11th July 2023

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 2023 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 8th May 2023 regarding the convening of the 69th Annual General Meeting ('AGM') of the Company on Wednesday, 2nd August 2023 at 3.00 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 2023 and the Notice convening the 69th 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 RTA at https://evoting.kfintech.com/ 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), RTA have vide a publication dated 5th July 2023 as well as by a communication uploaded in 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 KFin 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 through Instapoll.

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 ('DPs'). 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 Saturday, 29th July 2023 (9.00 a.m. IST) and ends on Tuesday, 1st August 2023 (5.00 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. 26th July 2023 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 26th July 2023 (cut-off date).

Members are being provided with a facility to attend the AGM through the video conferencing platform provided by the Company's Registrar and Transfer Agent *viz.* KFin Technologies Limited. Members can access the facility at https://emeetings.kfintech.com/.

For any further information or clarification, Members can write to investorservices@cumi.murugappa.com or einward.ris@kfintech.com.

Kindly take note of the same.

Thanking you.

Yours faithfully,
For **Carborundum Universal Limited**
REKHA SURENDHIRAN
REKHA SURENDHIRAN 2023.07.11 22:51:45 +05'30'
Rekha Surendhiran
Company Secretary

Encl.: a.a.

Carborundum Universal Limited
'Parry House' 3rd Floor, No 43, Moore Street, Chennai – 600 001, India
T: +91-44-3000 6161
F: +91-44-3000 6149
E: cumigeneral@cumi.murugappa.com
W: www.cumi-murugappa.com
CIN No. : L29224TN1954PL000318

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 Sixty Ninth Annual General Meeting ('AGM') of the Members of the Company will be held at 3.00 p.m. Indian Standard Time on Wednesday, 2nd August 2023 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 2023 and the Reports of the Board and Independent Auditor 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 2023 and the Independent Auditors' Report 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 ₹2.00/- per equity share of ₹1/- each be declared for the financial year ended 31st March 2023 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 26th July 2023 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 26th July 2023.

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 2023 be and is hereby confirmed.

Item No.4 - Re-appointment of Mr. M M Murugappan (DIN: 00170478) as 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 - Remuneration of Non-Executive Directors

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

RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant provisions of the Memorandum and Articles of Association of the Company, the Directors of the Company (excluding Managing Director(s)/ Executive Director(s)/Wholetime Director(s) but including the Alternate Directors) be paid remuneration by way of commission for a period of five financial years commencing from 1st April 2023, not exceeding 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 for each financial year.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to decide from time to time, the quantum and manner of distribution of commission, to one or more Directors, including the Chairman within the limit of 1% prescribed above subject to a cap of ₹350 lakhs per annum.

RESOLVED FURTHER THAT the aforesaid commission shall be in addition to the fees payable to such Directors for attending the meetings of the Board and Committees thereof.

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.6 - 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 2023-24 including by way of commission for the financial year ended 31st March 2023 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 2023-24.

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.7 - Appointment of Mr. Sridharan Rangarajan (DIN: 01814413) as Managing Director

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sridharan Rangarajan holding (DIN 01814413) be and is hereby appointed as the Managing Director of the Company for a tenure of office commencing from 3rd August 2023 till 2nd August 2028 on the following terms:

(i) Salary

₹10,50,000/- per month. The Nomination and Remuneration Committee, may decide the increments in salary, from time to time, subject to a maximum of ₹22,00,000 per month.

(ii) Allowances/Perquisites/Commission/Incentive

In addition to salary, Mr. Sridharan Rangarajan will be entitled to:

- allowances like leave travel allowance, personal allowance, special allowance, grade allowance and/or any other allowance;
- perquisites such as furnished/unfurnished accommodation to be provided by the Company or house rent allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car(s) and any other perquisites, benefits, amenities;
- commission/incentive;
- Employee Stock Options in accordance with the Company's Employee Stock Option Scheme/Plan.

as may be approved by the Nomination and Remuneration Committee from time to time subject to:

- The allowances and perquisites not exceeding 100% of the salary; and
- Incentive/commission at 100% levels being not exceeding 25% of Annual pay.

  (Annual pay includes salary, perquisites other than on exercising of options, allowances, incentive and retirement benefits).

(iii) Retirement benefits

- Contribution to Provident Fund, Superannuation Fund, National Pension Scheme, Gratuity as per rules of the Fund/Scheme in force from time to time.
- Encashment of leave as per rules of the Company in force from time to time.

(iv) General

- In the event of absence or inadequacy of profits in any financial year, Mr. Sridharan Rangarajan, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the shareholders exceed the limits prescribed under the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof.
- Perquisites shall be valued in terms of Income Tax rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant. Provision of telephone (including at residence) shall not be reckoned as a perquisite.
- The aggregate remuneration (including salary, allowances, perquisites, incentive/commission and retirement benefits) for any financial year shall be subject to an overall ceiling of five per cent of the net profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 2013.
- Mr. Sridharan Rangarajan will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

Mr. Sridharan Rangarajan will be subject to all other service conditions as applicable to any other employee of the Company.

RESOLVED FURTHER THAT in terms of Article 17.27 of the Articles of Association of the Company, Mr. Sridharan Rangarajan will not be liable to retire by rotation unless required as per the provisions of the Act in terms of Section 152(6).

Item No.8 - 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 2023-24, 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 22, 2023

Rekha Surendhiran
Company Secretary

Notes:

1. Pursuant to the General Circular no. 10/2022 dated 28th December 2022 in furtherance to earlier circulars issued by the Ministry of Corporate Affairs viz., circular nos.20/2020 dated 5th May 2020, 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020 and 02/2022 dated 5th May 2022, Companies, whose Annual General Meetings ('AGM') are due to be conducted on or before 30th September 2023, have been permitted to hold their AGMs through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of members at a common venue. Hence, the 69th AGM of the Company is being conducted through VC/OAVM 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 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 8 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 Wednesday, 26th July 2023 to Wednesday, 2nd August 2023 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March 2023. Subject to the provisions of the Act, the dividend as recommended by the Board, if declared at the meeting will be paid by 24th August 2023.

5. Dividends remaining unclaimed/unpaid for a period of seven (7) years is required to be transferred to the Investor Education Protection Fund ('IEPF'). The Company has transferred unclaimed/unencashed dividends up to the 2nd interim dividend for FY 2015-16 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 2022 on the website www.cumi-murugappa.com and also on the website of the Ministry of Corporate Affairs in line with the amendments made to the IEPF Rules during the year. Members can ascertain the status of their unclaimed dividend amounts from these websites.

   Members who have not encashed their warrants in respect of the interim 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 2023, the Company has transferred 764,092 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 http://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 will be 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. In terms of SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 in continuance of the earlier circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021, folios wherein any one of the document/details viz. PAN, Aadhar or Nomination are not available or provided to the Company/RTA before 1st October 2023, shall be frozen and the shareholders will not be eligible to lodge grievance or avail service request from the RTA or be eligible for receipt of dividend in physical mode. After 31st December 2025, the frozen folios shall be referred by RTA/Company to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002. Hence Members are requested to provide the above details immediately to the Company/RTA in case it has not been provided so far.

9. Members are advised to intimate the details of their bank account to facilitate electronic remittance of dividend or for being incorporated in the dividend warrants. This would help avoiding fraudulent encashment of the warrants. Members may follow the process detailed below for updation of their bank account for timely receipt of dividends:

Mode of holding	Process for updating bank account details
Physical	Members may send a written request along with the following documents by post to KFin Technologies Limited, Unit: Carborundum Universal Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032: • 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 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 in dematerialised form only 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 Circulars dated 28th December 2022, 5th May 2020 and 5th May 2022 as well as SEBI vide circular dated 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 RTA at https://evoting.kfintech.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, in line with SEBI circular dated 5th January 2023, 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 einward.ris@kfintech.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:

Type of holder	Process to be followed for registration of e-mail address
Physical	Members may send a written request along with the following documents by post to KFin Technologies Limited, Unit: Carborundum Universal Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032: - 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.; - Copy of share certificate(s).
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 69th AGM.

14. The Company has engaged the services of M/s. KFin Technologies Limited to provide remote e-voting facility and voting facility during the AGM through Instapoll to enable Members to exercise their votes in a secured manner. The instructions for remote e-voting as well as Instapoll 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 attending the AGM and voting:

17.1. Instructions for remote e-Voting before the AGM:

While Members can vote electronically during the AGM, they can also avail remote e-voting facility provided by the Company for voting before 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facility to cast their votes electronically, through the e-voting services provided by M/s. KFin Technologies Limited (KFin) on all Resolutions set forth in this 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 (Instapoll).

Members (individuals holding shares in demat mode) can avail remote e-voting facility, by using a single login credential in the websites of Depositories/Depository Participants (DPs).

The process and manner for e-Voting is as below:

i. In case of individual shareholders holding shares in demat mode:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS e-Services:** a) Visit URL: https://eservices.nsdl.com. b) Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. c) A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. d) Click on "Access to e-Voting" appearing on the left hand side under e- Voting services and you will be able to see e-Voting page. e) Click on options available against company name or e-Voting service provider - KFintech and you will be re-directed to KFintech's e-Voting website for casting your vote during the remote e-Voting period. **2. User not yet registered for IDeAS e-Services** a) To register, click on link : https://eservices.nsdl.com b) Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c) Please follow steps given in point 1. **3. Directly accessing the e-Voting website of NSDL** a) Open URL: https://www.evoting.nsdl.com/ b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. c) A new screen will open. Enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. d) After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - KFintech and you will be redirected to e-Voting website of KFin Technologies Limited for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user already registered for Easi/Easiest** a) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com b) Click on New System Myeasi c) After successful login of Easi/Easiest the user will be also able to see the e- Voting Menu. The Menu will have links of ESP i.e. KFintech portal. Click on KFintech to cast your vote. **2. User not registered for Easi/Easiest** a) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration b) Please follow the steps given in point 1 **3. Directly accessing the e-Voting website of CDSL** a) Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin b) Enter your demat account number and PAN No. c) The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. KFintech where you can vote during the remote e-Voting period.

Type of Shareholders	Login Method
Individual Shareholder login through their demat accounts / Website of Depository Participant	a) You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. b) Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. c) Click on options available against company name or e-Voting service provider - KFintech and you will be redirected to e-Voting website of KFin Technologies Limited for casting your vote during the remote e-Voting period.

Members who are unable to retrieve User ID/password are advised to use Forgot User ID and Forgot Password options available at respective websites.

Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

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
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or contact the toll free no.: 1800 1020 990 and 1800 22 44 30.
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

ii. In case of Members other than individuals and those holding securities in physical mode

A. In case a Member receives an e-mail from RTA [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)]:

i. Launch internet browser by typing the URL: https://evoting.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be Event number 7382 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$ etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail address etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select e-voting event i.e., Carborundum Universal Limited. Now you are ready for e-voting as "cast vote" page opens.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x. You may cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF) of the Board Resolution/ Authorisation Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at rsaevoting@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "CUMI - 69th AGM".

B. Members holding shares in dematerialised form whose e-mail addresses are not registered with the Company/DPs:

i. Please follow the steps provided in Note 11 in this Notice to obtain the User ID and password.

ii. Please follow all steps from sl. no. (i) to sl. no. (xii) of 17.1(ii)(A) to cast your vote by electronic means.

C. Other Instructions:

i. In case of Individual Members holding securities in demat mode who becomes a Member of the Company after despatch of Notice of the Meeting and holding shares as on the cut-off date i.e., Wednesday, 26th July 2023 may follow the steps mentioned under point no. (i) in 17.1.

ii. Any person holding shares in physical form and non-individual Members who becomes a Member of the Company after despatch of Notice of the Meeting and holding shares as on the cut-off date i.e., 26th July 2023 may obtain the User ID and password by sending an e-mail request to evoting@kfintech.com. If the Member is already registered with KFin's e-voting platform, then he/she can use the existing password for logging in. If the e-mail address or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Even Number + Folio No. or DP ID Client ID to 9212993399.

Example for NSDL - MYEPWD <SPACE> IN12345612345678

Example for CDSL - MYEPWD <SPACE> 1402345612345678

Example for Physical - MYEPWD <SPACE>XXXX1234567890

iii. The remote e-voting period commences on Saturday, 29th July 2023 (9.00 a.m. IST) and ends on Tuesday, 1st August 2023 (5.00 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. Wednesday, 26th July 2023 may cast their vote electronically in the manner and process set out herein above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member will not be allowed to change it subsequently.

iv. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).

v. In case of any queries, you may refer Help & FAQ section in https://evoting.kfintech.com (KFin website) or call KFin on 040-67162222; Toll Free No.1800 3094 001.

17.2. Instructions for attending the AGM through VC:

a) Members can attend the AGM through the video conferencing facility provided by RTA. Members can access the facility at https://emeetings.kfintech.com/. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an e-mail from RTA with the User ID and password.

b) Members are requested to follow the below procedure to join the AGM:

i. Launch internet browser (Chrome/Firefox/Safari) by typing the URL: https://emeetings.kfintech.com.

ii. Enter the login credentials.

iii. After logging in, click on 'Video Conference' option.

iv. Click on Camera icon appearing against AGM event of Carborundum Universal Limited, to attend the Meeting.

c) The facility to join the AGM through VC/OAVM will be open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

d) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to participate and vote at the AGM.

e) Please note that participants connecting from Mobile Devices or Tablets or through laptops or devices 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. Members are encouraged to join the Meeting through Laptop devices with Google Chrome for better experience.

f) To join the meeting, Members will be required to permit the use of Camera, if any. It is suggested to use an internet facility with a good speed and bandwidth to avoid any disturbance during the meeting. The Company will not be responsible for any disruption in the proceedings caused due to technical issues including inadequate bandwidth or internet at the end of the shareholder.

g) **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 or ask questions can login to https://emeetings.kfintech.com/, click on 'Post your Questions' and post their queries in the window provided during the period 28th July 2023 to 31st July 2023. Queries received by the Company on or before Monday, 31st July 2023 shall only be considered and responded to during the AGM.

h) **Registration as a Speaker at the AGM:** Members who would like to express their views or ask questions during the AGM will have to register themselves as a Speaker by logging in https://emeetings.kfintech.com/, click on 'Speaker Registration' in the window provided in the link during the period Friday, 28th July 2023 to Monday, 31st July 2023. Those Members who have registered themselves as a Speaker on or before Monday, 31st July 2023 will only be allowed to express their views or ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

i) The Company reserves the right to restrict the number of questions and number of speakers depending on the availability of time for smooth conduct of 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.

j) A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.

Detailed instructions for joining the AGM through video conferencing is also available at https://cumi.murugappa.com//investors/.

17.3. Instructions for voting during the AGM through Instapoll:

(i) Only those Members present during the AGM through Video Conference facility and who have not cast their vote through remote e-voting earlier are eligible to vote through e-voting in the AGM. Members who have voted through remote e-voting will be eligible to attend the AGM but will not be permitted to vote again.

(ii) The facility to cast the vote at the AGM would be available on the left hand corner of the Video Conferencing screen in the form of a 'Thumb' sign and will be activated once the voting is announced by the Chairman during the Meeting. Members can click on the same to take them to the 'Instapoll' page.

(iii) On clicking 'Instapoll', Members will reach the Resolution page. Please follow the instructions given to vote on the resolutions.

18. The voting rights of Members shall be in proportion to their shareholding as on the cut-off date 26th July 2023. 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.

    The results will be declared not later than two working days of the conclusion of the meeting. The results declared along with the Scrutiniser's Report will be placed on the Company's website www.cumi.murugappa.com/, as well as the website of RTA i.e., https://evoting.kfintech.com 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.

19. Resolutions passed through e-voting would be deemed to have been passed as on the date of the AGM i.e., 2nd August 2023.

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

21. For easy and quick reference, key details required for reference by the Members in connection with the AGM is annexed to this Notice.

ANNEXURE TO THE NOTICE

Statement pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013 ('Act'), the following statement sets out all material facts relating to the businesses mentioned under item no. 4 and item nos. from 5 to 8 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 67 years holds a Master's degree in Chemical Engineering from the University of Michigan, USA. He has held the position of Managing Director of CUMI 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 on the Boards of several companies including IIT Madras Research Park, Cyient Limited and Ambadi Investments Limited. 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 the 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 over two decades. 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 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 ₹406 crores to over ₹4500 crores. Mr. Murugappan has played a pivotal role in transforming CUMI into an international company. His strategic approach towards business partnerships with global leaders has been one of the key factors contributing to CUMI's consistent growth, internationally.

Mr. Murugappan is paid sitting fees and commission as a Non-executive Director and he was paid ₹1.05 crores remuneration during the FY 2022-23, 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 Non-Executive Directors including the Independent Directors of the Company bring with them significant professional expertise and rich experience in diverse fields such as technology, engineering, corporate strategy, banking, management, external affairs, legal and compliance. Their Profile is available in the Annual Report of the Company as well as on the Company's website. For more details regarding their participation in meetings, directorship/committee membership, skill matrix etc., please refer the corporate governance section of the Annual Report.

The Board is of the view that adequate compensation be given to the Non-Executive Directors in recognition for their time and efforts.

At the sixty fourth Annual General Meeting held on 3rd August 2018, the Members had approved payment of remuneration by way of commission, to Directors (including the Alternate Directors), who are neither in wholetime employment of the Company nor the Managing Director(s) of the Company for a period of five financial years commencing from 1st April 2018 for an amount not exceeding 1% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013 for each financial year. As the validity of the approval expired on 31st March 2023, the resolution seeking renewal of the approval for another period of five financial years is placed before the shareholders.

The Remuneration policy adopted by the Board which provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company specifies that the Commission payable to Non-Executive Directors will be restricted to a fixed sum within the limits prescribed under Section 197 of the Companies Act, 2013 annually on the basis of tenor in office during a financial year. The policy further provides that keeping with evolving trends in industries and considering the time and efforts spent by specific Non-Executive Directors, the Board may consider paying differential commission. Accordingly, in line with globally accepted practices, in view of the considerable time and efforts spent by the Chairman of the Company in connection with its affairs, he is paid a differential commission. Mr. P S Raghavan who is on the Board of the material subsidiaries at Cyprus and Russia is also being paid a differential commission. For more details, please refer the Corporate Governance Report in page 164 forming part of the Annual Report.

The Board of Directors at their meeting held on 8th May 2023 have recommended to the shareholders granting approval for payment of remuneration to Non-Executive Directors upto a sum not exceeding 1% of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 for each financial year. The said commission payable shall be in addition to the fees payable to Non-Executive Directors for attending the meetings of the Board and Committees thereof. Details of remuneration of the Directors as required under Secretarial Standard on General Meetings is available in the Corporate Governance Report. Section 197 of the Act states that remuneration payable to Directors who are neither Managing Director(s) nor Wholetime Directors shall not exceed 1% of the net profits of the Company and such remuneration shall be subject to the approval of the Members by a special resolution, if the articles so require. Article 17.16 of the Articles of Association of the Company provides that such approval be obtained by means of a special resolution and accordingly the special resolution set out under item no. 5 of the notice is placed before the Members for approval.

As a governance measure, an overall cap of ₹3.5 crores per annum towards the managerial remuneration of Non-executive Directors is recommended for approval. The revised limit is reasonable considering the enhanced role and responsibilities cast on the Non-Executive Directors of the Company under the dynamic regulatory regime. The remuneration payable to each Non-Executive Director shall be determined by the Board or Committee thereof within this overall limits. The aforesaid maximum limit is enabling in nature to accommodate future revisions, bearing in mind that the approval of Members is valid for a period of five years commencing 1st April 2023 upto 31st March 2028 and will be subject to the overall cap of 1% of the net profits of the Company.

Memorandum of Interest

All the Directors and their relatives except Mr. N Ananthaseshan, Managing Director and Mr. Sridharan Rangarajan, Director-Finance & Strategy are concerned or interested in the above resolution to the extent of the commission that they may receive. None of the key managerial personnel or their relatives is concerned or interested, financially or otherwise in the aforesaid Special Resolution.

Item No.6

The shareholders at the 64th Annual General Meeting held on 3rd August 2018 had approved the payment of remuneration to Non-Executive Directors of the Company not exceeding 1% of the net profits of the Company.

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 payment of commission up to 1% of net profits 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 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 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 able leadership and guidance, the Company notwithstanding the COVID-19 pandemic crisis was able to grow including inorganically with the acquisitions of:

- Majority stake in PLUSS Advanced Technologies Limited
- Assets of Awuko Abrasives Wandmacher GmbH &Co. KG, Germany
- All shares in Rhodius Schleifwerkzeue Verwaltungsgesellschaft mbH and all the limited partner's interest in Rhodius Schleifwerkzeue GmbH& Co. KG from Gebruder Rhodius GmbH & Co. KG.

Mr. Murugappan in his role as the Chairman of the Company was instrumental in concluding the domestic and international acquisitions which are expected to augur well for the Company in the coming years and he has played a significant role in the integration of the operations of the newly acquired subsidiaries besides leading the transition management.

