India Limited	[Net access]
Southern Energy Development Corporation Limited	[Sedco]
Sterling Abrasives Limited	[Sterling]
CUMI (Australia) Pty Limited	[CAPL]
CUMI International Ltd.	[CIL]
PLUSS Advanced Technologies Limited	[PLUSS]

Holding through subsidiary:

Volzhsky Abrasive Works	[VAW]
Foskor Zirconia (Pty) Ltd.	[Foskor]
CUMI America Inc.	[CAI]
CUMI Middle East FZE	[CME]
CUMI Abrasives & Ceramics Co., Limited	[CACCL]
CUMI Europe s.r.o	[CE]
PLUSS Advanced Technologies B.V	[PLUSSBV]
CUMI AWUKO Abrasives GmbH	[CAAG]
Rhodius Abrasives GmbH	[RAG]

Subsidiaries of Rhodius Abrasives Gmbh:

Rhodius Nederland B.V.

RHODIUS S.A.R.L., France

Rhodius Korea INC.

Rhodius South America Assessoria Técnica e Commercial em Abrasivos Ltda.

RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft mbH (Merged with RAG w.e.f August 24,2023)

II) Other related parties with whom transactions have taken place during the year.

Joint ventures

Murugappa Morgan Thermal Ceramics Limited	[MMTCL]
Ciria India Limited	[Ciria]

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Associate and its subsidiaries	
Wendt (India) Limited	[Wendt]
Subsidiaries of Associate:	
Wendt Grinding Technologies Ltd., Thailand	[WGTL]
Wendt (Middle East) FZE *	[WME]
* Ceased to be in existence from May 10,2022.	
Key Managerial Personnel	
Mr. N. Ananthaseshan, Managing Director (till August 02, 2023)	[AN]
Mr. Sridharan Rangarajan, Managing Director (from August 03, 2023 and Director – Finance & Strategy till August 02, 2023)	[SR]
Non Executive Directors	[MMM]
Mr. M.M. Murugappan, Chairman	[SJ]
Mr. Sanjay Jayavarthanavelu	[AR]
Mr. Aroon Raman	[PSR]
Mr. P S Raghavan	[ST]
Mr. Sujjain Talwar	[SK]
Mrs.Soundara Kumar	
Other Related parties	
Ambadi Investments Limited (Shareholder with significant influence and promoter holding more than 10%)	[AIL]
Parry Enterprises India Limited (Subsidiary of AIL)	[PEIL]
Parry Agro industries Limied (Subsidiary of AIL)	[PAL]
Carborundum Universal Employees Provident fund	[CUEPF]
Retiral funds of Subsidiaries, Joint ventures, Associate and Other Related parties	