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 2022-23 with the approval of the shareholders vide special resolution passed at the 68th AGM held on 1st August 2022, Mr. M M Murugappan was paid a commission of ₹1 crore (commission for the FY 2021-22) and a sitting fee of ₹5.2 lakhs. Since the total remuneration payable to Mr. M M Murugappan during the FY 2023-24 including the commission payable for the FY 2022-23 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 believes that the remuneration payable to Mr. Murugappan is commensurate with the efforts taken by him and the time spent by him on matters concerning the Company. Accordingly, basis the recommendation of the Nomination and Remuneration Committee, the Board recommends the remuneration payable to Mr. M M Murugappan for the FY 2023-24 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.7

Mr. Sridharan Rangarajan aged 57 years is a member of the Institute of Chartered Accountants of India and a graduate member of the Institute of Cost Accountants of India. He holds a Bachelor's degree in Commerce from Madurai University and is a certified Six Sigma 'Green Belt' & trained 'Process Champion', 'Black Belt'. He has over 3 decades of experience in various fields like banking, manufacturing, contracting, service and distribution businesses. He has rich multinational and cross-cultural work experience from having worked in companies like ABB, IDBI, LG Electronics, METITO, Trane Inc., USA and Timken. He is associated with the Murugappa Group since June 2011 as the Chief Financial Officer of the Company till January 2018 after which he took over as the President and Group CFO of the Murugappa Group.

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

Mr. Sridharan Rangarajan, who is currently a Wholetime Director of the Company, designated as Director- Finance and Strategy, was appointed by the Board at its meeting held on 24th June 2021 which was approved by the shareholders at the 67th AGM held on 2nd August 2021. His term of office as a Wholetime Director is for a period of five years from 1st July 2021 till 30th June 2026.

The Nomination and Remuneration Committee at its meeting held on 22nd June 2023 considered the appointment of Mr. Sridharan Rangarajan as Managing Director of the Company.

Mr. N Ananthaseshan, the current Managing Director of the Company was appointed in the Board on 26th April 2019 and he took over as Managing Director post the retirement of Mr. K Srinivasan, his predecessor on 23rd November 2019. He was 56 years of age at that point in time and as per the prevailing superannuation policy of the Company he was appointed for an initial term commencing from 23rd November 2019 and ending on 22nd November 2022. On 28th October 2022, the Board considered his re-appointment as Managing Director and based on the recommendation of the Nomination and Remuneration Committee had approved the same for a further period of two years ending on 31st December 2024. Under Mr. Ananthaseshan's leadership, the Company grew from ₹2600 crores to over ₹4500 crores in a short span of time in the backdrop of unprecedented challenges and difficult business conditions owing to the COVID-19 pandemic, geo-political crisis arising due to the Russia-Ukraine conflict and the resultant global economic turmoil. The Board had opined that his continued association would be beneficial to the Company and hence the approval of the shareholders for the re-appointment of Mr. Ananthaseshan as Managing Director was sought vide a postal ballot on 7th December 2022. However, owing to certain personal commitments, Mr. N Ananthaseshan has expressed his desire to retire from the services of the Company and step down as Managing Director effective close of business hours of 2nd August 2023.

The Nomination and Remuneration Committee at its meeting held on 22nd June 2023 considered his request. While his continued association will remain beneficial to the Company, duly respecting his decision the Committee and the Board considered the appointment of Mr. Sridharan Rangarajan, Director-Finance & Strategy as the Managing Director of the Company effective 3rd August 2023. Mr. Sridharan Rangarajan has spearheaded the strategic growth of the Company including driving its inorganic growth by playing a very vital role in concluding the acquisitions of PLUSS, Awuko and Rhodius in the recent past. Over the last few years in his role as Wholetime Director he has played a vital role in overseeing the finance and strategy functions of the Company and driving the inorganic growth of the Company including integrating the newly acquired subsidiaries.

Mr. Sridharan's long association with the Company, expertise and experience would immensely benefit the Company in its growth trajectory including developing and driving the strategic initiatives which will be key to the future of the various businesses of the Company. Accordingly, the Board recommends his appointment as a Managing Director for a tenure from 3rd August 2023 till 2nd August 2028 to the shareholders. The Nomination and Remuneration Committee considered and recommended the terms of his appointment including the remuneration payable to him. The required consent and disclosure forms have been received from Mr. Sridharan Rangarajan. The Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for office of Director.

Mr. Sridharan Rangarajan currently holds 213868 equity shares in the Company and during the FY 2022-23 he was paid a remuneration of ₹2,40,00,966/- (Rupees two crores forty lakhs nine hundred sixty six only). The details of the Options granted to and held by Mr. Sridharan Rangarajan under the Company's ESOP schemes are as under:

Particulars	ESOP Scheme 2007	ESOP Plan 2016		
	05-Aug-11	4-Feb-17	14-Feb-18	02-Aug-21
Options granted	2,64,000	68,940	19,344	272000
Options vested	2,64,000	68,940	19,344	54,400
Options cancelled	31,680	-	-	-
Options lapsed	32,240	-	-	-
Options exercised	200,080	13788	-	-
Options outstanding	-	55,152	19,344	272,000
Exercise Price	146.00	257.55	367.2	672.95

The Managing Director is entitled to stock options as per the ESOP schemes of the Company. The parameters and other conditions including the vesting period, vesting conditions, number of options etc., shall be decided by the Nomination and Remuneration Committee. As per the terms of the existing scheme, Mr. Sridharan Rangarajan will be entitled for one more grant in the year 2025-26 during his current term of office. The options under the ESOP 2016 are granted to the eligible employees at the prevailing market price i.e., the closing price on the stock exchange where the trading volume is high on the day prior to the date of grant.

Mr. Sridharan Rangarajan's remuneration comprises fixed as well as variable components which is subject to a periodic review by the Nomination and Remuneration Committee and the Board. As applicable to any Executive Directors, the performance metrics is determined by a Balance Scorecard (BSC) methodology comprising Company financials, Company Scorecard and personal objectives encompassing financial parameters, customer perspective, internal processes as well learning & growth. The BSC is annually determined by the Nomination and Remuneration Committee while reviewing the annual performance of Senior Management and before payouts are made in the form of incentive, the achievement of BSC across the above parameters is reviewed by the Nomination and Remuneration Committee. The Committee also gives due weightage to the role played by Mr. Sridharan Rangarajan in the performance of the Company at the consolidated level encompassing the many subsidiaries, joint ventures and associate companies.

Mr. Sridharan Rangarajan's employment is wholetime in nature and terminable with 3 months' notice on either side. There is no severance fee payable in his remuneration package.

As per Article 17.27 of the Article of Association, the Managing Director of the Company is not liable to retire by rotation except as required under the Companies Act 2013.

The Board recommends Mr. Sridharan Rangarajan's appointment for approval by the Members of the Company.

Memorandum of Interest

Except Mr. Sridharan Rangarajan, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the Ordinary resolution proposed for his appointment as Managing Director.

Item No.8

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 8th May 2023 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 2023-24 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 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 22, 2023

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 & 7)

Name of Director	Mr. M M Murugappan	Mr. Sridharan Rangarajan
DIN	00170478	01814413
Date of Birth	12.11.1955	16.03.1966
Date of Appointment (Initial)	17.10.1996	01.07.2021
Qualification	Bachelor of Technology in Chemical Engineering from the University of Madras, Masters degree in Chemical Engineering from the University of Michigan, USA.	Commerce graduate, An associate member of the Institute of Chartered Accountants of India and graduate member of the Institute of Cost and Works Accountants of India
Expertise in specific functional areas	Has over 45 years of experience in diverse areas of Technology, Research & Development, Strategy & Business Development and Human Resources.	He has over 3 decades of overall experience in various fields like banking, manufacturing, contracting, service and distribution businesses besides strategy, technology, general 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	• Cholamandalam Financial Holdings Limited • E.I.D Parry (India) Limited • Net Access India Limited • Parry Agro Industries Limited • Cholamandalam MS General Insurance Company Limited • Cholamandalam MS Risk services Limited • PLUSS Advanced Technologies Limited • Foskor Zirconia (Pty) Limited • CUMI Europe s.r.o
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 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	1. Cholamandalam Financial Holdings Limited a. Audit Committee -Member b. Investors' Grievance Committees -Member c. Risk Management Committee -Member 2. Cholamandalam MS General Insurance Company Limited a. Audit Committee -Member b. Policyholders' protection Committee - Member c. Management Committee - Member d. Investment Committee -Member e. Business Committee - Member f. 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*	213,868
Inter-se relationship with any other Directors or KMP of the Company	Nil	Nil

*shares held in individual capacity including as karta of a HUF but excluding shares held as Trustees.

Note: for further details, please refer the Corporate Governance Report section of the Annual Report

In order to enable ease of participation of the Members, key details regarding the 69th AGM is provided for reference:

<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1.</td><td>Date and Time of AGM</td><td>Wednesday, 2nd August 2023 at 03.00 p.m. IST</td></tr>
<tr><td>2.</td><td>Link for participation through Video Conferencing (VC)</td><td>https://emeetings.kfintech.com/.
Please refer the instructions in Note 17.2 of this Notice.</td></tr>
<tr><td>3.</td><td>Remote e-voting</td><td>Please refer instructions in Note 17.1 of the Notice</td></tr>
<tr><td>4.</td><td>Cut-off date for e- voting</td><td>Wednesday, 26th July 2023</td></tr>
<tr><td>5.</td><td>E-voting period</td><td>Commences at 9.00 a.m. IST on Saturday, 29th July 2023 and ends at 5.00 p.m. IST on Tuesday, 1st August 2023.</td></tr>
<tr><td>6.</td><td>Registrar and Share Transfer Agent contact details</td><td>Mr. Raj KumarKale,
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>7.</td><td>Helpline number for e-voting</td><td><table>
<tr><th>Login type</th><th>Helpdesk details</th></tr>
<tr><td>Securities held with NSDL</td><td>Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or contact the toll free no.: 1800 1020 990 and 1800 22 44 30.</td></tr>
<tr><td>Securities held with CDSL</td><td>Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.</td></tr>
</table></td></tr>
<tr><td>8.</td><td>Helpline number for VC participation</td><td>Contact: M/s. KFin Technologies Limited at 1800-3094-001 or write to them at evoting@kfintech.com.</td></tr>
<tr><td>9.</td><td>Contact details of the Company</td><td>E-mail: investorservices@wendtindia.com
Contact: 044-30006166</td></tr>
</table>

Notes:

MAKING MATERIAL PROGRESS

Carborundum Universal Limited
Annual Report 2022-23

CONTENTS

The front and rear wrapper on the Annual Report shows facets of a large hexagonal silicon carbide crystal. Silicon carbide is the beginning of the CUMI story and powers our material progress.

Note: Across the Report the word 'CUMI' refers to 'Carborundum Universal Limited'

Cautionary Statement

This report may contain statements relating to future business developments and economic performance that could constitute 'forward-looking statements.'

While these forward-looking statements represent the Company's judgements and future expectations, a number of factors could cause actual developments and results to differ materially from expectations. The Company undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances. Further, investors are requested to exercise their own judgement in assessing various risks associated with the Company and also the effectiveness of the measures being taken by the Company in tackling them, as those enumerated in this Report are only as perceived by the Management.

Making Material Progress

In 1954, CUMI began as a manufacturer of sandpaper. Over the next six decades, CUMI largely worked with aluminum oxide and silicon carbide to create products. CUMI has explored and harnessed material properties that solve real-world challenges for industries.

With the property of hardness came CUMI's global business in Abrasives. From the high temperature load bearing property came refractory products that contain and manage heat. The high wear resistance of ceramics protects material from wear under harsh conditions. Through the electrical insulating nature of aluminium oxide emerged high voltage protection devices. The structural strength of ceramics lent itself to building alternative energy solutions. Corrosion resistance made it possible to extend the life of assets in chemical process industries. Phase change properties aid in thermal energy storage.

The future holds exciting possibilities for materials science engineering. Whether in the field of clean mobility, energy or environment, materials science is expected to play a pivotal role in building a newer, greener future for humanity.

At CUMI, we have been working on improving the effectiveness and efficiency of our current solutions. CUMI has also invested in developing high-performance materials and technologies that address the future needs of the nation, people and planet in a sustainable way.

Carborundum Universal Limited

PURPOSE

MAKING A MATERIAL DIFFERENCE

VISION

We will be a globally admired company driving innnovations 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 MURUGAPPA GROUP

These Five Lights, our values, guide our personal and professional decisions.

>

I am a person with INTEGRITY and PASSION, committed to doing QUALITY work while RESPECTing all stakeholders and taking larger RESPONSIBILITY for my actions.

Company Overview

CUMI is part of the 120-year old Murugappa Group, one of India's leading business conglomerates. CUMI started as an Abrasives company in 1954. With value chain integration, CUMI has expanded its portfolio to become a mines-to-market Company with integrated operations including mining, power generation, fusion, manufacturing, marketing, and distribution.

As an organisation with a legacy of over six decades, CUMI has carefully nurtured and built businesses across geographies and cultures. CUMI operates as a *Glocal* player – a global vision that preserves the local ethos. This vision comes from a deep-rooted commitment to create environments and opportunities that allow local regions to flourish. Whether in India or around the world, these long-standing relationships and networks have enabled CUMI to become what it is today – a leading materials science engineering Company. The CUMI network also creates a wealth of opportunities for employees to experiment, learn, innovate, and contribute to business and their communities.

CUMI is focused on being a world-class solutions provider in Abrasives, Electrominerals, Industrial Ceramics, Super Refractories and Energy Storage Materials. At the heart of everything CUMI does, we are committed to 'Making a Material Difference'.

One of the largest producers of silicon carbide grains worldwide

One of the market leaders in abrasives, in India and Russia

One of the largest producers of the full range of electrominerals worldwide

World's second-largest player in metallised cylinders

Established as a tripartite joint venture in 1954

Listed on the National Stock Exchange of India Limited and BSE Limited

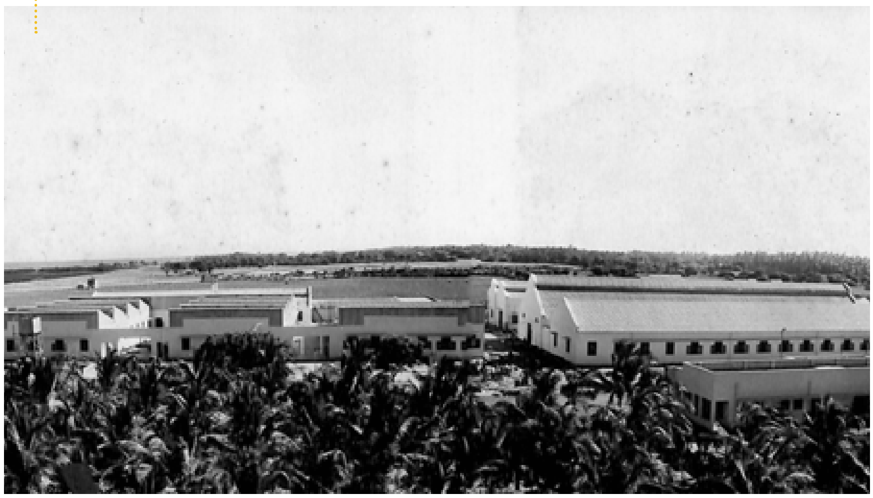
Presence in 6 continents

Over 6 decades in business

Consolidated revenue of ₹46,010 million and PAT of ₹4,140 million in FY 2023

CUMI's Milestones

Aerial view of the Abrasives factory in Tiruvottiyur, 1954



1954 to 1963

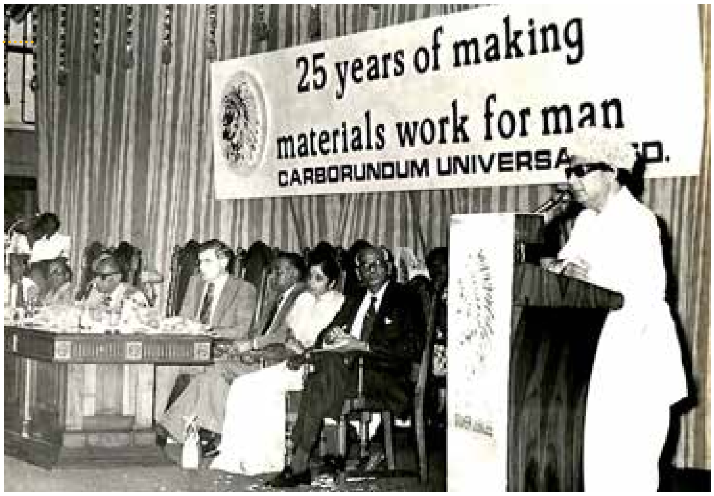
- Incorporated as Carborundum Universal Limited (CUMI)
- Established Coated Abrasives facility in Tiruvottiyur, India
- Set up Bonded Abrasives facility in Chennai, India
- Commenced bauxite mining in Bhatia, Gujarat, India

1964 to 1973

- Began manufacturing Super Refractories in Chennai, India
- Commissioned Brown Fused Alumina plant in Edapally, India
- Started bauxite calcination in Okha, India

Inauguration of the Super Refractories facility at Tiruvottiyur, 1966

CUMI's 25th year celebrations, 1979



- Acquired Eastern Abrasives Limited, Calcutta, India
- Commissioned Bonded Abrasives plant in Hosur, India
- Signed joint venture with Morgan Crucible for ceramic fibres

1974 to 1983

1984 to 1994

- Expanded Bonded Abrasives plant in Hosur, India
- Set up silicon carbide plant at Koratty, India
- Commissioned Refractories plant in Ranipet, India
- Set up Industrial Ceramics plant in Hosur, India
- Acquired 40% interest in Wendt (India) Ltd

Metallisation furnace at Industrial Ceramics, Hosur, 1991

- Commissioned 12 MW Hydel power project at Kerala, India
- Commissioned White Fused Alumina plant in Edappally, India
- Acquired Sterling Abrasives Limited, Ahmedabad, India
- Acquired & merged Cutfast Abrasive Tools Limited
- Established CUMI America Inc, USA & CUMI (Australia) Pty Ltd
- Set up SEDCO, a 5.5 MW natural gas-based power plant in Nallur, India
- Expanded Super Refractories facility in Ranipet, India
- Acquired Prodorite Anti-Corrosives Limited
- Initiated TQM drive across CUMI

The silicon carbide micro grit plant at Kakkanad SEZ, 2009

1994 to 2004

2005 to 2013

The Maniyar Hydroelectric plant, 1994

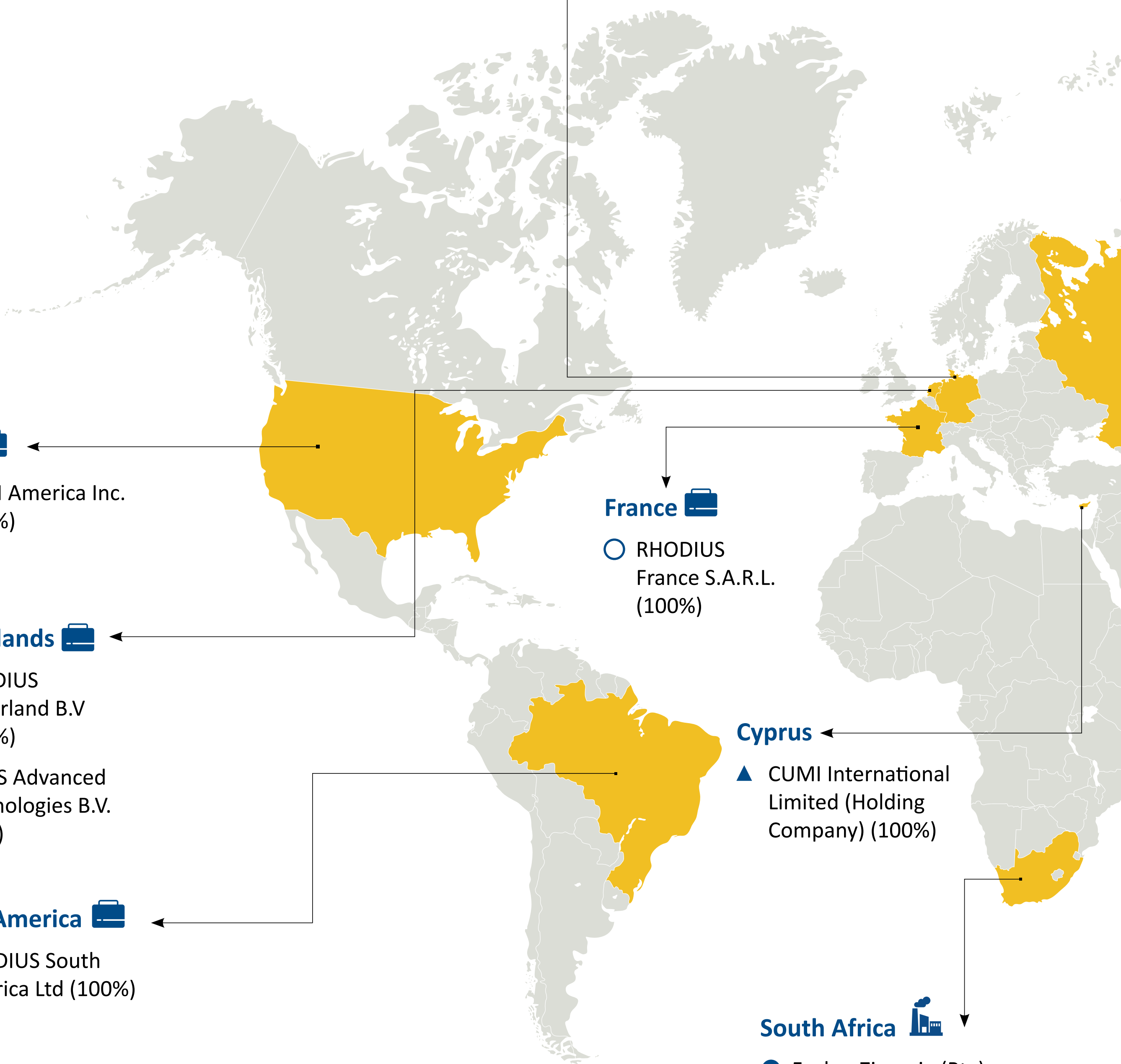
- Set up plants for silicon carbide, micro grits, sol-gel and alumina zirconia in Edapally, India
- Acquired Volzhsky Abrasive Works, Russia
- Commissioned state-of-the-art Coated Abrasives plant in Sriperumbudur, India
- Acquired & merged the Monolithic Refractory facility in Jabalpur, India
- Signed joint venture with Foskor for Foskor Zirconia (Pty) Ltd, South Africa
- Set up state-of-the-art Super Refractories Plant II in Serkadu (Ranipet), India
- Expanded Industrial Ceramics & METZ 1.0

- Set up Maker 2.0 Coated Abrasives Plant, Sriperumbudur, India
- Expanded Industrial Ceramics (METZ 2.0 & 2.5) in Hosur, India
- Commissioned three fusion plants at the Electrominerals complex in Cochin, India
- Recognised by JIPM for Excellence in TPM Consistency/TPM Excellence (Category 'A')
- Established Graphene manufacturing capacity in Kakkanad, India
- Set up the Lined Equipment 2.0 Facility in Hosur, India
- Expanded silicon carbide capacity in VAW, Russia
- Acquired PLUSS Advanced Technologies in India, manufacturer of speciality polymers and phase change materials
- Acquired assets of AWUKO Wandmacher GmbH, Germany, manufacturer of coated abrasives
- Acquired RHODIUS Abrasives, Germany, manufacturer of cutting discs and grinding wheels

2014 to Present

RHODIUS Abrasives GmbH, Germany, becomes a CUMI Company, 2022

Global Presence & Shareholding



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

Russia

● Volzhsky Abrasives Works (98.1%)

China

● CACCL (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%)

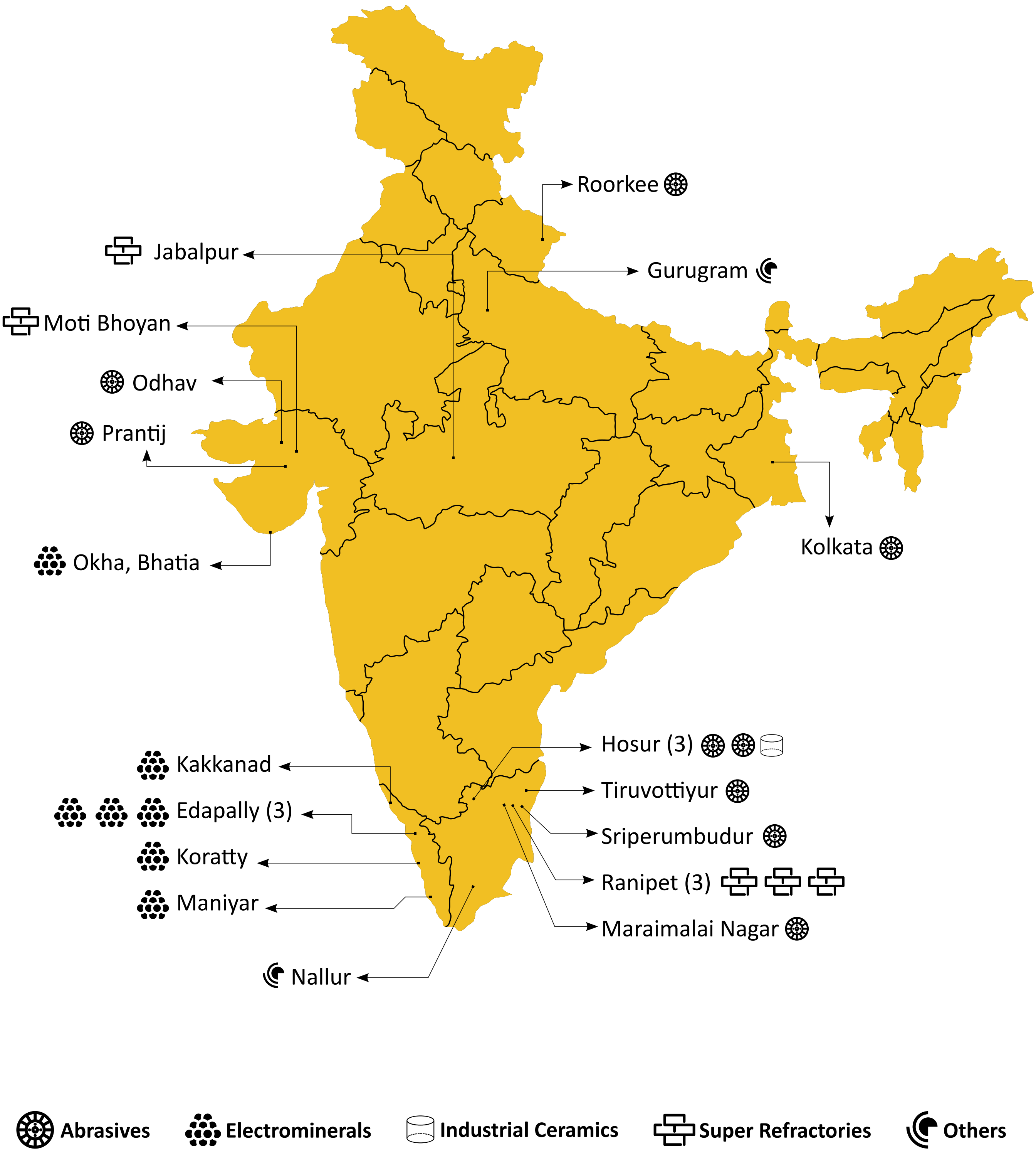
Australia

▲ CUMI (Australia) Pty Limited (51.2%)

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

Manufacturing Facilities

CUMI India and Subsidiaries



A swift glance into 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

» **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 of 30 million square metres in India

» **Tiruvottiyur, Tamil Nadu** First manufacturing location of CUMI and the home of precision abrasives

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

ELECTROMINERALS

» **Edapally, Kerala** Fusion complex for workhorse minerals – White Fused Alumina and Brown Fused Alumina

» **Kakkanad, Kerala** A 10,000-tonne capacity 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

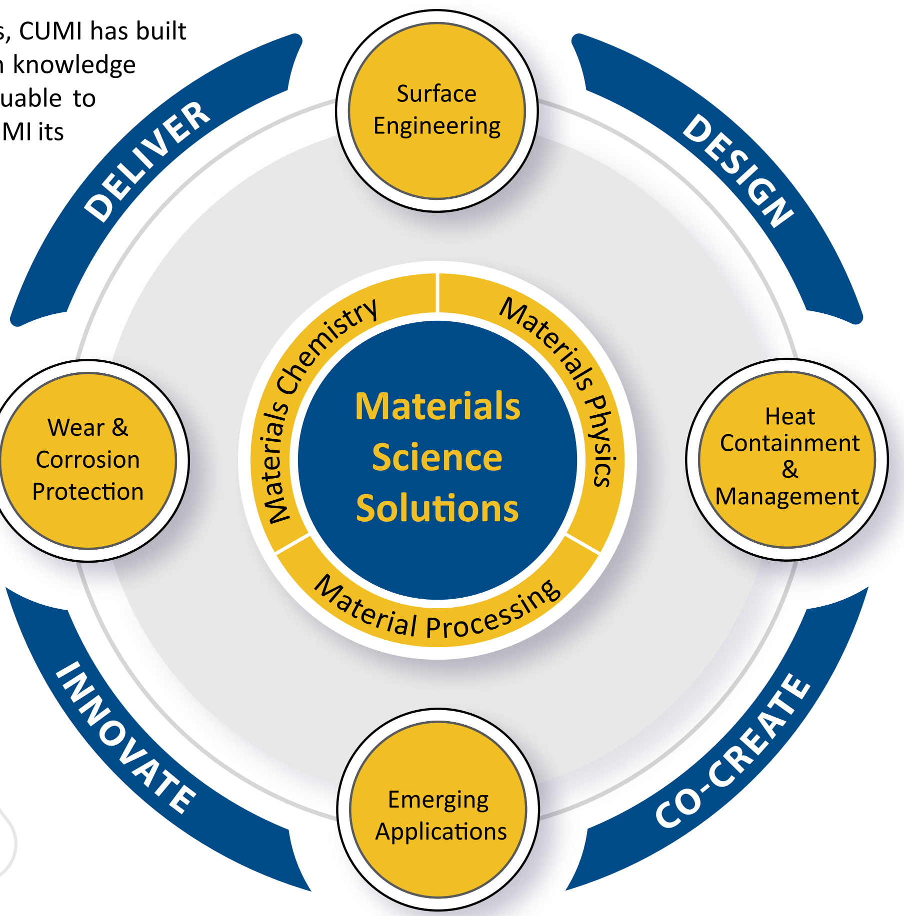
What does CUMI do?

In 1954, CUMI began manufacturing coated abrasives sheets and progressed to making vitrified and resin-bonded grinding wheels and refractories. Over time, the manufacturing of the critical raw materials – fused aluminas and silicon carbide – followed. CUMI also forayed into making industrial ceramics for wear and electrical insulation.

Materials Science and Engineering is an interdisciplinary subject that combines the understanding of materials, their properties and forming processes which result in solutions that find applications in diverse fields and industries. There are three aspects to consider - Materials Chemistry is the chemical composition of the material; Materials Physics deals with the physical and chemical properties of materials; Materials Processing relates to the forming and shaping of materials.

Over six decades, CUMI has dealt mainly with two classes of materials – the oxides of alumina and the carbides of Silicon. CUMI has gained knowledge and experience in understanding the three facets of materials science. This has allowed us to design, innovate, co-create and deliver solutions. Productive, lasting and sustainable, CUMI's solutions address industrial applications in engineering surfaces, wear and thermal protection, and energy and environment.

Working closely with our end users, CUMI has built a repository of science, application knowledge and know-how. This makes us valuable to our customers and is what gives CUMI its cutting edge.



How CUMI creates solutions

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 Treatments
- Hot and Iso-Static Pressing
- Mixing
- Moulding
- Needling – Non-woven
- Pressing
- Pultrusion
- Resin Curing
- Resin Processing
- Sintering
- Slip Casting
- Thixotropic Casting
- Winding

CUMI's Solution 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

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

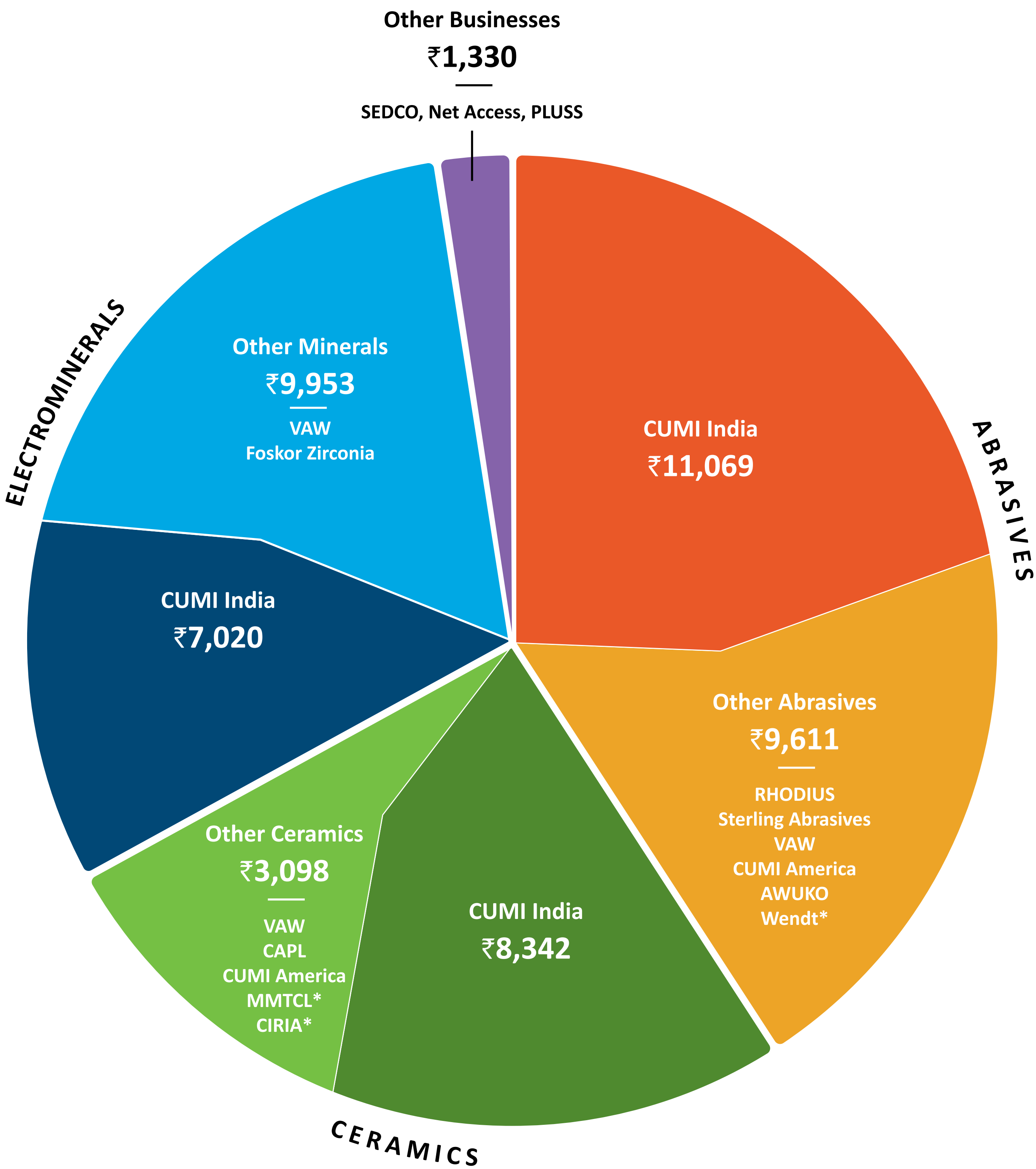
AUSTRALIA

ADVANCED MATERIALS

Anti Bacterial, Corrosion Resistance, Friction, Lubricity, Phase Change, Semi Conducting, Thermal Storage

INDIA

CUMI Business Portfolio
₹ million



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

Application Areas

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

Making a Material Difference to Industries

The CUMI Group brings together the best of materials science and application engineering to create products and solutions that meet the demanding needs of vital 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

Railway

» 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

Dear Shareholder,

I hope you and your families are doing well, and trust this message finds you in good health.

It is my pleasure to share with you CUMI's performance during the past year and our future plans. CUMI recorded a 40 percent growth in consolidated turnover, largely owing to the recent acquisitions in Germany and a strong performance across all businesses. The turnover at a standalone level registered a 13 percent growth. The profitability also grew significantly on a standalone (24 percent) and consolidated basis (30 percent).

This performance of CUMI was good, especially amidst continuing volatility and uncertain global economic conditions severely impacted by global uncertainties due to the Russia-Ukraine conflict and the sporadic emergence of many COVID variants. The consequences of these crises, including inflation, unavailability of raw materials, supply chain disruption, and fluctuations in currency and interest rates, continued to prevail, impacting business conditions. Despite these significant economic challenges, India remains one of the fastest-growing economies worldwide, providing hope in a rather bleak business environment.

The resilient domestic economy and CUMI's overall good performance in the last financial year made it possible for us to make a significant Capital Expenditure of Rupees 2.94 billion. Higher capacity utilisation, better product mix, volume growth and better realisation helped CUMI outperform under difficult business conditions.

CUMI's cash position continues to remain healthy and this will facilitate future growth and maintain our dividend track record. The Board of Directors have prudently recommended a final dividend of Rupees 2 per share over and above the interim dividend of Rupees 1.50 per share paid during the last quarter of the financial year. The total dividend for FY 2022-23 aggregates to Rupees 3.50 per share and is in line with the dividend paid during the previous year.

While the Board's report and other reports forming part of the Annual report will provide you more details of the business performance, let me share with you some of the significant highlights:

Abrasives

Revenues grew by 59 percent in this business, largely owing to the incremental sales by the recent acquisitions in Germany. This was duly supported by significant growth from subsidiaries, including Volzhsky Abrasives Works (VAW) in Russia and CUMI America Inc in the United States of America.

The business's profitability came under pressure due to the increased input costs and costs involved in integrating the newly acquired subsidiaries with the business. While the uptick in demand from the auto sector and price increases effected periodically did help the business in securing volume growth, competition from cheap imports and rising prices of raw materials impacted the efficiency, the adverse effects of which were minimised by several cost control initiatives including adapting to new methodologies in design-to-value leading to packaging cost improvements, process efficiencies and several digital techniques to keep the costs under control. The volume growth is also attributed to the expanding distribution network of the business and enhanced digital marketing initiatives. On a consolidated level, the performance of the subsidiaries in China and the Middle East was subdued due to the conscious decision to minimise operations in these regions due to the continuing business challenges associated with these geographies.

Sterling Abrasives Limited achieved a 24 percent increase in sales on the back of higher agricultural production, good monsoon conditions and greater reception for new products. The measures taken to improve operational efficiencies led to a 36 percent growth in profitability.

Wendt (India) Ltd, our Associate, grew by 17 percent. This was largely due to enhanced export sales and increased sales to the Auto and Auto component sectors. A better product mix, continued focus on operational efficiency measures, and cost control led to a significant 48 percent jump in profitability.

In 2021-22, CUMI added two entities in Germany and Europe within our fold – RHODIUS Abrasives GmbH (RAG) and CUMI AWUKO Abrasives GmbH (CAAG). The integration of the newly acquired subsidiaries is in progress. While RAG was an operating company, a new leadership team was established post the change in control and the organisation is well-positioned for future growth. RAG also managed to achieve 95 percent of the plan. Still, it was impacted by the Russia-Ukraine conflict coupled with shortages in production volumes, delayed deliveries due to transportation issues and, most importantly, increasing energy costs. CAAG was a company formed by acquiring the assets of AWUKO GmbH through a liquidation process in Germany, and hence a significant portion of the time last year was spent on re-establishing the business. The actions that have been put in place over the year across various fronts give us the confidence that the business will be on track soon.

The full integration of the subsidiaries in Germany and the initiatives taken by the standalone business in India together with the support from the subsidiaries in Russia, America, and other parts of the world, gives us confidence that the Abrasives business will emerge stronger in the coming years.

Electrominerals

The Electrominerals business registered a consolidated growth of 25 percent and a standalone growth of 13 percent. The business also recorded a 42 percent growth in profitability (standalone) due to a high increase in demand for minerals paving the way for high-volume growth backed by higher realisation. With a significantly improved performance of subsidiaries viz., VAW in Russia and Foskor Zirconia Pty Limited, South Africa (FZL), the business also recorded a much-improved profitability growth at a consolidated level. Although the reluctance for Russian products from the Western and European markets intensified last year, VAW registered a double-digit growth by increasing its domestic market share. For FZL, it has been a year of a turnaround in operations owing to higher product demand and better efficiencies through a revamped distribution strategy. A balance sheet restructuring programme also helped improve its net worth position.

The growth in this business was also impacted by a lower generation of power from the Maniyar Hydel power plant and an increase in State power tariffs. The overall good growth registered by the business despite continuing challenging conditions depicts the business's resilience and the ability to grow stronger in the coming years.

Ceramics

The Ceramics business comprising Industrial Ceramics, Refractories and Composites also recorded good growth at the consolidated level (29 percent) and standalone (26 percent). Demand growth in key user industries, technological advancements in vital sectors, and overall sustainability push across domestic and international industries drove strong growth. All businesses in Ceramics are highly customer-centric, requiring the businesses to work and co-create solutions for the customers. Technological and people capabilities are being continuously upgraded, thus aiding in retaining existing customers and expanding the clientele. The subsidiaries in Australia and America had a record performance. CUMI (Australia) Pty Limited recorded its highest-ever growth during the last year, backed by increasing demand for mineral processing, resulting in large volumes and better results. CUMI America Inc., the subsidiary in the United States, also contributed significantly to the volume growth and profitability.

Subsidiaries and Associates

The IT subsidiary Net Access (India) Limited performed well with a 30 percent growth in revenue and 36 percent growth in profitability considering the normalising business conditions with the pandemic receding in India. Southern Energy Development Corporation Limited (SEDCO), the subsidiary engaged in energy production, suffered a serious setback. The unprecedented increase in gas prices owing to the continuing global uncertainties coupled with the enhancement of transmission and generation charges has adversely affected the business performance of the subsidiary during the last year. While the business has already diversified into solar energy as part of its de-risking strategy, the time taken to establish this new business and the sudden significant impact on costs beyond its control has severely affected the business. The Board of SEDCO is evaluating options to address these and to neutralise these effects in the coming years.

PLUSS Advanced Technologies Limited, acquired during FY 2021-22, focusses on phase change materials and specialty polymers. The good growth prospects reaffirm our commitment to the long-term strategy of leveraging material sustainability. The year 2022-23 saw heightened emphasis on business development and establishing a robust customer base.