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

A. Transactions during FY 2023-24

Related Party	Income from Sales & Services	Royalty income	Dividend income	Purchase of goods	Purchase of power	Expenditure on other services	Rental expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Investment made	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Subsidiaries													
CAI	1063.45	-		0.51	-	-	-	-	-	-	-	208.43	-
Net Access	1.46	-	30.00	-	-	26.25	-	-	16.85	-	-	-	-
Sterling	224.40	-	32.40	0.25	-	-	-	-	-	-	-	-	-
Sedco	-	-	-	-	169.34	-	-	-	0.19	-	-	-	-
CAPL	692.92	6.92	100.72	0.35	-	-	-	-	-	-	-	-	-
CME	7.59	-	-	-	-	-	-	-	-	-	-	-	-
Foskor	12.34	-	-	269.91	-	-	-	-	-	-	-	-	-
VAW	139.87	-	-	500.76	-	-	-	-	-	-	-	-	-
PLUSS	0.14	-	-	0.04	-	-	-	-	0.24	-	10.98	-	-
CAAG	12.55	-	-	5.14	-	-	-	-	2.26	-	-	-	-
RAG	157.96	-	-	3.17	-	-	-	-	15.87	-	-	-	-
Total	**2312.68**	**6.92**	**163.12**	**780.13**	**169.34**	**26.25**	**-**	**-**	**35.41**	**-**	**10.98**	**208.43**	
Joint Ventures													
MMTCL	32.27	-	71.54	27.82	-	-	-	-	5.48	-	-	-	-
Ciria	40.95	-	111.00	-	-	-	-	-	-	-	-	-	-
Total	**73.22**	**-**	**182.54**	**27.82**	**-**	**-**	**-**	**-**	**5.48**		**-**	**-**	
Associate & its subsidiaries													
Wendt	42.82	-	60.00	21.32	-	-	4.80	-	18.90	-	-	-	-
WGTL	77.71	-	-	5.08	-	-	-	-	-	-	-	-	-
WME	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**120.53**	**-**	**60.00**	**26.40**	**-**	**-**	**4.80**		**18.90**		**-**	**-**	
Other related parties													
PEIL	-	-	-	-	-	44.83	-	-	-	-	-	-	
PAL	-	-	-	-	-	0.15	-	-	-	-	-	-	
CUEPF	-	-	-	-	-	-	-	-	-	167.85	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**44.98**	**-**			**167.85**	**-**	**-**	
KMP													
AN	-	-	-	-	-	-	-	21.15	-	-	-	-	-
SR	-	-	-	-	-	-	-	30.90	-	-	-	-	-
Total	**-**	-	-	-	-	-	-	**52.05**	-		-	-	

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Related Party	Income from Sales & Services	Royalty income	Dividend income	Purchase of goods	Purchase of power	Expenditure on other services	Rental expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Investment made	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Sitting Fees and commission paid to Non Executive Directors													
MMM	-	-	-	-	-	-	-	-	-	-	-	-	10.52
SJ	-	-	-	-	-	-	-	-	-	-	-	-	2.20
AR	-	-	-	-	-	-	-	-	-	-	-	-	2.19
PSR	-	-	-	-	-	-	-	-	-	-	-	-	2.85
ST	-	-	-	-	-	-	-	-	-	-	-	-	2.15
SK	-	-	-	-	-	-	-	-	-	-	-	-	2.15
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**22.06**
Grand Total	**2506.43**	**6.92**	**405.66**	**834.35**	**169.34**	**71.23**	**4.80**	**52.05**	**59.79**	**167.85**	**10.98**	**208.43**	**22.06**

B. Transactions during FY 2022-23

Related Party	Income from Sales & Services	Royalty income	Dividend income	Purchase of goods	Purchase of power	Expenditure on other services	Rental expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Investment made	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Subsidiaries													
CAI	895.13	-	-	0.68	-	-	-	-	-	-	-	205.55	
Net Access	1.46	-	10.00	-	-	24.79	-	-	11.22	-	-	-	
Sterling	263.50	-	29.16	0.05	-	-	-	-	-	-	-	-	
Sedco	0.34	-	-	-	178.81	-	-	-	0.50	-	-	-	
CAPL	523.46	5.08	69.27	-	-	-	-	-	-	-	-	-	
CME	73.67	-	-	-	-	-	-	-	-	-	-	-	
Foskor	-	-	-	293.29	-	-	-	-	-	-	-	-	
CIL	-	-	-	-	-	-	-	-	-	-	794.97	-	
CACCL	0.06	-	-	12.12	-	-	-	-	0.07	-	-	-	
VAW	87.55	-	-	400.58	-	-	-	-	-	-	-	-	
PLUSS	0.06	-	-	0.03	-	-	-	-	-	-	-	-	
CAAG	85.76	-	-	-	-	-	-	-	0.08	-	-	-	
RAG	99.25	-	-	0.05	-	-	-	-	-	-	-	-	
Total	**2030.24**	**5.08**	**108.43**	**706.80**	**178.81**	**24.79**	**-**	**-**	**11.87**	**-**	**794.97**	**205.55**	