Murugappa Morgan Thermal Ceramics Limited and CIRIA India Limited, both joint ventures, recorded good growth and profitability due to increased demand by user industries resulting from an infrastructure growth push in India.

While the above summarises business performance at a consolidated level, I am pleased to share with you the people capabilities, recognitions and other sustainability initiatives undertaken during the year. People engagement and development continued to be a core area of focus for CUMI. Employee safety and well-being continue to be a top priority, and initiatives such as "Drive Zero", implementation of a safety excellence model etc., emphasise the need to track and train people on safety aspects continuously. Employee capabilities were honed through several dedicated learning and development initiatives. Employee engagement saw numerous programmes aimed at effectively engaging the workforce to both deliver their commitments and go beyond their duty. CUMI was the proud recipient of several awards last year, including the MMA (Madras Management Association) Award for Managerial Excellence 2022 and the IEI industry excellence award 2022 for the Electrominerals business. The Electrominerals business was also awarded the Kerala State Energy Conservation Award 2022 in appreciation of the commendable achievements towards energy conservation and management in the category of Large-Scale Energy Consumers. CUMI also received the 'Significant Achievement in HR excellence' certification from the Confederation of Indian Industry for the second consecutive year.

The DSIR-certified centres across the country helped develop technological capabilities and innovative thinking. I am happy to share that during the year, CUMI entered into a Memorandum of Understanding (MoU) with the Defence Ministry's Research Centre Imarat (RCI) laboratory for Ceramic Radome technology used in missile systems. Further, an MoU was also signed with the Digital University of Kerala to set up a Centre of Excellence for the large-scale commercialisation of graphene. CUMI takes pride in associating with institutions of such calibre and excellence. This allows us to play a role in strengthening India's capabilities in vital sectors like aerospace-defence manufacturing and developing new nanomaterials of the future.

The CSR programmes of CUMI – in-house and those undertaken through implementing agencies – were carried out, aiming at inclusive growth and sustainable development of communities in which CUMI operates. The sustainability policy implementation progressed with sincere dedication and passionate vigour for achieving overall socio-economic growth.

The above achievements – both business and others – would not have been possible without the able leadership of N Ananthaseshan, Managing Director and Sridharan Rangarajan, Director – Finance & Strategy. They, along with the leadership team have been able to promote solidarity and a resilient spirit among employees across the globe. I thank our colleagues for performing under challenging situations, extending support to each other in overcoming these challenges and converting them into opportunities.

After serving CUMI in various positions for about 37 years, N Ananthaseshan, Managing Director, will be stepping down from the Board. He will retire from CUMI at the close of business hours on 2nd August 2023. Ananth led CUMI during its most challenging times - the unprecedented COVID-19 pandemic and the continuing global uncertainties from the Russia-Ukraine conflict. He was also at the helm of affairs when CUMI renewed its inorganic growth strategies and made several acquisitions in Financial Year 2021-22, both in India and overseas. During his tenure as a Managing Director, CUMI has grown by over Rupees 20 billion and has also been able to navigate challenging situations and capitalise on many growth opportunities. He has also developed and nurtured a young, energetic leadership team to manage CUMI under the next leader. He leaves CUMI well-positioned for its next growth phase. CUMI wishes him well in his retirement and thanks him for his dedicated and passionate service during his long career with CUMI.

Sridharan Rangarajan, well-known to all of you, has been appointed as the next Managing Director of CUMI and will take over from Ananth on 3rd August 2023. Sridhar has been an integral part of CUMI's strategy and growth for over a decade. I am confident that his experience and knowledge will ensure a smooth transition as CUMI makes significant shifts for the future. I welcome Sridhar to this new role and wish him the very best.

I also take this opportunity to welcome Jurgen Neubert, the Chief Executive Officer of the German subsidiaries in Europe, and Ralf Blechschmidt who has joined us as the Managing Director of CUMI AWUKO Abrasives GmbH.

My most grateful thanks to my colleagues on the Board for their support and guidance. They have always been very generous with their time. During the year, they spent quality time and helped shape our strategy with their insightful questions and perspectives. Their presence and enthusiastic interactions at our plants and offices was encouraging and inspiring. I appreciate their wise counsel in navigating a challenging, difficult year to ensure good performance and a sound governance framework.

In our journey to make a material difference, the belief and trust of all our stakeholders is crucial. I thank every customer, supplier, vendor, banker, regulatory agency, legal advisor, financial and tax advisor, consultant, and you – our shareholder, for your unstinted support. This gives us the faith to make material progress.

With warm regards,
M M Murugappan
Chairman

Performance Highlights

Financial Year 2022-2023

		Standalone	Consolidated
REVENUE	₹ MILLION	24,732	46,010
PBIT*	₹ MILLION	4,218	5,785
PBIT	% TO SALES	17%	13%
PAT	₹ MILLION	3,309	4,140
PAT	% TO SALES	13%	9%

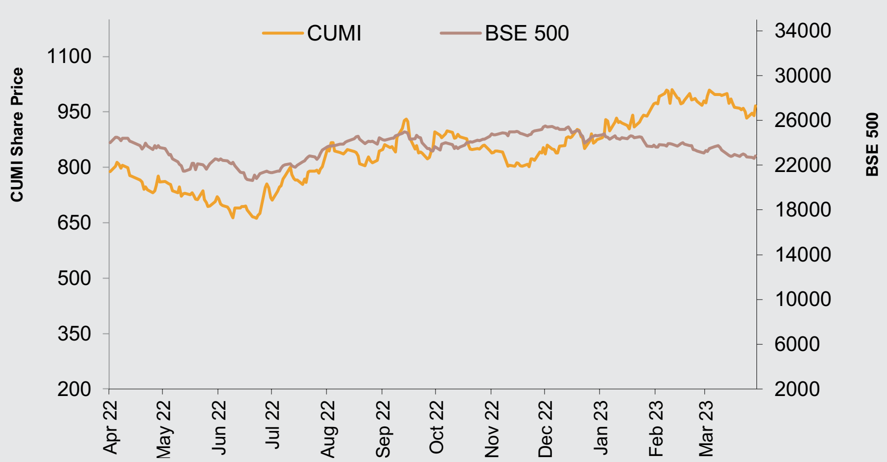
₹3.50

per share
(350% on face value of ₹1 per share)

*Excluding exceptional items
Includes sales within the Group

Shareholder Returns

CUMI Price vs BSE 500 during 01.04.2022 to 31.03.2023



S&P BSE Mid-cap vs CUMI

₹187,223 million
Market Cap
(As on 31st March '23)

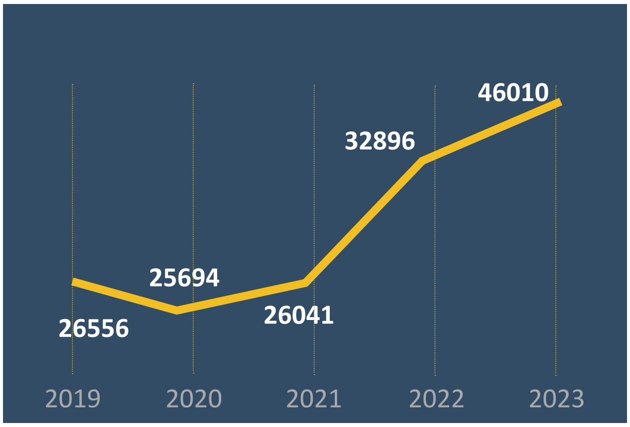
Total Shareholder Returns in FY 2023*:

25.5%

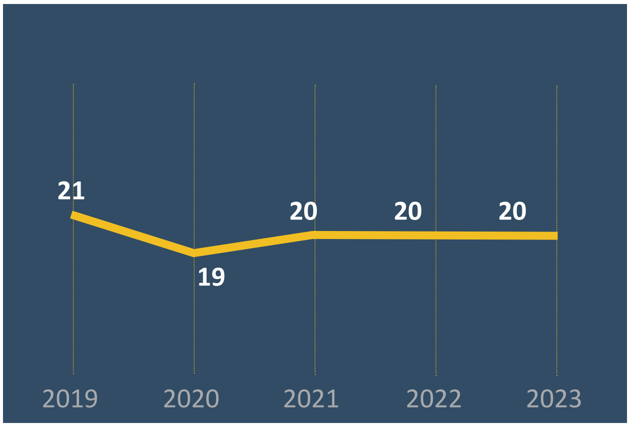
*TSR = (Gains in share price + dividends) / Purchase price

Five year trend of consolidated financial highlights

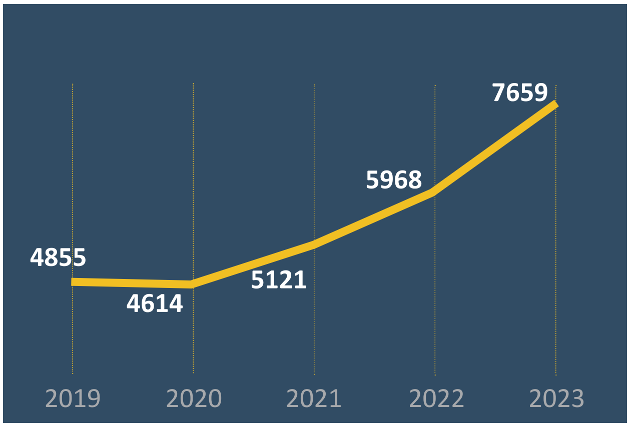
Net Sales ₹ Million



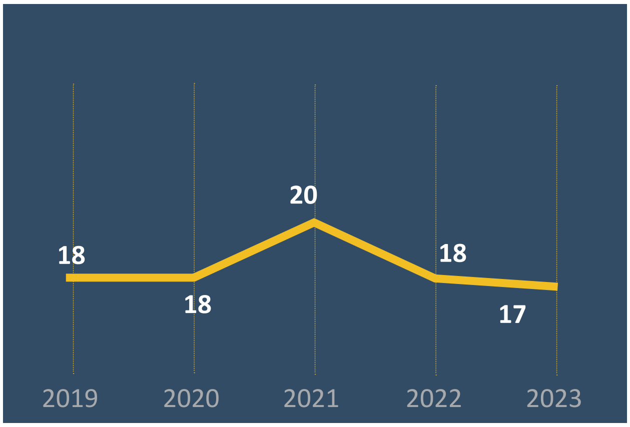
Return on Capital Employed %



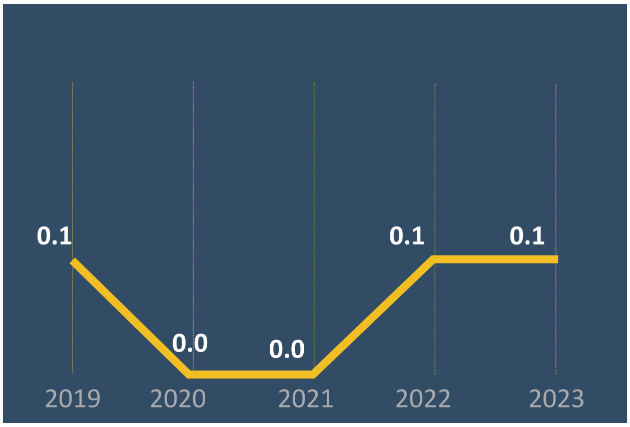
EBITDA ₹ Million



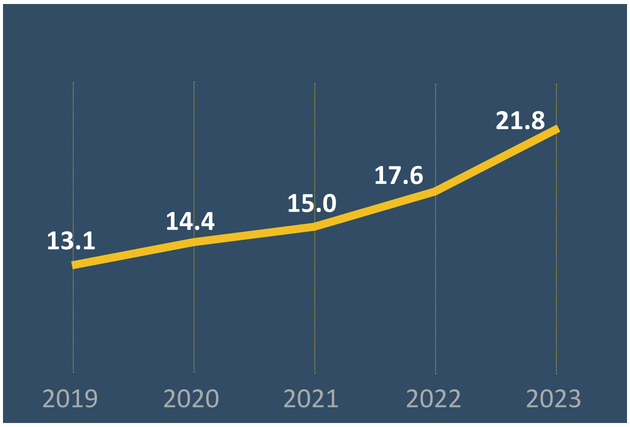
EBITDA Margin %



Debt Equity Ratio



Earnings Per Share



Detailed Financial Highlights are available on page 78
Refer note 45 of Consolidated Financial Statement

The Abrasives
Portfolio

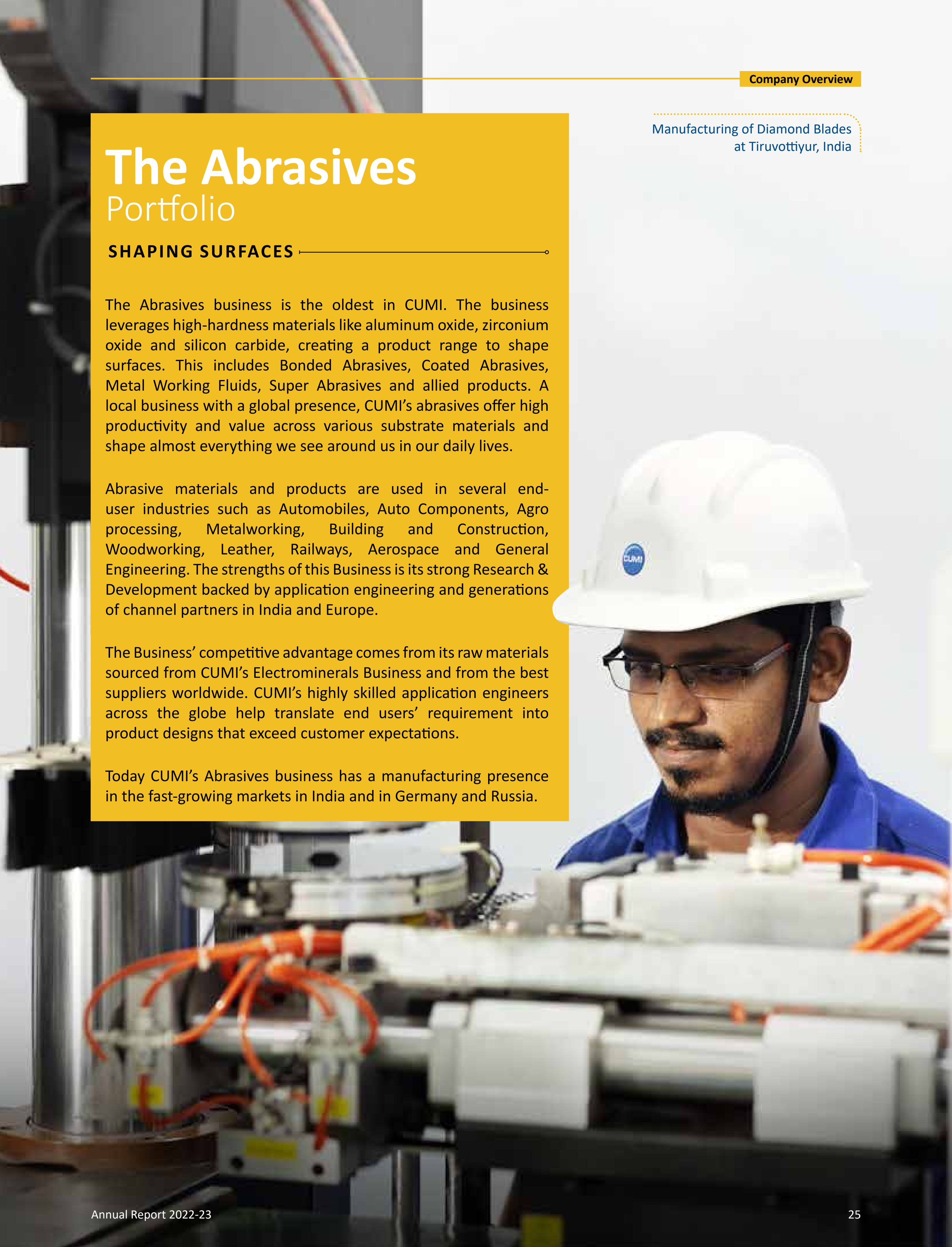
SHAPING SURFACES

The Abrasives business is the oldest in CUMI. The business leverages high-hardness materials like aluminum 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 is its 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 highly skilled application engineers across the globe help translate end users' requirement into product designs that exceed customer expectations.

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



Manufacturing of Diamond Blades at Tiruvottiyur, India

Making Material Progress in Abrasives

1954

CUMI's first foray was the Coated and Bonded abrasives manufacturing facility at Tiruvottiyur catering to the woodworking, surface preparation and precision grinding applications.

1974

CUMI acquired Eastern Abrasives in Calcutta to address the market for woodworking with the manufacturing of flint paper sheets. In the same year, a greenfield facility was set up in Hosur to manufacture vitrified and resin-bonded wheels for the engineering sector.

1984

In preparation for a growing market for high precision and high productivity of grinding needs of the auto component industry, CUMI invested in Wendt India, a manufacturer of diamond and vitrified Cubic Boron Nitride Abrasives and a machine tool builder.

Mid 1990s

CUMI struck a distribution partnership with Cincinnati Milacron, Netherlands, to blend and distribute the CIMCOOL range of coolants that are an integral part of precision grinding operations.

This completed the eco-system of abrasives which included coated, abrasives for manual application, vitrified and resin-bonded abrasives for foundry and engineering, precision abrasives and super abrasives for the auto and aerospace applications, grinding machines and coolants. This made CUMI, a real one-stop shop for consumables and durables for engineering surfaces.

1994

CUMI acquired Sterling Abrasives in Ahmedabad, a manufacturer focused on the rice polishing and agro-processing segment.

1996

The acquisition and merger of CUTFAST Abrasives in Chennai provided the platform to expand and gain market share in the Coated Abrasives product range, metalworking and auto-after applications.

1999

CUMI made its first overseas foray based on the strength of its precision abrasives capabilities – formulation and application engineering, 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 address the opportunity to grow and expand the Coated Abrasives business in the North American markets – especially in the housing sector. When the housing bubble burst in 2009, it became unviable and was thus closed down.

2007

The acquisition of Volzhsky Abrasive Works (VAW) in Russia provided access to large capacities in vitrified and resin-bonded grinding wheels and an opportunity to address the Russian and Commonwealth of Independent States (CIS) markets.

2007

Set up a green field plant in Sriperumbudur to produce 15 million square meters of Coated Abrasives to address the fast-growing domestic market and build on CUMI's strong distribution network. In 2020, the capacity was further doubled with the installation and commission of a 15 million square meter capacity maker and conversion facilities capable of producing a range and variety of shapes like sheets, rolls, discs and belts for the retail and industrial consumables segment.

2008

Set up a greenfield plant in Uttarakhand, Roorkee, to manufacture and distribute cutting and grinding wheels. This was to address the growing market demand for power tools mounted accessories in the domestic market.

2008

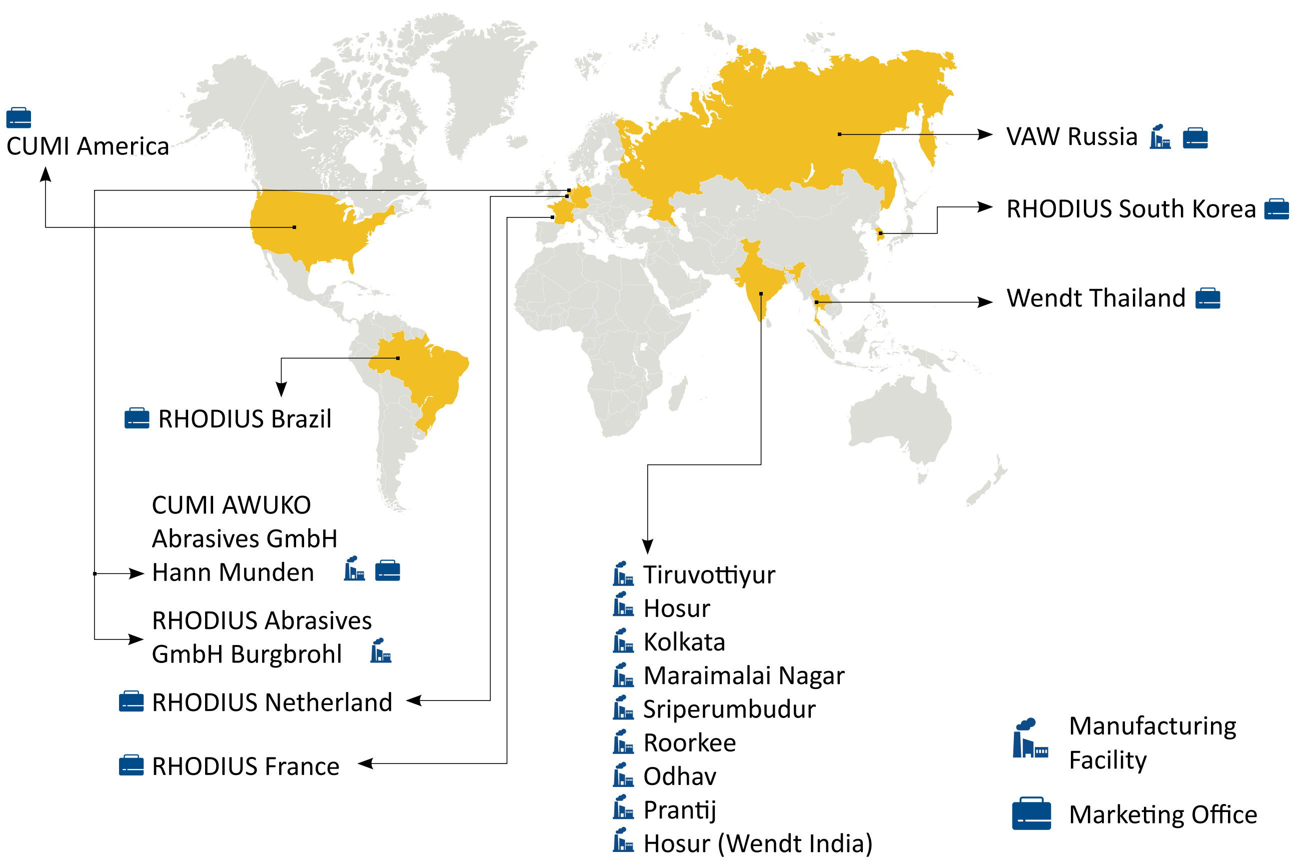
CUMI Abrasives and Ceramics China Limited was set up as a joint venture to manufacture grinding wheels, addressing the markets in India and the Middle East, leveraging the country's low-cost manufacturing and access to raw materials. The operations could not be run profitably. In 2015, the manufacturing ceased, and the business model focused on selling performance products manufactured in India to China.