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Related Party	Income from Sales & Services	Royalty income	Dividend income	Purchase of goods	Purchase of power	Expenditure on other services	Rental expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Investment made	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Joint Ventures													
MMTCL	24.94	-	42.92	17.44	-	-	-	-	5.01	-	-	-	
Ciria	25.66	-	30.00	-	-	-	-	-	-	-	-	90.00	
Total	**50.60**	**-**	**72.92**	**17.44**	**-**	**-**	**-**	**-**	**5.01**	**-**	**-**	**90.00**	
Associate & its subsidiaries													
Wendt	45.84	-	56.25	24.41	-	-	4.48	-	22.55	-	-	-	
WGTL	75.58	-	-	9.99	-	-	-	-	-	-	-	-	
Total	**121.42**	**-**	**56.25**	**34.40**	**-**	**-**	**4.48**	**-**	**22.55**	**-**	**-**	**-**	
Other related parties													
PEIL	-	-	-	-	-	30.47	-	-	-	-	-	-	
CUEPF	-	-	-	-	-	-	-	-	-	157.56	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**30.47**	**-**	**-**	**-**	**157.56**	**-**	**-**	
KMP													
AN	-	-	-	-	-	-	-	22.25	-	-	-	-	
SR	-	-	-	-	-	-	-	24.25	-	-	-	-	
Non Executive Directors													
MMM	-	-	-	-	-	-	-	-	-	-	-	-	10.52
SJ	-	-	-	-	-	-	-	-	-	-	-	-	1.85
AR	-	-	-	-	-	-	-	-	-	-	-	-	2.00
PSR	-	-	-	-	-	-	-	-	-	-	-	-	2.32
ST	-	-	-	-	-	-	-	-	-	-	-	-	1.60
SK	-	-	-	-	-	-	-	-	-	-	-	-	1.70
Total	**-**	-	-	-	-	-	-	**46.50**	-	-	-	-	19.99
Grand Total	**2202.26**	**5.08**	**237.60**	**758.64**	**178.81**	**55.26**	**4.48**	**46.50**	**39.43**	**157.56**	**794.97**	**295.55**	**19.99**

Notes forming part of the Standalone Financial Statements

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C. Outstandings

Related Party	As at 31.03.2024					As at 31.03.2023				
	Trade receivable	Deposit outstanding	Payables	Letter of comfort /Guarantee outstanding*	Advances given	Trade receivable	Deposit outstanding	Payables	Letter of comfort /Guarantee outstanding*	Advances given
Subsidiaries										
CAI	218.19	-	0.38	208.43		186.08	-	0.68	205.55	-
Net Access	0.29	-	2.11			0.16	-	14.81	-	-
Sterling	45.99	-	-			58.25	-	-	-	-
Sedco	0.52	-	1.38		59.15	0.24	-	14.40	-	-
CAPL	54.69	-	-	-	-	38.36	-	-	-	-
CME	9.31	-	-	-	-	53.67	-	-	-	-
Foskor	12.39	-	11.85	-	-	-	-	29.39	-	-
CACCL^	42.21	-	-	-	-	42.21	-	-	-	-
Pluss	0.14	-	-	-	-	0.08	-	0.01	-	-
VAW	38.40	-	188.58	-	-	97.38	-	206.21	-	-
CAAG	3.59	-	0.14	-	-	-	-		-	-
RAG	52.87	-	0.07	-	-	25.37	-		-	-
Total	**478.59**		**204.51**	**208.43**	**59.15**	**501.80**	**-**	**265.50**	**205.55**	**-**
Joint Ventures									-	
MMTCL	9.91	-	2.70	-	-	12.08	-	3.54	-	-
Ciria	15.66	-	-	90.00	-	3.64	-	-	90.00	-
Total	**25.57**		**2.70**	**90.00**	**-**	**15.72**	-	**3.54**	**90.00**	
Associate & its subsidiaries										
Wendt	24.59	1.00	6.67	-	-	12.48	1.00	11.00	-	-
WGTL	5.36	-	1.49	-	-	6.10	-	2.52	-	-
Total	**29.95**	**1.00**	**8.16**	-	-	**18.58**	**1.00**	**13.52**	-	
Other related parties										
PEIL	-	-	0.32	-	-	-	-	2.33	-	-
CUEPF	-	-	14.20	-	-	-	-	13.23	-	-
Total	-	-	**14.52**	-		**-**	-	**15.56**	-	