2022

Acquired AWUKO Abrasives in Germany, an established and well-known manufacturer of wide belts for the leather and MDF/ plywood industry. This acquisition added to the technical products portfolio, bringing process technologies to supplement those in India.

Acquired RHODIUS Abrasives Germany, a leading player in cutting and grinding wheels known for their innovation and product technology, also added teeth to CUMI's global portfolio in the fast-growing power tool consumable segment.

Global Presence: Abrasives



CUMI India

The year has been one of building back revenues. While the Q1 profitability dipped, the business was able to significantly improve on it as the year progressed. The Coated Abrasives portfolio saw increased competition from imports and traders resulting in a margin decline. This is being addressed through a range of new products and retail channel expansion.

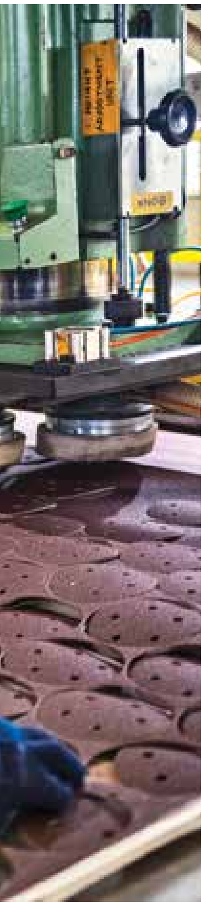
The Precision portfolio underwent a healthy expansion, and new products fuelled the precision story. CUMI continued to win large accounts in North America and strengthened its position in a technically demanding market.

RHODIUS Abrasives' process and manufacturing technologies has contributed to increased product performance and value proposition.

With the rollout of six sigma deployment, CUMI has created more green belts and made a difference to cost-saving programmes. The business has made good progress in reducing the cost of poor quality. CUMI has undertaken several automation projects to bring down the cost of production. In a few of the plants, the business made strong progress on key IOT projects that helped deliver reduced fuel and power costs.

Abrasive discs used for metal, wood and composite applications being punched out at CUMI's Sriperumbudur facility


A sheet cutter cutting Coated Abrasive sheets for hand sanding



Stenter at Maraimalai Nagar, processes cloth backings for Coated Abrasives

The Pilot Maker at Sriperumbudur for rapid design and prototyping of Coated Abrasives products

The Business participated in International fairs along with CUMI AWUKO Abrasives GmbH and RHODIUS Abrasives GmbH. CUMI received an overwhelming response from customers, who recognise the compelling competitive advantage that CUMI's strong capabilities in minerals technology and raw material security bring to the operations in Europe.

For RHODIUS Abrasives GmbH channel partners in Europe and elsewhere, the opportunity to source a wider portfolio of Abrasives products from the CUMI group is a clear advantage. The CUMI-CUMI AWUKO Abrasives GmbH-RHODIUS Abrasives GmbH (CAR) team conducted several joint meetings with customers and initiated synergy projects.

The business also made progress in digitisation. The secondary sales data collection drive has been going well and several channel partners are sharing their monthly sales data. A new distributor onboarding program was introduced, and the business further enhanced efforts to improve engagement with medium and smaller-size distributors. The team has worked hard to strengthen customer engagement and build a foundation for further growth.

RHODIUS Abrasives GmbH (RAG)

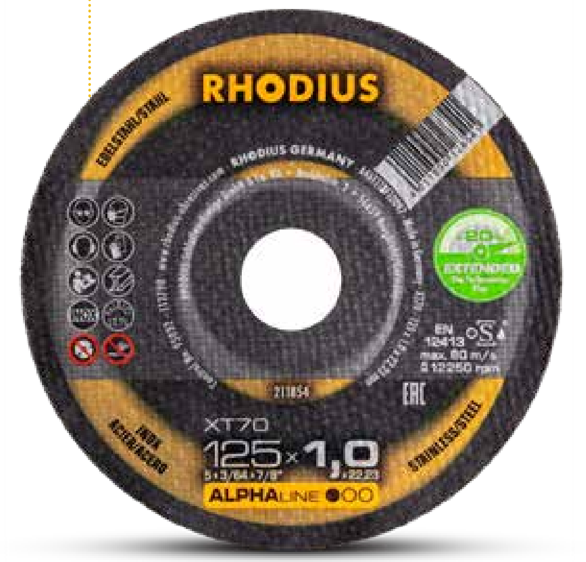
It has been a slow but steady start to RAG as part of the CUMI family. The priority was on separating the RHODIUS shared services from their former parent company Gebruder RHODIUS. It was also imperative that the organisation structure and leadership of the German entities were put in place, which happened during the year.

The business was hit with unexpected increases in input costs – especially energy and fuel costs due to the on going conflict in Europe – and availability of manpower due to intermittent Covid related fears. The demand side saw a progressive slowing, owing to inflationary pressures, cost-push and uncertainties caused by the global uncertainties in Europe.

Despite these volatilities, the post-acquisition synergy projects got rolling and made progress. This included raw material supply from India, manufacture and supply of coated and bonded abrasives products for the European markets.

The business also prepared itself for the future by investing in better mixing processes that would lead to higher and consistent product performance.

XT70 EXTENDED is RAG's fastest selling high performance cutting disc



The RAG booth at the International Hardware Fair in Cologne, Germany

CUMI AWUKO Abrasives GmbH (CAAG)

During the year, CAAG took significant steps to resurrect its legendary brand in global markets. The team has worked to reconfirm its capability as a credible solution provider with technologically superior products for specialised engineering applications and customer bases.

The Company forged stable, long-term working agreements with its reliable suppliers, ensuring the quality and consistency of its products. The financial support from CUMI helped with the purchase of quality raw materials. The team successfully manufactured and reliably supplied high-calibre products for its customer base, thus re-establishing the market's confidence in the firm's technological capability and product superiority.

Equipped with a competent management team, and financial backing, CAAG is in the process of winning back share in its traditional strongholds, especially in leather and wood applications globally. The team is also making progress on niche applications in metals and composites. With synergy from CUMI India, CAAG has an invaluable opportunity to tap into CUMI's sales channels in India to establish its business in India's thriving wood panels and leather markets.

The team also participated in the Cologne Hardware Fair (Germany), Coated Abrasives Fabricators Association Expo (USA), and International Leather Fair (India), where the brand was received with great enthusiasm by customers, reconfirming the confidence on the firm's rich legacy.

The CAAG booth at the International Leather Fair, Chennai

CAAG's flagship antistatic product for the Fibre Board panel industry

Sterling Abrasives

Sterling Abrasives has had a year of balancing. Managing the challenge of shifting production equipment to the new premises in Prantij, while meeting higher volumes, the team has been able to achieve revenue growth in Agro (28%), Export (26%) and overall (23%). Thirty percent of the production has been moved to Prantij, and the new premises has already received a Silver rating green building pre-certification from the Indian Green Building Council. A notable upgrade in the Prantij premises is the kiln transfer trolley and the new loading and unloading system that helps reduce fatigue and possible rejections.

The team has created innovative solutions for the agro industry and successfully manufactured large diameter segmental wheels.

Customers have embraced the sustainability initiative launched by the team - getting back used back plates of nut-inserted wheels. This is helping customers eliminate the scraping of the back plate and aiding its productivity and quality.

Manufacturing of precision resinous wheels for spring grinding

Some of Sterling Abrasive's wheels for precision grinding of springs and gears

Volzhsky Abrasive Works (VAW)

The Abrasives Division of VAW had a great year. Despite the global uncertainties, there was higher sales growth and consistent profit achievement. With increased sales of special abrasive tools for precision grinding applications, VAW's product range has begun to shift. The manufacturing of special abrasive grinding wheels using new abrasive materials, including those from CUMI, has grown well. The new press contributes to an increase in the cutting and grinding wheels product range. As part of the growth strategy, VAW has established a sales point to develop the retail business and is showing consistent and sustainable growth.

The newly installed press for cutting and grinding wheels in VAW

Quality check for Gear Grinding Wheels

The making of vitrified grinding wheels in VAW

Retail outlet of VAW in Volzhsky

Spring Grinding Wheel

Wendt (India) Limited

Wendt (India) Limited has been on an aggressive growth path and achieved a 21% growth over the last year. Focusing on improvements through Method Engineering, the team has been driving the implementation of Quick Response Manufacturing with significant results, including lead time reduction, faster delivery times, reduction in pending order loads and reduced inventories that led to increased sales. The sharp focus on addressing export opportunities with proven products yielded good results.

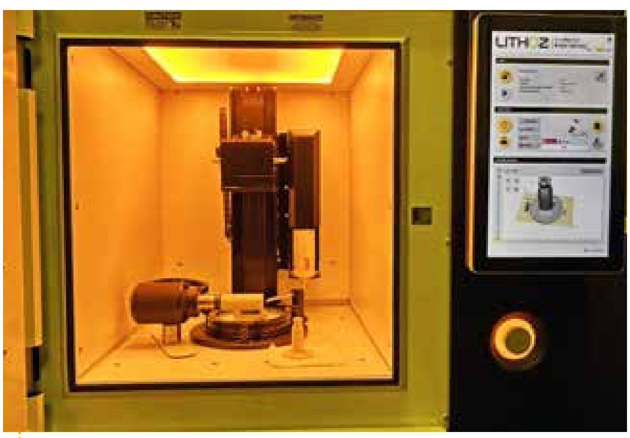
Despite significant inflation, currency fluctuation and supply chain disruption, the team attained healthy EBITDA margins through operational efficiencies and cost optimisation. The team has also had successful trials of their Vitrified CBN products in the Auto component industry and Hybrid products in the Round tool industry.

Wendt (India) Limited has launched an application lab to support new product development, internal process improvement, and reduce product development cycles. The Business has also signed a trade partnership with Lithoz GmbH to provide the Company with additive manufacturing machines and customised 3D manufactured components for the Indian market. These solutions will help Indian manufacturers to launch various models with ease, faster, consistent quality and at an economical price.

For Wendt (India) Limited, the major drive in the coming year would be to add new customer businesses and scale up new product sales.

An upgraded BLANK grinder from Wendt India.

Precision measurement of contours in a CMM machine



The newly installed Lithoz 3D ceramic printer for rapid turnaround of small volume parts

The Wendt and CUMI Abrasives booth at IMTEX 2023, Bangalore

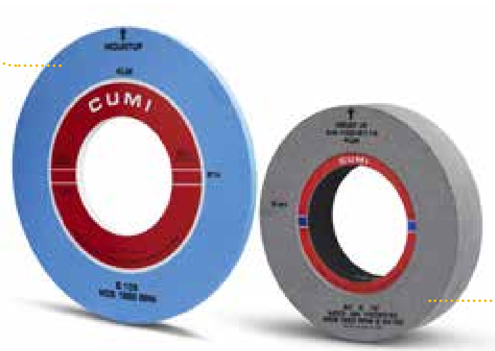
CUMI America

It was a milestone year for the Business. The pandemic induced supply chain disruption gave CUMI an opportunity to trial products with new customers. The successful product establishments have been converted into ongoing business.

A new range of products were introduced and established in the automotive and aerospace industry. Important success factors have been application engineering support and agile product development which led to high first-time hit rates.

The outlook for the business remains strong despite recessionary pressure. There will be continued drive and investments to grow customer base in the newly expanded markets. Addressing market opportunities for CAAG and RAG will be a growth driver for CUMI America.

Valve seat grinding wheels that work excellently on high nickel content valves. These wheels have excellent cutting action, thus providing precise part geometry



Centerless Grinding Wheels made with new generation vitrified bond, which gives excellent cutting action of engine valve stems with high nickel content. These wheels greatly improve the overall productivity of grinding machines

The CUMI America team at the Pennsylvania warehouse

White Fused Alumina being fused in an Electric Arc Furnace

The Electrominerals Portfolio

BUILDING COMPETITIVE ADVANTAGE

In the industry, materials processed using high amounts of electrical energy are known as electrominerals. Our 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 and have a significant global market share.

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

Making Material Progress in Electrominerals

1962

A critical raw material for the CUMI Abrasives and Refractories portfolio is the Brown Fused Alumina grains which was being 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.

1962

Towards further securing CUMI's raw material, CUMI acquired the 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 and have a competitive alternative to imports.

1992

Set up the White Fused Alumina fusion and processing facility in Edapally, Kerala, to leverage the 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 the 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 contributing to the business's future competitiveness.

In the meantime, work on developing cutting-edge grains like the solgel, semi-friables 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 the high-performance alumina-zirconia abrasive grains in the future.

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 PV industry in the Western world disrupted the micro grit business, but subsequent work on building new applications and markets has pulled it back into the black.

CUMI acquired Thukela Refractories, South Africa, to manufacture White Fused Alumina. It was shut down in 2016 due to low competitiveness caused by high power costs and low productivity.

2011

Going up the value chain, CUMI made a brownfield investment and built a tilt furnace to produce zirconia bubbles in Foskor-Zirconia, South Africa.

CUMI began working with Cellaris, Israel, to dismantle, relocate and recommission a production plant for alumina foamed ceramics at Edapally, Kerala. After about six years of effort, the plant was shut down as the process was not competitive.

2012

Built a facility to manufacture alumina-zirconia abrasive grains using a controlled crystallisation process.

2017

Shut down the tilt furnace in Foskor-Zirconia, South Africa, in the face of soaring power costs. CUMI relocated the facility to Edapally and repurposed it to build capacity for White Fused Alumina production.

The fusion facilities from Thukela Refractories Isithebe, South Africa, was shifted to Edapally and re-purposed to manufacture Brown and SemiFriable Fused Aluminas thus significantly adding to capabilities.

2022

Increased White Fused Alumina grain processing capacity by 24,000 tonnes per annum

2019

The work on Advanced Materials continued resulting in the setting up of a pilot plant for the synthesis of Graphene in Kakkanad, Kerala.

Global Presence Electrominerals

CUMI India

During the year, the Electrominerals Business has focused on leveraging its strengths through increased capacities, improved product mix, and continued thrust on innovation and new product development. Several joint development projects have been undertaken during the year to provide optimum solutions for customers' needs. CUMI continued the objective of expanding the product portfolio with an increased focus on improving profitability.

The Brown Fused Alumina plant has witnessed furnace expansion and additional crude handling capabilities. A significant focus on mechanisation in grain handling for Brown Fused Alumina helped in rapidly enhancing the volumes. Synthetic alumina fusion continued to help reduce the CO_2 emissions by 90% compared to conventional bauxite-based fusion. Several new variants of Brown Fused Alumina were developed to meet newer and emerging applications.

An additional White Fused Alumina grain processing facility became fully functional. This has helped increase the product offering in the growing refractory market in India. The plant has been set up with integrated SCADA-based operations and automation, thus enhancing process capabilities and significantly reducing the turnaround time.

Continued focus on yield improvement initiatives has enhanced output from the silicon carbide furnaces. Projects have been initiated to enhance silicon carbide grain processing capacities. In the micro grits operations, CUMI diversified into various ranges of minerals for abrasives, refractories, and speciality applications.

White Fused Alumina ingot being cooled

High capacity screener at the Koratty grain processing plant

The materials research continued along various facets of fusion, controlled crystallisation, micronising, and the creation of sub-micron powders and nanopowders. Every layer of the innovation pyramid, saw increased material offerings. R&D capabilities were enhanced with significant resources to drive new product vitality index.

With the advancement of fusion and grain processing volumes, the Electrominerals Business is set to drive advantages of enhanced capacities and reach cost leadership. The increased availability and range of materials will help with quicker deliveries to customers. Further focus will be on enhancing the product range and providing technology solutions to create a new range of minerals. These materials are expected to enhance the product basket for mineral solutions in the core areas of surface finishing and heat containment. Further, a focus on transformational materials would expand the reach into the rapidly growing new arenas of semiconducting applications.


Getting ready to pour fused alumina from the Electric Arc Furnace

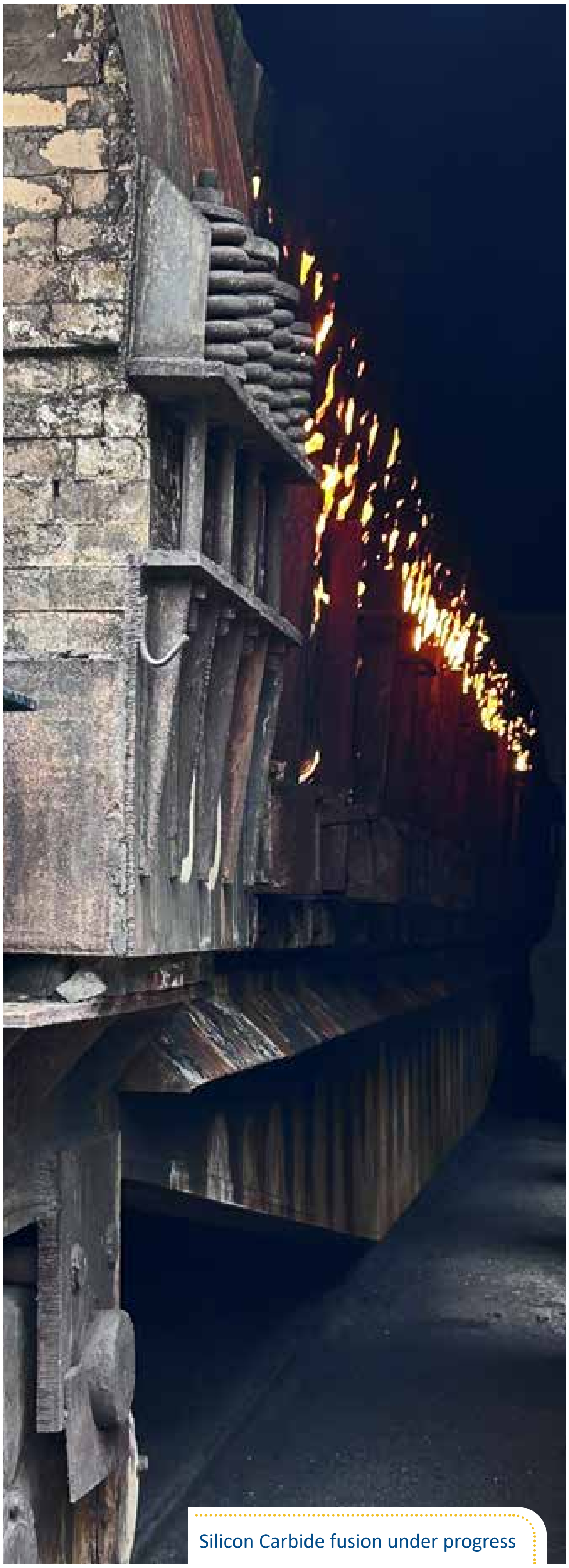
The silicon carbide micro grit classification line at Volzhsky

Volzhsky Abrasive Works (VAW)

It has been an interesting year for VAW with the need to balance volumes, with shift in product mix caused by the increased presence in the domestic market. VAW started production of FEPA F Series green silicon carbide and has achieved successful qualifications in the domestic and overseas markets. This is meeting a growing demand for green silicon carbide.

The Microgrits line for FEPA was successfully commissioned and made operational in April 2022. The product range now extends to F1200 – F2500 using black and green silicon carbide as source materials. The first lot of micro grits have successfully qualified with customers in both the domestic and international markets.

VAW continues to implement comprehensive environmental programmes systemically, gradually reducing negative environmental stress in all its production activities. This work has been seen positively by regional leadership and independent public organisations.



Silicon Carbide fusion under progress

Foskor Zirconia Ltd (FZL)

Following the turnaround plan that was approved in 2021 and a refocus on the targets set to achieve this plan. FZL has focused on augmenting Z450, the speciality variant of monoclinic zirconia. The speciality monoclinic zirconia developed by a proprietary process offers very low uranium and thorium levels, typically below 450 ppm. This product has received wide acceptance in the growing markets with stringent controls of radioactive levels in USA and Europe. With increasing demand from applications such as Glass Tank Refractory, Brake Lining, Shaped & Monolithic refractories, Ceramic Pigments & Nuclear Reactors, FZL is poised to continue to grow in the coming years.