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Related Party	As at 31.03.2024					As at 31.03.2023				
	Trade receivable	Deposit outstanding	Payables	Letter of comfort /Guarantee outstanding*	Advances given	Trade receivable	Deposit outstanding	Payables	Letter of comfort /Guarantee outstanding*	Advances given
KMP@										
AN	-	-	1.98			-	-	5.52	-	-
SR	-	-	7.85			-	-	6.01	-	-
Total	-		**9.83**			**-**	-	**11.53**	-	
Non Executive Directors										
MMM	-	-	10.00	-	-	-	-	10.00	-	-
SJ	-	-	1.50	-	-	-	-	1.00	-	-
AR	-	-	1.50	-	-	-	-	1.00	-	-
PSR	-	-	2.00	-	-	-	-	1.50	-	-
ST	-	-	1.50	-	-	-	-	1.00	-	-
SK	-	-	1.50	-	-	-	-	1.00	-	-
Total	**-**	**-**	**18.00**	**-**	**-**	**-**	**-**	**15.50**	**-**	**-**
Grand Total	**534.11**	**1.00**	**257.72**	**298.43**	**59.15**	**536.10**	**1.00**	**325.15**	**295.55**	**-**

Transactions with related parties in the nature of sale of goods, rendering of services, purchase of goods, procurement of services are at arm's length price.

*Issued towards availment of banking facilities by the respective entities.

@Incentive payable to Managing Director is provisional and subject to determination by the Nomination and Remuneration Committee.

^ Gross of Provision for doubtful debts is ₹ 42.21 million (Previous year : ₹42.21 million).

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

D. Compensation to Key Management Personnel

The remuneration to Key Management Personnel for the years is given below:

Particulars	Year ended					
	31.03.2024			31.03.2023		
	AN	SR	Total	AN	SR	Total
Short term benefits	7.66	26.61	34.27	18.79	20.78	39.57
Post employment benefits	1.20	4.26	5.46	3.33	3.34	6.67
Amount presented under Note : 23	8.86	30.87	39.73	22.12	24.12	46.24
Other benefits	1.94	0.03	1.97	0.13	0.13	0.26
Retiral settlements	10.35	-	10.35	-	-	-
Total	**21.15**	**30.90**	**52.05**	**22.25**	**24.25**	**46.50**

a) The Remuneration to Key Management Personnel is determined by the Nomination and Remuneration Committee having regard to the performance of individual and market trends.

b) Excludes gratuity, compensated absences and share based compensation expenses since employee-wise valuation is not available

37. ESOP Plan 2016

A Summary of Status of ESOPs Granted

The position of the existing scheme is summarised as under:

S. No.	Particulars	ESOP 2016
I. Details of the ESOP Plan 2016		
1	Date of Shareholder's Approval	9th January 2017
2	Total Number of Options approved	3772000
3	Vesting Requirements	The vesting of options granted, is based on annual performance rating for each financial year and as per following schedule: Grant I, Grant II B, Grant III, Grant IV, Grant V A ,Grant VI,Grant VII, Grant VIII, Grant IX, Grant X, Grant XI , Grant XII, Grant XIII and GrantX IV : 20 percent each on expiry of 1 and 2 years from the date of grant and 30 percent each on expiry of 3 and 4 years from the date of grant. Grant IIA : 25 percent on expiry of 1 year from the date of grant and 37.5 percent each on expiry of 2 and 3 years from the date of grant. Grant V B : 50 percent on expiry of 1 year from the date of grant and 50 percent on expiry of 2 years from the date of the grant.
4	The Pricing Formula	The options carry a right to subscribe to equity shares at the latest available closing price on the stock exchange which reports the highest trading volume, prior to the date of grant of the options.
5	Maximum term of Options granted (years)	The Exercise period would commence from the date of vesting and will expire on completion of 5 (five) years from the date of respective vesting.
6	Method of Settlement	Equity
7	Source of shares	Primary
8	Variation in terms of ESOP	No variations