The fusion furnace under operation

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

Ceramics:
The Industrial Ceramics Portfolio

SOLUTIONS FOR THE FUTURE

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 and 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 & Ore processing, Cement, Ferrous and Non-Ferrous Industries, Automotive, Battery, Glass, Paper, Food Grain handling, Petrochemicals, Mobility and Ceramic Tiles.

This Business is 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, today, this Business is a strategic supplier for Global OEMs in the field of Power Distribution and also in Vacuum Electronics.

An employee examining the product after infrared drying prior to the metallisation process

Making Material Progress in Ceramics - Industrial Ceramics

1993

CUMI forayed into Industrial Ceramics by commissioning a facility to manufacture high alumina ceramics for wear resistance applications. Over the years, this facility has developed technologies and added capabilities to be among the top global companies in manufacturing metallised and structural ceramics for alternative energy sectors.

1999

CUMI set up CUMI Australia Pty Ltd (CAPL), a joint venture to address mining and coal-washing opportunities in the Australian region.

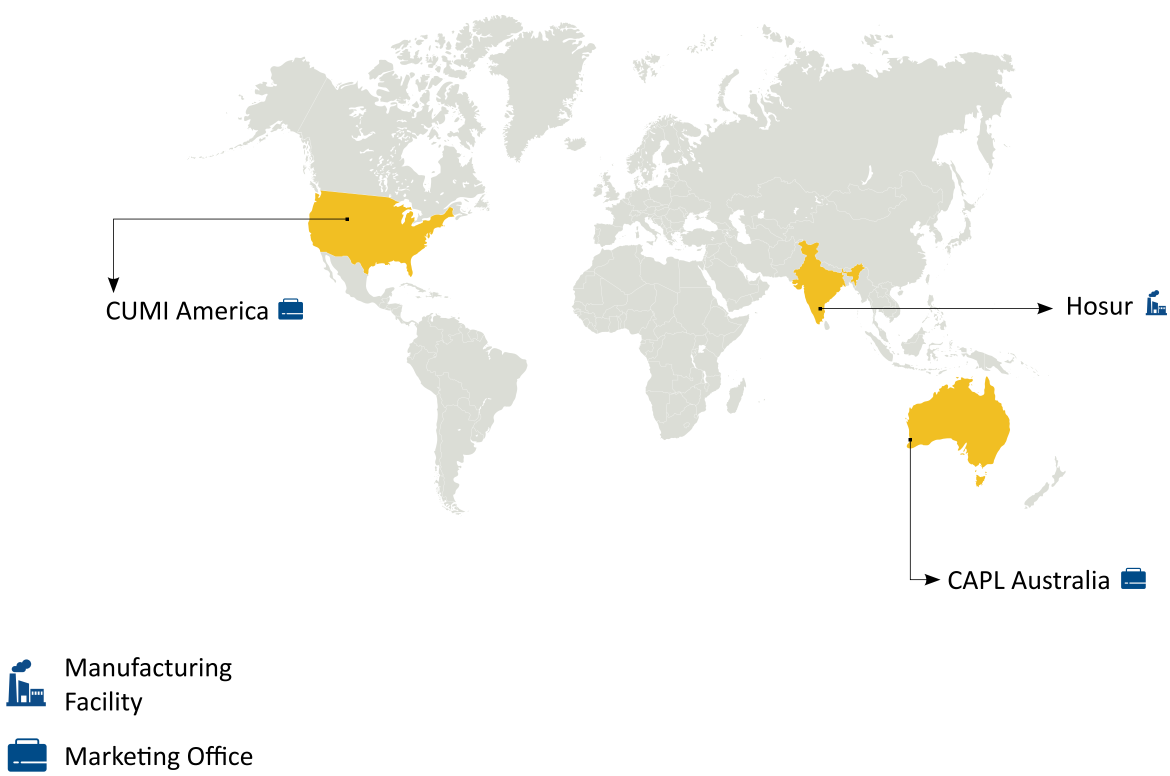
2007

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

2021

Setup new facility for fabrication of Lined Equipment catering to increasing global demand from mining and power generation industries.

Global Presence: Ceramics - Industrial Ceramics



CUMI India

In line with the vision of being a leading Global Player in Advanced Ceramics, the Industrial Ceramics (IC) has focused on building world-class capabilities and debottlenecking capacities across product lines.

Innovation, co-creation and differentiation have been at the core of the Business' products and services. During the year, the Business continued collaborating closely with leading global players across diverse industries to improve existing products and develop the next generation of cutting-edge products.

The Solid Oxide Fuel Cell (SOFC) market remained buoyant during the year, driven by product innovations and a state-led push on clean energy. The Business offers a wide range of precision-engineered structural ceramics for this segment. Collaborative projects with customers were undertaken to develop the next generation of Structural Ceramics.

The year also saw a strong resurgence in Australian and US Wear Resistant Ceramics markets – through CUMI (Australia) Pty Ltd (CAPL) and CUMI America – and in select domestic market segments. CAPL & CUMI USA have demonstrated strong performance during the year due to a resurgence in coal & mining in Australia

3D printer from 3DCeram to manufacture complex ceramic parts

The high tonnage near-net forming Hydraulic Press for complex advanced ceramics

The automatic nickel plating process for metallised ceramics

Customer Innovation Lab (CIL) – The experience centre at Industrial Ceramics

and an overall revival of industrial activity in the USA. The growth was supported by capacity debottlenecking through process innovations at CUMI IC, leading to a significant unlocking of capacity and continual improvement in efficiencies.

The Mobility segment – both ICE Spark Plug Insulators & Electric Vehicle Insulators – registered strong growth during the year. The Business has also qualified its products for use in the high-speed rail network in India.

To address the above opportunities and facilitate product development for emerging markets such as Semiconductors and Defence, the Business also made strategic investments to build future capabilities and technologies in 2022-23.

A new state-of-the-art hydraulic press was commissioned in 2022-23, enabling near-net forming of the next generation of Engineered Ceramic products – mainly for SOFC, Semiconductor, Electronics, and futuristic applications.

The Business also completed the Installation & Commissioning of a Continuous Roller Hearth Kiln for use in the line to manufacture Metallised Alumina Cylinders used in Vacuum Interrupters. This would result in significant improvements in cycle times.

The Business has also maintained its focus on Technology. It has partnered closely with external Institutions such as DRDO Labs and CGCRI and has entered into agreements to transfer critical technologies like Fused Silica Radomes for Defence and Solid Oxide Electrolyser Cells for the National Hydrogen Mission.

In summary, the Industrial Ceramics Business plans to grow aggressively on the back of a strong focus on technology-led product & service innovations, building capabilities for the future, and driving volume & efficiency improvements through debottlenecking and process innovations.

CUMI IC receiving the “Best Performance” Award from Bosch India

CUMI (Australia) Pty Ltd (CAPL)

CAPL had a record year in terms of financial performance. The supply of approximately 1,500 tailor-made pipe parts of different diameters and geometries is a significant contributor to this success. This order was undertaken for a new 15 Mtpa metallurgical coal processing plant. Another important contributor was the supply of small bore ceramic-lined cyclones to a nickel sulphide concentrator plant. These cyclones are used to separate very fine material from a coarser fraction in the concentration process. The internal ceramic lining provides longevity and an efficient separation over an extended period.

The Business is developing vertical mine bore backfill ceramic lined piping that will accommodate deviations in the straightness of the bore without cracking the ceramic lining. While the ceramic version is more expensive, it will give the product a longer life. The lesser frequency of changing lines will therefore provide customers with considerable savings.

Bringing stability to the workforce has been a priority. This included recruiting well-experienced CAD professionals and bringing in ceramic lining installers.

The Business has moved to a larger leased premise at Mackay. This space is three times larger than the previous facility, has a new 10T overhead crane and will enable us to more effectively service mining clients and efficiently complete workshop installations.

During the year, the Business' community initiatives around factory locations included sponsorship of clients participating in community sports with a charitable bias, including rugby, netball and road running. CAPL also sponsored a charity ride on postman motorcycles across a large section of the Outback to raise money for a charitable cause.

Our first employee to complete 25 years of service at CAPL: Scott Emanuel, Senior Workshop Supervisor in Newcastle with N Ananthaseshan, MD, CUMI

Internal view of ceramic lined surface of bauxite soft loading chutes

Stacker reclaimer bauxite soft loading chute – refurbished and lined with rubber/ceramic composite liners

CUMI America

The Business had an exceptional year driven by positive demand from end users in the mining, steel, power and asphalt industries. Key alliances were struck with distributors and original mining equipment manufacturers. Market expansion into South America for mining applications through new distributors also brought growth.

The capacity enhancement of standard tiles and engineered ceramics also helped the business meet higher customer demands. The growing demand for rubber-backed composites for grain handling in the agro industry and large body ceramic parts for wear applications augurs well for the future.

Further accelerated growth is being pursued based on the significant capacity expansion at the plant, the introduction of new products in the market and new project opportunities. This will be coupled with enhanced local warehousing capacities, and additional value added products in the North & South American market.

Rubber backed ceramics for wear and impact applications in bulk material handling

Ceramic lined steel cyclones for mineral processing industries

Pre-engineered ceramic lined bends used to convey coal

Ceramics: The Super Refractories
Portfolio

DESIGNED TO DELIVER

Super Refractories are products made using high purity raw materials that can withstand various operating conditions of load, thermal shock, abrasion, wear, and chemical resistance at elevated temperatures (up to 1850 degrees Celsius). The anti-corrosive properties of ceramics are further 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 Refractory Business include Iron & 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 wide 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. New growth areas CUMI is addressing include CFRP drone parts and defence applications.

Precise grinding of surface of refractory blocks used in glass tank furnaces

Making Material Progress in Ceramics - Super Refractories

1967 Set up the facility to manufacture bonded super refractories for high-temperature applications in Tiruvottiyur.

Mid 1970s Set up the Electrocast Refractory plant in Palakkad, Kerala. Exited this business in 2001.

1985 Entered into a joint venture with Morgan UK to manufacture ceramic fibres that extended the working temperature range up to 1200 °C.

1992 Executed the green field expansion of the bonded refractories plant in Ranipet.

1994 Setup a plant for manufacturing castables in Vizag. Exited in 2002.

2001 Set up CIRIA India, the joint venture with Morgan Thermal Ceramics, as a refractory design, procurement and installation company.

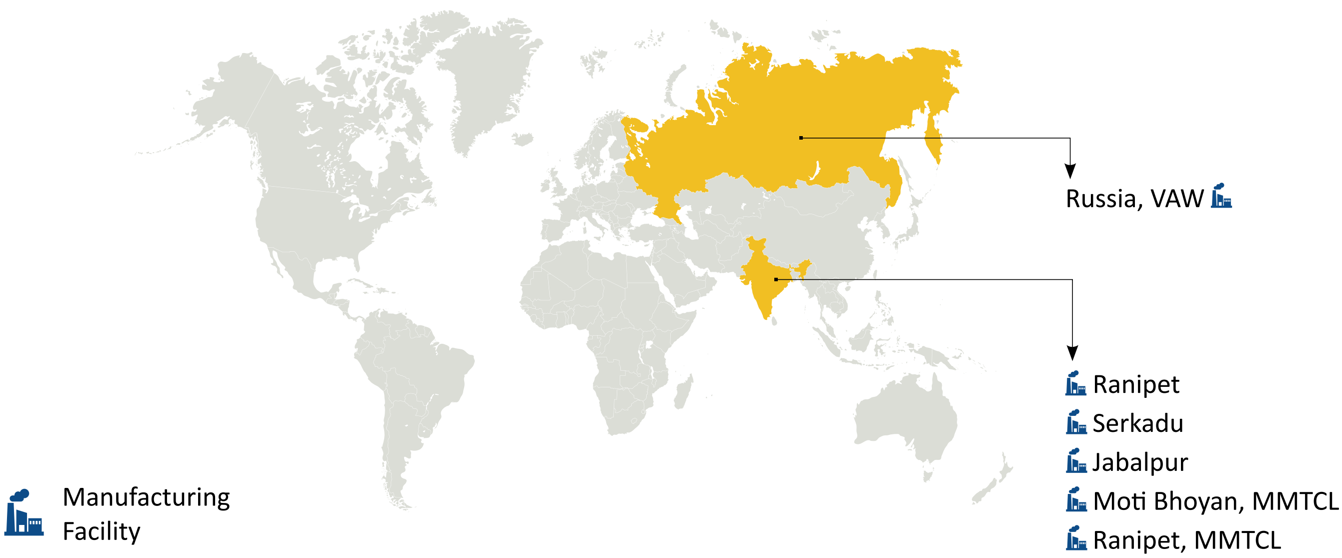
The acquisition of VAW provided a good competitive platform to get into the Nitride Bonded Refractories in a large way. Today about 4000 tpa of Nitride bonded Silicon Carbide (NbSiC) can be manufactured to address opportunities in India, ME and other markets.

2007 Completed a green field expansion in Ranipet for bonded refractories, anti-corrosive carbon products and polymer composites.

2008 The fast-growing steel industry provided an opportunity to again get into castables refractories with the acquisition of a plant in Jabalpur, Madhya Pradesh

2011 Murugappa Morgan Thermal Ceramics expanded its operations with a greenfield plant to make spun ceramic fibres and converted products in Moti Bhayan, Gujarat.

Global Presence: Ceramics - Super Refractories



CUMI India

Super Refractories has been focussed on growth and building capabilities to design, manufacture and install large and complex refractory shapes in the glass, power generation, steel and chemical process industries. Aided by the capacity addition in an energy-efficient kiln and the introduction of precision ground assembly platforms, the business has achieved a significant growth in fired products this year. These timely inclusions of critical assets have boosted the capacity and ensured safe and faster handling of products during assembly, resulting in the execution of higher Glass and Iron & Steel industry project orders with a shorter lead time.

An improved focus on product mix helped substantial growth of NbSic products. The Business entered new blast furnace NbSic lining segments in the domestic market, creating a first-time reference. Building a reputation as a reliable Indian supplier has resulted in expanding CUMI's presence in the chemical processing

Engineered NbSiC components for molten metal handling

Forehearth super structure for a customer manufacturing container glass in Europe

Light weight high strength nacelle covers made of fibre reinforced polymers for wind mills

Industry OEMs in American markets. The other growth opportunity CUMI has addressed is in the manufacture of glass for solar panels.

The Composites business continues to address flue gas desulphurisation of thermal power plants through wear-resistant composite spray headers and FGD Nozzles, condensate removal systems, wear-resistant slurry handling piping and wear-resistant spray nozzles.

The Composites business developed in-house technology to process lightweight Carbon fibre composites (CFRP) for drone applications. The business obtained a TUV-Nord EN9100:2018 certification for “Design, Development and manufacturing of Structural Composites for Aerospace Applications” to cater to the Aerospace market.

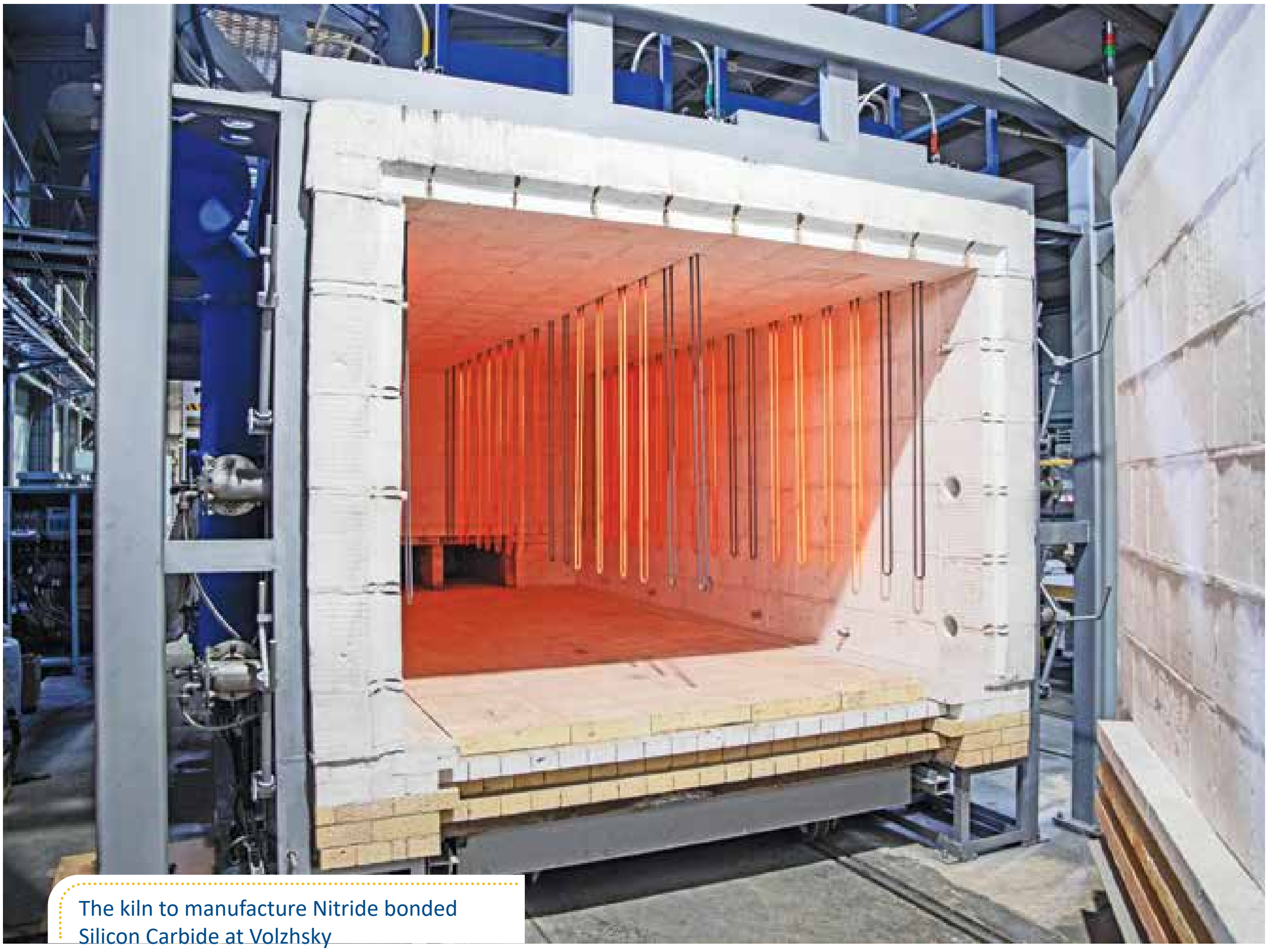
The AS9000 certified lab ready for manufacturing of composites for aerospace components

Volzhsky Abrasive Works (VAW)

The global uncertainties has significantly impacted the refractory segment of VAW. Some customers were reluctant to source from VAW thus impacting the export sales of refractories to the non-ferrous industries. The Business put their efforts into swiftly establishing customers in India and domestic markets.

A new Kiln commissioned this year has increased the Nitride Bonded Silicon Carbide capacities. New products have been developed for waste incineration projects.

NbSiC bricks and shapes for non-ferrous industries



The kiln to manufacture Nitride bonded Silicon Carbide at Volzhsky

Murugappa Morgan Thermal Ceramics (MMTCL)

Vacuum forming of ceramic fibre pouring cups

MMTCL grew significantly on the back of robust demand from end user in the Iron and Steel, Chemical Process Industries and Ceramic units. Good progress was made in the passive fire protection application in data centers, automobiles and for the fire proofing requirement in many metro stations. In 2022, MMTCL filed its first patent for new products & technologies. These new developments significantly reduce the environmental impact (water & power consumption). The Business has also discovered additional capacities for ceramic fibre production from its existing facilities through efficiency and productivity improvements.

MMTCL has moved forward significantly in its sustainability initiatives during the year. Prominent among these include:

a. Initiation of Green Energy – Solar & Wind – at both manufacturing locations
b. Installation & Commissioning of 5 new electrical ovens/driers to eliminate fossil fuel usage
c. Installation & Commissioning of MEE/ATFD/ETP facilities

MMTCL has supported various initiatives in education, skills development and plastic recycling, continuing its tradition of direct contributions to communities near manufacturing plants.

Aerial view of ceramic fibre blanket making line

Firemaster is the marine plus blankets for passive protection in marine vessels

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.

Graphene

CUMI has made progress in the Graphene space. The focus has been on building applications and creating dispersions. In Grafino®, the project progressed to the next level of activities through specific application developments. The Business has focused on specific areas such as composites, coatings and energy. Towards this, the business has established collaborations with 15 academic institutions and 48 industries in India and abroad. These have led to development work on nine applications in composites, six applications in coatings and four applications in energy segments. Among these applications, concrete, seals, O-rings, and packaging are nearing commercialisation under composites.

Graphene oxide is an oxygen functionalised form of graphene that makes it easy to disperse in polar mediums thus making it easier to use in applications requiring anti-bacterial properties, anti-corrosion etc.

In concrete applications, these nano-additives reinforce the matrix through modified packing, reducing corrosion behaviour and arresting cracks. Improved cement hydration, significantly enhances properties to yield high mechanical strength, life and durability. The speciality formulation enables ultra-high strength concrete for demanding applications such as roads, rails, bridges, marine structures, defence and industrial applications. The Business is also progressing well in using graphene to address speciality requirements in rubber products for enhanced performance and recycling.