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

II. Options Movement during the year ended 31st March 2024

S. No	Particulars	No. of Options	Weighted average exercise Price	Grant I	Grant IIA	Grant IIB	Grant III	Grant IV	Grant V A	Grant VB	Grant VI	Grant VII	Grant VIII	Grant IX	Grant X	Grant XI	Grant XII	Grant XIII	Grant XIV
	Exercise Price per Option (in ₹)			**257.55**	**367.20**	**367.20**	**369.85**	**361.90**	**317.70**	**317.70**	**343.80**	**490.50**	**672.95**	**734.90**	**858.80**	**965.55**	**940.00**	**1107.95**	**1248.90**
1	No. of Options Outstanding at the beginning of the year	1381558	580.37	150428	19344	-	36940	-	60630	111528	72096	66492	646100	-	130800	43600	43600	-	-
2	Options Granted during the year	225000	1,202.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73400	151600
3	Options cancelled during the year	163200	672.95	-	-	-	-	-	-	-	-	-	163200	-	-	-	-	-	-
4	Options Forfeited / Surrendered during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Options Lapsed during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Options Exercised during the year	313634	435.34	66182	4836	-	-	-	12900	111528	-	7388	110800	-	-	-	-	-	-
7	Total number of shares arising as a result of exercise of options	313634	435.34	66182	4836	-	-	-	12900	111528	-	7388	110800	-	-	-	-	-	-
8	Money realised by exercise of options (₹ in million)	136.55	435.34	17.05	1.78	-	-	-	4.10	35.43	-	3.62	74.56	-	-	-	-	-	-
9	Number of Options outstanding at the end of the year	1129724	731.24	84246	14508	-	36940	-	47730	-	72096	59104	372100	-	130800	43600	43600	73400	151600
10	Number of Options exercisable at the end of the year	461536	490.37	84246	14508	-	36940	-	47730	-	72096	14776	147640	-	26160	8720	8720	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

II. Options Movement during the year ended 31st March 2023

S. No	Particulars	No. of Options	Weighted average exercise Price	Grant I	Grant IIA	Grant IIB	Grant III	Grant IV	Grant V A	Grant VB	Grant VI	Grant VII	Grant VIII	Grant IX	Grant X	Grant XI	Grant XII
	Exercise Price per Option (in ₹)			**257.55**	**367.20**	**367.20**	**369.85**	**361.90**	**317.70**	**317.70**	**343.80**	**490.50**	**672.95**	**734.90**	**859**	**965.55**	**940**
1	No. of Options Outstanding at the beginning of the year	1328790	515.12	199626	19344	30522	36940	-	60630	111528	78120	73880	718200	-	-	-	-
2	Options Granted during the year	276500	862.22	-	-	-	-	-	-	-	-	-	-	58500	130800	43600	43600
3	Options cancelled during the year	136461	681.67	5861	-	-	-	-	-	-	-	-	72100	58500	-	-	-
4	Options Forfeited / Surrendered during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Options Lapsed during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Options Exercised during the year	87271	321.57	43337	-	30522	-	-	-	-	6024	7388	-	-	-	-	-
7	Total number of shares arising as a result of exercise of options	87271	321.57	43337	-	30522	-	-	-	-	6024	7388	-	-	-	-	-
8	Money realised by exercise of options (₹ in million)	28.06	-	11.16	11.21	-	-	-	-	-	2.07	3.62	-	-	-	-	-
9	Number of Options outstanding at the end of the year	1381558	580.37	150428	19344	-	36940	-	60630	111528	72096	66492	646100	-	130800	43600	43600
10	Number of Options exercisable at the end of the year	537474	396.16	150428	19344	-	36940	-	38466	111528	44160	7388	129220	-	-	-	-

III. Weighted Average remaining contractual life

Range of Exercise Price	As at 31.03.2024		As at 31.03.2023	
	No. of Options outstanding	Weighted average contractual life (years)	No. of Options outstanding	Weighted average contractual life (years)
0 to 200	NIL	NA	NIL	NA
201 to 300	84246	1.36	150428	2.13
301 to 400	171274	2.88	300538	3.65
401 to 500	59104	5.08	66492	5.97
501 to 600	-	-	-	-
601 to 700	372100	5.05	646100	6.04
701 to 800	-	-	-	-
801 to 900	130800	6.28	130800	7.28
901 to 1000	87200	6.62	87200	7.62
1001 to 1100	-	-	-	-
1101 to 1200	73400	7.28	-	-
1201 to 1300	151600	7.69	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	2023-24	2022-23
IV Exercise price equals market price Weighted average Fair Value of Options granted during the year (₹)	358.10	329.53
V The weighted average market price of options exercised during the year (₹)	1136.44	879.36

VI Method and Assumptions used to estimate the fair value of options granted

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Variables	Weighted Average	
	2023-24	2022-23
1. Risk Free Interest Rate (%)	7.08	7.11
2. Expected Life(in years)	4.04	4.05
3. Expected Volatility (%)	34.55	36.81
4. Dividend Yield (%)	0.29	0.28
5. Exercise Price (₹)	1202.92	862.22
6. Price of the underlying share in market at the time of the option grant.(₹)	1202.92	862.22

Assumptions:

Stock Price: Closing price on National Stock Exchange of India Ltd. as on the date prior to the date of the Nomination and Remuneration Committee approving the grant has been considered.

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to public available information.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

VII Effect of share-based payment transactions on the entity's Profit or Loss for the year:

Particulars	2023-24	2022-23
Employee Option plan expense	40.22	57.90

Particulars	For the year	
	2023-24	2022-23
38. a. Value of Imports on CIF basis:		
Raw materials	5303.01	5129.64
Components & Spare parts	728.92	185.75
Stock in trade	38.51	505.53
Capital goods	242.77	121.41
b. Expenditure in foreign currency (on cash basis):		
Professional / Consultancy fees	43.82	17.49
Commission	9.62	9.14
Travel and other matters	30.89	33.64

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year	
	2023-24	2022-23
39. Earnings in foreign exchange on account of:		
Value of exports on FOB basis	6021.63	6125.95
Royalty	6.92	5.08
Dividend	100.72	69.27
Management fees	24.98	24.11
40. Auditors' Remuneration		
Statutory audit	6.30	5.20
Tax Audit	1.00	0.90
Other services	1.70	1.65
Out of pocket expenses	0.31	0.25
	9.31	**8.00**
41. Research and Development expenditure:		
a) Revenue Expenditure (disclosed under the respective heads)		
Direct Material, Supplies and Consumables	60.24	77.35
Employee Benefit Expenses	101.19	87.51
Repair & Maintenance	6.71	5.61
Other Expenses	26.61	25.44
Depreciation	20.99	15.55
Total	**215.74**	**211.46**
b) Capital Expenditure		
Property, plant and equipment		
Buildings	2.78	1.10
Plant and equipment	13.43	67.78
Furniture and fittings & Others	0.53	3.39
	16.74	**72.27**
Intangibles	0.10	0.16
Total	**16.84**	**72.43**
Capital Work-in-Progress (CWIP)	5.59	4.25
Total Capital Expenditure (including CWIP)	**22.43**	**76.68**

42. Details on list of Investments in Subsidiaries, joint ventures and associate as per Ind AS 27

Particulars	Principal place of business and Incorporation	Proportion of ownership interest	
		31.03.2024	31.03.2023
A. Investment in Subsidiaries			
CUMI International Ltd, Cyprus	Cyprus	100%	100%
Sterling Abrasives Limited	India	60%	60%
Southern Energy Development Corporation Limited	India	84.76%	84.76%
Net Access India Limited	India	100%	100%
CUMI Australia Pty Limited, Australia	Australia	51.22%	51.22%
PLUSS Advanced Technologies Limited*	India	73.42%	72.73%