A memorandum of understanding between CUMI and the Digital University of Kerala (DUK) has been signed. This would bridge expertise between industry and institute, enabling the creation of a "CUMI Centre of Excellence" at Kochi with support from the Government of Kerala and MietY. The facility would have infrastructure for developing and testing graphene and related products for emerging applications. The association would support research, proof of concept creation and faster commercialisation through scholars and researchers of DUK and their associates, including both institutes and industries, along with CUMI's expertise and market reach.

Graphene oxide infused 3D printed concrete

High purity silicon carbide

The invention of Carborundum gave rise to the very popular abrasives and refractory applications, leveraging its high hardness and melting point. The little-known and hard-to-capture semi-conducting property of silicon carbide is now creating global excitement in the manufacture of chips for high power applications.

Silicon carbide is a third-generation compound semiconductor material. This means that silicon carbide is a good semiconductor at high temperatures and lends well to high voltage applications like energy management systems in electric vehicles, renewable energy storage, industrial power supplies, fast charging infrastructure etc.

Our focus in the silicon carbide semiconductor value chain is the high-quality raw material required as a feedstock for growing silicon carbide crystals. During the year, pilot scale trials have been conducted successfully to establish each stage of this stringent process.

High purity silicon carbide to grow silicon carbide single crystals for use in power electronics

Phase Change Materials

PLUSS has had a year of steady progress. In the Life Sciences and Healthcare vertical, PLUSS launched the reusable Vacuum Insulation Panel based box integrated with phase change materials (PCM) to enable high-performance boxes that are low in weight and size. These boxes will substantially reduce freight costs, help conserve precious fuel, and decarbonise the logistics sector. More importantly, it will help pharmaceutical companies move away from conventional Thermocol/ EPS boxes that are single-use and litter the environment.

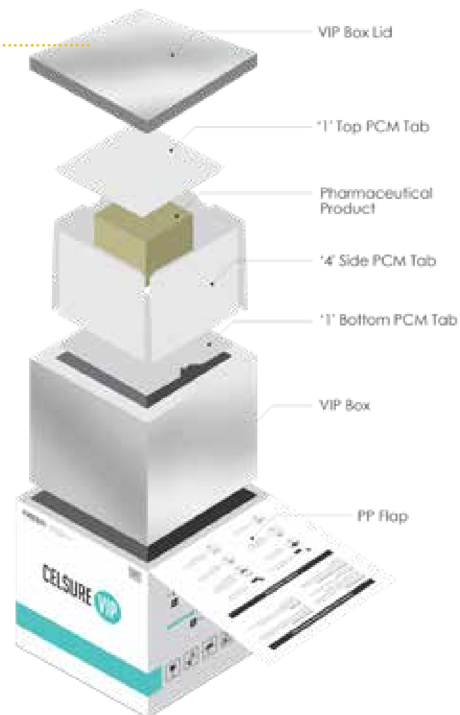
PLUSS successfully piloted a combination of solar and PCM-based thermal storage cold-room and modular office structures for construction sites which traditionally use diesel. This was done as part of an IFC-funded project under the Tech Emerge program in Nigeria and Colombia.

A PCM-based off-grid heating system designed by PLUSS, especially for cold regions, was launched under the brand name Aagun Spatial. The Business received an order to heat 15 rooms in the Department of Power, Sikkim.

Under the Climate Technologies vertical, PLUSS was awarded an Indo-Sweden joint project by GITA (Global Innovation and Technology Alliance), a joint venture of CII and DST, Govt. of India. PLUSS is developing high-temperature PCMs encapsulated in stainless steel spheres. These spheres will capture waste heat, thus aiding the repeated reuse of energy.

PLUSS renamed its R&D centre CREST, which expands to the Centre for Research on Energy, Science and Technology. CREST will endeavour to capture trends, projects, and products that PLUSS may decide to undertake in the future years and are accordingly applying for projects, grants and consultancies.

Temperature controlled PCM box for transportation of vaccine



Solar collectors to aid in PCM based room heating systems

The indoor heat unit containing Phase change materials (PCM)

At the Indian Army Fuel Petroleum Depot in Leh

net access
your anchor partner to success

Net Access is an information technology and infrastructure management company. Its service portfolio is built on Information Technology Network, Cloud and Cyber security. The industries it serves include manufacturing, financial services and retail. It offers end user support services, network and mobility, information security services and application software services.

In FY 2023, Net Access achieved good growth driven by projects including large network transformation and process automation for the sugar processing industry.

SEDCO
TAKING ENERGY PLACES

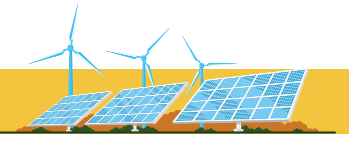
The year has been tough for the business, which has been negatively impacted due to steep increases in gas prices and other generating, operating and transmission charges. The team kept its focus on the solar business and explored new business opportunities like EV charging stations, battery storage systems, solar cold rooms etc. The gas-based power plant at Mannargudi achieved a milestone of generating 850+ million units in March 2023. Around 1.5 MWp capacity of solar systems (owned and operated by SEDCO) commissioned at various factory locations of CUMI, which has generated around 15,00,000+ units of electricity from cleaner sources, equivalent to saving 17,550 trees and reducing 606 Tons of CO_2 emissions. Eight solar projects with a combined capacity of 320 kWp were sold and commissioned during the year. The team has also commissioned the first solar-powered EV charging station at CUMI-Industrial Ceramics, Hosur. In line with its newly defined purpose of 'Taking Energy Places', the business is working on energy generation initiatives, including rooftop solar, solar farms and energy management services.

Towards Sustainability

The previous year saw the drawing up of the Sustainability Policy with a stated 25:25 goal of bringing down the resource intensity across all operations in energy, water, waste and emission intensity by 25% by FY 2025.

CUMI Company rolled out sustainability initiatives with a focus on carbon footprint reduction partnering with the Confederation of Indian Industry to assess the current standing point and standardise the measurement system of various emission scopes. During the year, significant efforts have been made to develop the database to cover all aspects of the environmental impacts of our operations. These form the base to bring further improvements in GHG reduction and associated environmental improvement programs. Significant progress has been made across businesses, with the Electrominerals Business leading this initiative as the largest energy and water consumer.

New energy efficient fibre lined kiln for firing glass and super alloy refractories offering a 15% reduction in energy consumption



ENERGY

Energy intensity reduction initiatives included identifying and optimising the power consumption in various power-intensive equipment, re-designing the manufacturing process in minerals, and moving to alternate fuels – both solar and natural gas. The high-temperature furnaces were refurbished with better ceramic insulations and achieved fuel savings through automation and heat recovery, besides improving combustion efficiency and specific fuel consumption. The capex program implemented for converting existing liquid fuel (HSD & SKO) run furnaces to natural gas resulted in lower emissions and specific energy consumption.

The 1.8 MW solar power farm at the Electrominerals facility

EMISSION

Across CUMI, investments have been in high efficiency dust collectors. The factories have a significant green cover of 6,000 trees which act as a carbon sink. The investment in a high-performance scrubbing system in the Silicon Carbide manufacturing unit in VAW Russia has contributed significantly to a much cleaner environment. Switching to natural gas in many plant locations has also helped lower emissions.

WASTE

The reduction of waste across business locations has been addressed through design. Programs that focus on more from less have led to innovative solutions that are reducing the use of materials in the process, thereby generating less waste and also by programs that use the waste materials to create products that can be used for social and economic purposes. Examples are the use of waste abrasive materials into composites and the recycling of industrial ceramics waste as inputs to refractory raw materials.

WATER

In line with CUMI's goal of reducing water intensity, several projects have been undertaken for water conservation using rainwater harvesting tanks and recycling facilities. Large water harvesting ponds effectively collect and store rainwater enriching groundwater storage for furnace cooling. In addition, technology programs are under execution to reduce the furnaces' cooling water requirement without compromising the safety of plants and people.

The Solar powered EV Charging Station setup by Southern Energy Development Corporation (SEDCO) at CUMI Industrial Ceramics

25%

CUMI's Sustainability Goals for 2025

25% reduction in water intensity

25% reduction in energy intensity

25% reduction in emission intensity

25% reduction in waste intensity

Research and Development

361 TRADEMARKS

78 PATENTS

69 DESIGNS

CUMI has systematically built its R&D capabilities across its businesses. Eight DSIR-approved laboratories have been established to further R&D resulting in in-house development of many products and technologies. Scientific capabilities are nurtured through engagement with research and academic institutions. This has created a culture of innovation which is the heart of CUMI.

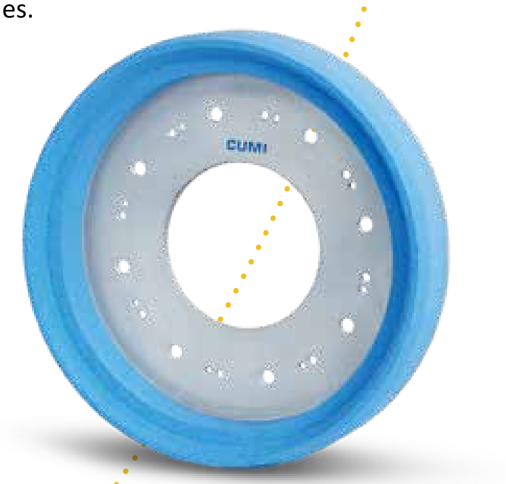
Consolidated excluding joint ventures

Product Innovations

Across CUMI's businesses, teams have been concentrating on developing sustainable solutions that make a material difference.

Abrasives continues to work on a range of products that aid in building closer surface tolerances efficiently. Electrominerals is building high value inputs for the future through processes with significantly lower energy, emission, water, and waste intensities. Industrial Ceramics addresses the critical needs of long life in the mining industry while contributing to cutting-edge areas in Solid Oxide Fuel Cells, clean mobility and ballistic protection of people and assets. Super Refractories is working on creating thinner products to help improve productivity and lower specific energy consumption. MMTCL is taking a deeper dive into sustainability across its product portfolio. PLUSS is making progress on new products for protection against extreme cold and for medical and food transport.

Track grinding wheels for CV joints are made with high-performance micro-crystalline grains with induced porosity and ultra-new generation vitrified bond. The precision offered by these wheels enables smoother steering movement in automobiles.



Bevel Gear Grinding Wheels are made with micro-crystalline grains with excellent cutting action and minimal mechanical damage. This is crucial to maintain the gear efficiency in differential drives.

Stearated coated discs on fibre-reinforced paper with special anti-loading properties improve the surface finish in the automotive aftermarket and composite applications.

Monocrystalline Alumina is manufactured in an electric arc furnace using a selective grade of alumina with special additives. The unique processing method makes these self-sharpening grains with superior cool cutting and grinding required for abrasive applications. From thin cut-off wheels to difficult-to-grind materials, these grains can greatly reduce metal loss during cutting. For very high contact area applications like thread grinding and internal grinding where heat generation is high, the cool cutting properties of these grains are advantageous.

CUMI Licorne is a Sintered Ceramic Alumina abrasives grain manufactured through a seeded sol-gel technology that provides cooler cutting and longer life. With stabilised nanostructures, this grain provides a high performance suitable for vitrified, resinoid, and coated applications.

3-Layer (Cr-Cu-Au) metalised Alumina substrate for flight use made with magnetron sputtering process qualified by Space Application Centre (SAC) – Indian Space Research Organisation (ISRO)

Double-sided rubberised Reaction Bonded Silicon Carbide (RbSiC) armour panels with STANAG 4569 level II ballistic protection qualification for amphibious vehicles

Tundish made of high-purity alumina to handle molten super alloy for the aerospace and defence industry

Engineered carbon components for corrosion protection of critical assets in fertiliser and chemical industries

Engineered Carbon Fibre Composite parts for aerospace and defence

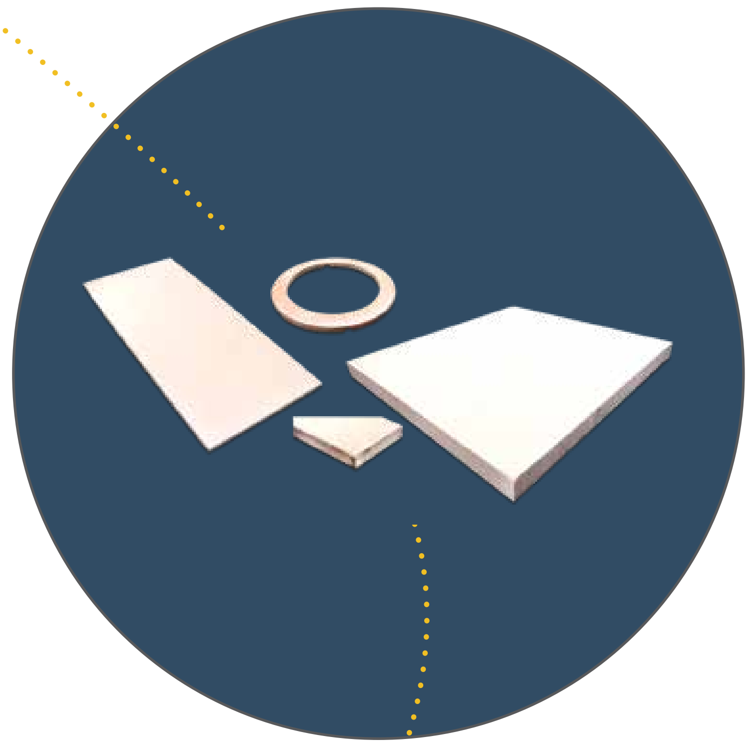
Flue gas desulphurisation spray nozzles for thermal power industries

60-inch segmental design stone with black silicon carbide & vitrified bond. Used by gram flour processing plants, these stones are mounted on a gristmill-like (aata chakki) machine and give an output of 500 kg per hour compared to the 350 kg per hour output of a typical magnesite wheel. This stone wheel also consumes 3 amperes of lower power.

The **epoxy-bonded control wheel** is predominantly used by automotive industries and bright bar manufacturers in the centreless grinding application. These wheels have a longer operational life, lower dressing frequency and better size control.

Superwool Prime
Energy | Emissions | Environment

Superwool Prime® is a patented low bio-persistent fibre product that provides energy savings, improved efficiency, and benefits for the safety of employees and processes. It is a non-carcinogenic fibre product in the 1300°C (2372°F) classification temperature range.



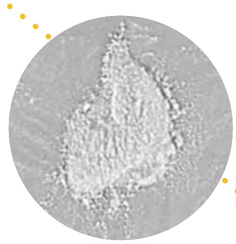
RCF-800 are ceramic boards manufactured through a patented zero-water-based process. The specialised process saves water, reduces the energy required for drying and has a higher density. The process is also being fine-tuned towards making different shapes for the EV market.

Quantapol is made with diamond and hybrid bonds (resin and metal bonding). These wheels have the elasticity of resin and the wear resistance of metals. They provide high-profile retention, low cutting forces, low frictional heat in the contact zone and excellent edge quality and surface finish. These wheels are used in round tool industries to grind carbide end mill and drill for fluting, gashing and clearance angle grinding operations.

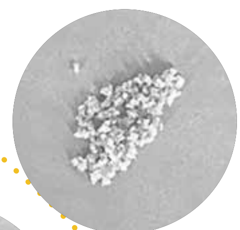
Vitrified CBN Wheels are made with cubic boron nitride and ceramic bond (a high-performance bonding system for hard-to-grind materials). These wheels run at 35 to 140 meters per second, provide aggressive cutting, minimal wear and heat, hold consistent quality parameters, and work with water soluble and neat oil lubricants. These wheels are widely used in the Auto and Engineering industries for Cam, Crank, gear shaft and bearing grinding applications.

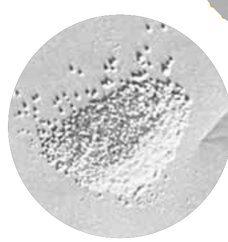
PLUSS expanded its PCM portfolio beyond 89 °C. They added three new PCMs, **OM151, HS169** and **OM180**, to the product list. These PCMs find application in multiple areas such as waste heat recovery, process heat reutilisation, thermal battery, and combined heat and power (CHP). The PCMs will be encapsulated in stainless steel balls or tubes to store and release the heat.

savE® OM151



savE® HS169





savE® OM180

Celsure 4 Earth® is a sustainable and reliable solution for intracontinental and domestic shipments. The thermal transport box has a qualified performance with minimum payload according to ISTA 7E (summer & winter profile) of true 48 hours and more, enabling high product safety for its clients. This is a sustainable solution with 100% recyclable box materials. CO_2 emissions are reduced in the manufacturing phase due to the local sourcing of natural materials. The solution is available in three box sizes from 4 to 28 L payload volume, three temperature ranges -25 to -15°C, 2-8°C, and 15-25°C, and can be customised for other sizes.

Awards

CUMI won the MMA (Madras Management Association) Award for Managerial Excellence 2022

- Abrasives won Gold Award in the Improvement Projects in Customer Facing Processes category for Individual Disc Coating Profitability Improvement at CII's 16th National Level Six Sigma Competition
- Abrasives won at the 5th National Convention on Innovative QC Teams – NCIQCT – 2022.
- Abrasives won Special Award – Deming Trophy for best use of Statistical Tools.
- Volzhsky Abrasives Works, CUMI's Russian subsidiary, won the 'Best Managers and Organisations' in 2021.
- CUMI received the Indian Engineering Congress – Industry Excellence award for their innovation and excellence in engineering operations.
- Electrominerals was recognized with GOLD Award for National Energy Management 2021 by the Society of Energy Engineers & Managers (SEEM), a National Professional body of certified Energy Managers, Auditors and Professionals.
- Electrominerals was awarded the Kerala State Energy Conservation Award 2022 in appreciation of the commendable achievements towards energy conservation and management in the category of Large-Scale Energy Consumers
- Electrominerals Maniyar Team won the Gold Award in ABK AoTS Competition.
- Electrominerals Alumina Zirconia Team won the CII Kerala State Quality Circle Competition, 2022.
- IC was awarded the "Best Responsive Supplier" by Schneider Group during their Supplier Day (India, Middle East and Africa) event in Bangalore.
- IC received the Appreciation Award for the "Agility and Customer First" mindset by Bloom Energy during their Supplier Day Event in Bangalore.
- IC received the "Long-Term Partnership Excellence" Award from SMS Group during their Partnership Meet in New Delhi
- Super Refractories won the TPM Strong Commitment Award for the Ranipet Factory.

Making a difference to Human Resources

While CUMI's business-as-usual activities continued, the focus of the Human Resources team for the year has been about crafting immersive learning experiences across levels.

YOLO 2.0

Your Own Learning Opportunities (YOLO) is a programme to manage the transition of newly joined Graduate Engineering Trainees (GET) into work systematically and effectively. Basis the inputs received, an improved programme of YOLO 2.0 has been redesigned as a 365-day thematic learning journey. For the GETs in the system since 2018, a 6-month refresher was delivered comprising various topics like 7QC tools, Data Analytics, APQP, FMEA, Lean Manufacturing Concepts, TPM and Finance for Non-finance.

CUMI SEAD

CUMI Systematic and Empowered Action through Development (SEAD) is a programme designed to enhance self-awareness, improve interpersonal effectiveness, and drive impactful results through systematic and structured behavioural tools and techniques. Created for individual contributors and first-time managers, this programme includes workshops, coaching and training sessions, action learning projects, and assignments. CUMI SEAD seeks to nurture and develop talent by impacting planning and performance orientation, execution management and creative orientation.

Our Values Ambassadors receiving their Shine Awards

KNOWLEDGE MANAGEMENT

The separation of key employees often hits the organisation's knowledge base. There is a knowledge and skill loss at various levels from retirement and resignation in specific technology-driven business domains across divisions. To address this issue, HR has developed a knowledge management policy & framework. The Electrominerals Business has pioneered the knowledge management initiatives, and this framework & policy strengthened their initiatives. It has been piloted with them & it allows the creation of a Knowledge Repository. This initiative is done in various formats, including creating an IT-enabled Knowledge Management framework to capture Subject Matter Expert knowledge. This has helped develop a repository of knowledge not removed by retirement or resignation.

CUMI wins the CII award for 'Significant Achievement in HR Excellence' 2022-23

WORK INTEGRATED LEARNING PROGRAMS

There has been a significant increase in employees using the self-development learning policy to pursue learning opportunities.

- BTech: 13 (BITS)
- MTech: 5 (BITS)
- MBA: 6 (BITS & IIT Madras)
- Post Graduate Program: 1 (IIM Bangalore)
- Executive Program: 1 (IIM Kashipur)
- PhD: 2 (IIT Kharagpur and IIT Patna)

Community Initiatives

CUMI continues investing in projects that focus on health and education as envisaged in the CSR Policy.

CUMI Centre for Skill Development (CCSD)

CCSD is an institute managed directly by CUMI at Hosur and Ranipet in Tamil Nadu and Kochi, Kerala. Its mission is - honing skills and shaping lives. Since its inception over a decade ago, 431 students have benefitted. This year, CUMI has provided free technical training to 107 economically disadvantaged students under the NCVET Syllabus. Forty-one students successfully passed out from CCSD and found employment opportunities in various businesses. The institution's curriculum has been improved to shift students' outlook. The updated curriculum includes hands-on instruction in Total Productive Maintenance, trips to international expos, and learning about entrepreneurship, all aiming to improve students' outlook.