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

Particulars	Principal place of business and Incorporation	Proportion of ownership interest	
		31.03.2024	31.03.2023
B. Investment in Joint ventures			
Murugappa Morgan Thermal Ceramics Limited	India	49.00%	49.00%
Ciria India Limited	India	30%	30%
C. Investment in Associate			
Wendt (India) Limited	India	37.50%	37.50%

* Effective ownership after excluding share held by PLUSS trust is 75.58 % (Previous year : 75.41%)

43. Corporate Social Responsibility: (Refer Corporate Social Responsibility Report)

During the year, the Company incurred an aggregate amount of ₹57.18 million (Previous year: ₹37.83 million) towards corporate social responsibility. In addition an amount of ₹6.20 million has been set off from the brought forward excess CSR spend in earlier years. Thus fulfilling the current year's mandatory obligation of ₹ 63.38 million (Previous year: ₹49.41 million) to be spent as per provision of Section 135 of the Companies Act, 2013 read with relevant schedule and rules made thereunder.

The details of the CSR spend is given below:

Particulars	For the year	
	2023-24	2022-23
A. Expenditure incurred directly by the Company		
Skill Centre Development - Revenue expenditure	16.65	11.41
Sir Ivan Stedeford Hospital	-	0.05
Sri Padmavathi Trust	-	0.23
Murugappa Youth Football Academy	-	0.50
Local CSR expenses	2.53	0.90
B. Expenditure incurred through Agencies		
AMM Foundation	15.90	17.83
Shri A.M.M Murugappa Chettiar Research Centre	15.00	6.40
GKNM Trust Hospital	3.50	-
Sathya Sai Health and Educational Trust	3.60	0.52
Total	**57.18**	**37.83**
Add: Set off of brought forward excess CSR spend in earlier years	6.20	11.58
TOTAL	**63.38**	**49.41**

44. Events after the reporting period

Refer Note : 12 for the Final dividend recommended by the Directors which is subject to the approval of the shareholder in the ensuing Annual General Meeting.

45. Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

(iii) Wilful defaulter

Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

46. Ratios

Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	Variance in % Favourable/ (Adverse)	Remarks
(a) Current ratio	Current asset	Current liabilities	3.4	2.0	70%	Due to repayment of entire current borrowings.
(b) Debt-equity ratio	Borrowings	Total Equity	-	0.05	100%	Due to repayment of entire current borrowings.
(c) Debt service coverage ratio	Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PP&E etc.	Interest and principal repayments including lease payments.	101.2	27.9	263%	Significant reduction in Finance costs consequent to repayment of borrowings during the current year resulting in better coverage for the year
(d) Return on equity ratio	Net profit after tax	Average shareholder equity	16.3%	17.7%	(8%)	Reduction is due to inclusion of exceptional income in last year
(e) Inventory turnover ratio	Sales	Average Inventory	7.0	6.3	10%	Improved due to effective inventory management
(f) Trade receivables turnover ratio	Sales	Average Receivable	6.8	6.9	(2%)	At the same level
(g) Trade payables turnover ratio	Total purchase and Service received	Average Trade payables	9.1	8.4	8%	In line with business growth
(h) Net capital turnover ratio	Net sales	Working capital	3.9	5.9	(35%)	Working capital increase in line with business growth added with repayment of current borrowings
(i) Net profit ratio	Net profit	Net Sales	13.5%	13.4%	1%	Better profitability due to product mix and market growth
(j) Return on capital employed	Earning before interest and taxes	Capital employed = Tangible networth+Total debts+Deferred tax liability	20.4%	21.2%	(4%)	Reduction is due to inclusion of exceptional income in last year
(k) Return on investment						Significant investments held by the Company are for strategic purposes. Benchmarking the return on an annual basis will not reflect yield from such investments.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024 (in Indian Rupees million, unless otherwise stated)

47. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

48. Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and has been approved by the Board of Directors at their meeting held on May 3, 2024

In terms of our report attached

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

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 03, 2024

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Notes:

Notes:

Notes:

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