A CCSD student getting hands-on experience of the filing process

MYFA

Murugappa Youth Football Academy (MYFA), run by the AMM Foundation since 2015, offers free coaching for youngsters from a low socio-economic background aged 11-18 years. The Academy is home to 300 handpicked youngsters and strives to teach human values such as discipline and honesty by using the ball as a tool. MYFA recently joined hands with Borussia Dortmund after striking a strategic partnership with the German football giant. As part of the deal, BVB Evonik Football Academy Dortmund Talent Development Coordinator Julian Wasserfuhr and Borussia Dortmund Asia-Pacific Managing Director Suresh Letchmanan, also a certified coach, flew down to Chennai for a three-day camp with the MYFA kids.

Signing the agreement between Borussia Dortmund, CUMI and AMM Foundation to promote football

Vellayan Chettiar High School

CUMI continued to support AMM Foundation to cover employee costs, stationery, professional fees and administration expenses for the Vellayan Chettiar Higher Secondary School at Tiruvottiyur, which caters to 2309 students (1149 boys & 1160 girls).

Murugappa Chettiar Research Centre

CUMI has funded an R&D study to develop natural dyes. The twin aim of this project is to promote sustainability and create employment opportunities towards rural upliftment. The target group of this project are Farmers, Individuals and NGOs in Chengalpet, Villupuram, Sivaganga, Cuddalore and Coimbatore districts.

Road Ahead

India is poised to be a global force in manufacturing, and its economy is expected to grow multi-fold over the next decade and more. This assessment by many economic and banking experts is based on the structural changes in India over the last decade. Post the pandemic, the policy changes have improved the ease of doing business, the demographic and generational aspirations that drive consumption, and the robust platform that has sped up the digital economy. The Government's push on infrastructure and promoting manufacturing across various sectors through many incentive schemes shows promise. India is also being evaluated as a potential alternative manufacturing location by many companies globally to mitigate supply chain shocks. All 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.

For CUMI, the focus is on leveraging and turning around the recent acquisitions in abrasives and building a strong business in the domestic and select global markets. Research and development initiatives will continue to drive progress in advanced materials like graphene, ceramics for hydrogen electrolysers and semi-conductors, synthetic graphite and high purity silicon carbide. Apart from the core industries that drive demand, aerospace and defence, energy, environment, and mobility would be growth areas.

The future holds great promise for materials sciences. CUMI's six decades of progress in leveraging material properties gives us a head start to fashion sustainable material science solutions for the future.

Our Board of Directors during a factory visit to the Electrominerals facility at Edapally, Kochi

From Left to Right: PS Raghavan, Sujjain S Talwar, Aroon Raman, Sanjay Jayavarthanavelu, MM Murugappan, Sridharan Rangarajan, Soundara Kumar, N Ananthaseshan

MM Murugappan
67 years

Mr Murugappan holds a Master's degree in Chemical Engineering from the University of Michigan, USA. Besides serving as the Chairman of Cyient Limited, Cholamandalam MS General Insurance Company Limited, Cholamandalam Financial Holdings Limited, Murugappa Water Technology and Solutions Private Limited and RHODIUS Abrasives GmbH, he is on the Board of several companies including IIT Madras Research Park and Ambadi Investments Limited. He was elected as a Fellow member of the Indian Ceramic Society and is also a member of the American Institute of Chemical Engineers, and the Indian Institute of Chemical Engineers, Plastics & Rubber Institute. Mr Murugappan was a member of the Board of Governors, IIT Madras. He is currently the Chairman of the Board of Governors of IIM Indore.

Sanjay Jayavarthanavelu
54 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 including, The Lakshmi Mills Company Limited, Lakshmi Electrical Control Systems Limited, Lakshmi Cargo Company Limited, Lakshmi Technology and Engineering Industries Limited etc.

Aroon Raman
63 years

Mr Aroon Raman holds a Master's degree in Economics from Jawaharlal Nehru University, New Delhi, and a MBA from the Wharton School, University of Pennsylvania, USA. He was the Managing Director of Raman Boards and then Raman Fibre Science Private Limited. He has served as Chairman of the 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 and the Nettur Technical Training Foundation.

PS Raghavan
67 years

Mr Raghavan holds a Bachelor's degree in Physics from St. Stephen's College, Delhi as well as an Electronics & Communications Engineering from the Indian Institute of Science, Bangalore. He joined the Indian Foreign Service in the year 1979 and has held various diplomatic assignments in Moscow, Warsaw (Poland), London (UK), Ho Chi Minh City (Vietnam) and Pretoria (South Africa). He has been the Joint Secretary in the Prime Minister's Office dealing with Foreign Affairs, Nuclear Energy, Space, Defence and National Security; Secretary in the Ministry of External Affairs and the Indian Ambassador to countries like Russia, Ireland and Czech Republic etc. He was the Convenor/Chairman of National Security Advisory Board of India of the National Security Council Secretariat of the Government of India from 2016 to 2022. He is now a Distinguished Fellow of the Vivekananda International Foundation. He is also on the Boards of Volzhsky Abrasives Works, Russia and CUMI International Limited, Cyprus

Sujjain S Talwar
59 years

Mr Sujjain Talwar is a qualified solicitor in India, England, and Wales, with over 25 years of experience. He is the founding partner of Economics Law Practice, a law firm that has consistently been ranked as a top 10 law firm, with offices across India. In the past, he has 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.

Soundara Kumar
68 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 served the State Bank of India for over 39 years, including as Managing Director of State Bank of Indore. 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, Shanti Gears Limited and Bank of Baroda.

Sridharan Rangarajan
57 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 holds a Bachelor's degree in Commerce from Madurai University. He has about 35 years of cumulative 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, Cholamandalam MS General Insurance Company Limited, Cholamandalam MS Risk Services Limited, E.I.D Parry (India) Limited, Parry Agro Industries Limited, PLUSS Advanced Technologies Limited and Net Access India Limited. He has also served on the Board of Timken India Limited. He joined the Board of CUMI on 1st July 2021 as its Director - Finance & Strategy

N Ananthaseshan
60 years

Mr N Ananthaseshan holds an M Tech degree in Material Science from the Indian Institute of Technology, Kharagpur and a Master's degree in Applied Sciences from PSG College of Technology, Coimbatore. He has been associated with the Company since 1986 and has over 35 years of experience, including as Head of both the Electrominerals & Abrasives businesses. Ananthaseshan serves as a Director on the Boards of Wendt (India) Limited, Sterling Abrasives Limited, Volzhsky Abrasive Works, PLUSS Advanced Technologies and various other subsidiaries of the Company, in addition to serving as the Chairman of Murugappa Morgan Thermal Ceramics Limited.

Senior Leadership Team

Ninad Gadgil
Business Head - Abrasives

Sivakumaran MV
Business Head - Electrominerals

Prathap Kumar
Business Head - Industrial Ceramics

Raghavendra Pai
Business Head - Super Refractories

Bhaskharan Kannun
Head - Human Resources

Padmanabhan P
Chief Financial Officer

Rekha Surendhiran
Head - Legal and Secretarial

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,
Director - Finance & Strategy (DIN 01814413)

N Ananthaseshan, Managing Director (DIN 02402921)

Committees of the Board

Audit Committee

Sanjay Jayavarthanavelu, Chairman

Sujjain S Talwar

Aroon Raman

Soundara Kumar

Sridharan Rangarajan

Nomination and Remuneration Committee

Sanjay Jayavarthanavelu, Chairman

Aroon Raman

P S Raghavan

Corporate Social Responsibility Committee

Aroon Raman, Chairman

P S Raghavan

N Ananthaseshan

Risk Management Committee

P S Raghavan, Chairman

Aroon Raman

N Ananthaseshan

Stakeholders Relationship Committee

M M Murugappan, Chairman

P S Raghavan

Sridharan Rangarajan

N Ananthaseshan

MANAGEMENT COMMITTEE

N Ananthaseshan, Managing Director

Sridharan Rangarajan, Director - Finance & Strategy

Ninad Gadgil, Business Head - Abrasives

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

P Padmanabhan, Chief Financial Officer

Rekha Surendhiran, Company Secretary

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

BANKERS

State Bank of India

Standard Chartered Bank

Bank of America

The Hongkong and Shanghai Banking Corporation Ltd.

BNP Paribas

REGISTRAR AND SHARE TRANSFER AGENT

M/s. KFin Technologies Limited (formerly known as "M/s. KFin Technologies Private 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

Contact Person: Mr. Rajkumar Kale – Asst. Vice President

Financial Highlights

(₹ million, unless otherwise stated)

Summary information		Consolidated performance					Standalone performance				
		2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
a	Net Sales	46010	32896	26041	25694	26556	24732	21916	16493	16231	17519
b	EBITDA*	7659	5968	5121	4614	4855	4963	4115	3174	3069	3242
c	PBIT*	5785	4822	4126	3569	3773	4218	3465	2559	2399	2488
d	PBT	5799	4765	3946	3505	3688	4316	3455	2445	2395	2479
e	PAT	4140	3334	2843	2724	2477	3309	2545	1840	1913	1661
f	Net Fixed Assets	13698	9057	6754	6540	6191	5322	4527	4293	4344	4178
g	Net Working Capital	12879	8751	12433	9869	8944	4169	3178	8503	6799	6027
h	Non Current Investments	1612	1378	1271	1212	1304	10475	9685	2507	2458	2511
i	Shareholders Networth	28206	23638	21315	18584	17241	20065	17407	15348	13671	12769
j	Loan Funds	2301	2122	430	616	967	1040	1630	-	-	9
	Ratio Analysis										
A	**Performance Ratios**										
1	EBITDA/Net Sales %	17%	18%	20%	18%	18%	20%	19%	19%	19%	19%
2	PBIT/Net Sales %	13%	15%	16%	14%	14%	17%	16%	16%	15%	14%
3	Asset Turnover times	1.3	1.1	1.1	1.3	1.4	1.8	1.5	1.2	1.3	1.5
4	Return on Capital Employed %	20%	20%	20%	19%	21%	21%	20%	18%	18%	20%
5	Return on Equity	16%	15%	14%	15%	15%	18%	16%	13%	14%	14%
6	International Revenue (net) share %	56%	45%	49%	49%	45%	26%	23%	25%	24%	22%
B	**Leverage Ratios**										
1	Interest Cover times	32.5	105.7	143.0	72.9	57.2	33.0	422.5	1171.1	871.8	345.7
2	Debt Equity Ratio	0.1	0.1	0.0	0.0	0.1	0.1	0.1	-	-	0.0
3	Debt/Total Assets	0.1	0.1	0.0	0.0	0.0	0.0	0.1	-	-	0.0
C	**Liquidity Ratio**										
1	Current Ratio	2.7	2.1	3.7	3.8	3.2	2.0	1.6	3.9	4.6	3.7
D	**Activity Ratio**										
1	Inventory Turnover days	63	64	68	74	67	58	58	69	75	62
2	Receivable Turnover days	44	53	62	65	68	53	54	64	66	68
3	Creditors No. of days	49	57	51	42	41	48	53	53	46	46
4	Cash Cycle days	58	60	79	97	94	63	59	80	95	84
E	**Investor related Ratios**										
1	Earning Per Share (₹)	21.8	17.6	15.0	14.4	13.1	17.4	13.4	9.7	10.1	8.8
2	Dividend Per Share (₹)	NA	NA	NA	NA	NA	3.50	3.50	3.00	2.75	2.75
	- Interim	NA	NA	NA	NA	NA	1.50	1.50	1.50	2.75	1.50
	- Final (proposed and paid in subsequent year)	NA	NA	NA	NA	NA	2.00	2.00	1.50	-	1.25
3	Dividend Payout %	NA	NA	NA	NA	NA	20.1%	26.1%	30.9%	32.5%	35.8%
4	Price to Earnings Ratio	38.9	43.7	21.3	22.7	27.5	-	-	-	-	-
5	Enterprise Value/EBITDA	21.0	24.3	11.1	12.9	14.0	NA	NA	NA	NA	NA
6	Enterprise Value/Net Sales	3.5	4.4	2.2	2.3	2.6	NA	NA	NA	NA	NA

*excluding exceptional income/expenses (Net)

Refer Note No. 45 of Consolidated Financial Statement.

Refer page no: 350 for Glossary.

Directors' Report

Your Directors have the pleasure in presenting the 69th Annual Report together with the Audited Financial Statements for the year ended 31st March 2023. 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

The financial year 2022-23 presented challenges worldwide including, economy, layoffs, war and environmental crisis. Barely had the pandemic receded, and the war in Ukraine broke out in February 2022. The prices of commodities, food, energy, and fertiliser rose sharply. As inflation rates accelerated, central banks responded with monetary policy tightening to contain inflation. Many developing countries faced severe economic stress as the combination of higher import prices, weaker currencies, the rising cost of living and a stronger dollar adversely impacted them.

During the second half of 2022, there was some relief for the governments and households. Commodity prices peaked and then declined. However, prices of some commodities remain well above their pre-pandemic levels. As 2023 rolled in, China opened up rather swiftly, reversing its Zero-COVID policy. The Eurozone economies could narrowly avoid a recession due to the unexpectedly warm winter in the region which otherwise would have dented household's disposable income significantly due to significant increase in energy prices. As the inflation rate declined in the US, policy rates are set to rise more slowly and there are faint hopes of the US avoiding a recession altogether, barring any unexpected financial system stress.

The global economy grew by 3.4 per cent in Calender Year (CY) 2022 and is expected to grow at 2.8 per cent in CY 2023, before rising slowly and settling at 3.0 per cent - the lowest medium-term forecast in decades owing primarily due to the coordinated global monetary policy tightening coupled with the continuing geopolitical tensions. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 per cent in CY 2022 to 1.3 per cent in 2023. The slowdown is concentrated in advanced economies, especially the Euro area and the United Kingdom, where growth is expected to fall to 0.7 per cent and -0.4 per cent respectively in 2023 before rebounding to 1.8 and 2.0 per cent in 2024.

On the other hand, the Indian economy has strongly rebounded on the back of a sustained recovery in domestic demand, government impetus to infrastructure spending, and export growth, further spurred by global economy as well as the 'China Plus One' sourcing strategy of many global players. India became the world's fifth- largest economy, measured in current dollars. Though the economy was expected to grow at 7 per cent for the year ending March 2023, the growth is expected to close at about 6 per cent. The World Bank has revised its FY 2023-24 GDP forecast to 6.3 per cent from 6.6 per cent (December 2022). The annual rate of inflation is below 6 per cent and as per the World bank it is expected to average out at 5.2 per cent for the FY 2023-24

The export of goods and services in the first nine months of the financial year (April-December) was up by 16 per cent compared to the same period in 2021-22. The fundamentals of the Indian economy are sound as it enters its Amrit Kaal, the 25 year journey towards its centenary as a modern, independent nation. Policies pursued carefully and consciously have ensured that the recovery is robust and sustainable.

Company Performance

Revenues

During the year, the standalone revenues grew by 13 per cent and the consolidated revenues by 40 per cent driven by better performance across all the businesses. The Company began its financial year after the Russia-Ukraine war broke out in February 2022 which created more challenging situations like inflation, raw materials availability, supply chain disruptions, foreign currency rate fluctuations, higher cost of capital, geopolitical tensions, and expectation of a global recession. Economies across the world, including India, were facing inflationary pressure. 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. There was no significant impact on Russian operations despite having to operate under very volatile and difficult situation. Seeing the challenges to sell more outside Russia, the Russian subsidiary focused more on serving the domestic market and increased the domestic share to ~59 per cent, which used to be ~41 per cent earlier. The Company anticipated the impact of the war on recent acquisitions in Europe and took precautionary measures in advance and throttled in implementation of its integration projects as planned. During the first half of the financial year, there were increase in COVID cases once again but thanks to widely held vaccination drives, the impact was minimised. The provision of oxygen concentrators, the establishment of quarantine facilities and rolling out of COVID care policy provided support to and improved confidence of the workforce. Towards the second half of the year, sustained recovery in domestic demand, government impetus to infrastructure spending, export growth, softening in commodity prices, easing in material shortages, production cutbacks by China due to environmental concerns and the 'China Plus One' sourcing strategy of global players, led to strong rebound in business performance. Some segments also witnessed a higher share of exports with incremental growth coming from export customers wanting to de-risk their supply chains. All three businesses registered high double-digit growth in revenues. For Abrasives segment, the growth also included additional sales from Rhodius and Awuko. On one hand, the increase in inflation helped the Electrominerals business to clock better margins, but the Abrasives segment was impacted on other hand. The Ceramics business continued to perform better in terms of revenues and margins due to strong demand of value-added products, better realisation and a favourable product mix.

The subsidiaries also have shown significant growth over the last year. Among overseas subsidiaries, Volzhsky Abrasive Works, Russia, CUMI America, CUMI (Australia) Pty Limited (CAPL) and Foskor Zirconia (Pty) Limited, South Africa registered double digit growth. CUMI Middle East (CME), United Arab Emirates and CUMI Abrasives and Ceramics Company Limited, China (CACCL) have de-grown owing to the conscious decision to minimise operations considering the sustainable continuance in these regions with the current model of operations. The subsidiaries which were acquired during last FY also contributed to additional sales. On the other hand, domestic subsidiaries including Sterling Abrasives Limited, Net Access India Limited and PLUSS Advanced Technologies Limited (PLUSS) have also grown over last year. Southern Energy Development Corporation Limited (SEDCO) which was severely impacted by the gas price increase owing to the geopolitical crisis was able to grow only marginally and had to report a loss for the year.

The Abrasives segment registered growth of 59 per cent at a consolidated level which includes sales of ₹6192 million from Rhodius and Awuko and at standalone level, sales grew in single digit despite external challenges. The Electrominerals segment grew 25 per cent at consolidated level and 13 per cent at standalone level on the back of high demand for minerals and supply shortages, supported by growth in volumes and realisation. Higher productivity and prudent cost control helped significant growth at standalone level. The Ceramics segment grew by 26 per cent at standalone level and 29 per cent at consolidated level. The demand outlook for key domestic core industries remained strong for ceramics and refractories. The demand for Technical Ceramics, driven by technology transformations in the Auto industry and the interest towards clean energy has driven growth.

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

(₹ Million)

	2022-23		2021-22		Growth
	% share	Amount	% share	Amount	%
Standalone					
Abrasives	45	11069	48	10516	5
Ceramics	34	8342	30	6612	26
Electrominerals	28	7020	28	6207	13
Eliminations	(7)	(1699)	(6)	(1419)	(20)
Total	**100**	**24732**	**100**	**21916**	**13**
India	74	18400	77	16773	10
Rest of the world	26	6332	23	5143	23
Total	**100**	**24732**	**100**	**21916**	**13**

(₹ Million)

	2022-23		2021 - 22		Growth
	% share	Amount	% share	Amount	%
Consolidated					
Abrasives	44	20353	39	12830	59
Ceramics	22	10273	24	7980	29
Electrominerals	36	16338	40	13120	25
Power	1	259	1	245	6
IT services	1	585	1	453	29
Others	1	542	1	190	185
Eliminations	(5)	(2340)	(6)	(1922)	(22)
Total	**100**	**46010**	**100**	**32896**	**40**
India	44	20321	55	18232	11
Rest of the world	56	25689	45	14664	75
Total	**100**	**46010**	**100**	**32896**	**40**

The Company's consolidated revenues from India grew by 11 per cent and from rest of the world increased by 75 per cent cent mainly due to acquisition of new entities.

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, operate plants efficiently while reducing the overall cost of operations. Capital expenditure, across all geographies were directed at capacity expansions, 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	2022-23	As % of Sales	2021-22	Increase %
Sales		**24732**		**21916**	**13**
Other Operating Income		367		236	55
Revenue from Operations		**25099**		**22152**	**13**
Other Income		319		420	24
Total Income		**25418**		**22572**	**13**
Expenses					
Cost of material consumed	40	9991	41	8925	12
Purchase of stock in trade	3	718	3	736	(2)
Movement of Inventory	0	(27)	(2)	(346)	(92)

(₹ Million)

	As % of Sales	2022-23	As % of Sales	2021-22	Increase %
Employee benefits expense	10	2369	10	2149	10
Finance Cost	1	150	0	10	1400
Depreciation and amortisation	3	745	3	650	15
Power & Fuel	9	2295	10	2104	9
Other expenses	21	5110	22	4889	5
Total Expenses	**86**	**21351**	**87**	**19117**	**12**
Profit before tax and exceptional Item	**16**	**4067**	**16**	**3455**	**18**
Exceptional item	1	249	-	-	-
Profit before tax	**17**	**4316**	**16**	**3455**	**25**
Profit after tax	**13**	**3309**	**12**	**2545**	**30**
Total Comprehensive Income	**13**	**3236**	**11**	**2517**	**29**

Standalone profit before tax stood at ₹4316 million as compared to ₹3455 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, Zircon Sand amongst others. The sourcing is a prudent mix of indigenous and imported materials. Aided by judicious sourcing and optimising throughput in production, material consumption continued to marginally improve during the year. Significant improvement in specific material and energy consumption was recorded across businesses. Also, approximately 1.5 MWp of solar systems were commissioned across the Company.

Power and fuel cost increased by 9 per cent from ₹2104 million in the preceding year to ₹2295 million during the current year.

Employee benefits expense increased from ₹2149 million in the preceding year to ₹2369 million during the current year.

Profit before finance cost, exceptional item and tax margin expanded in all segments except Abrasive segment due to increase in revenue, more favourable cost structures and better realisation in some segments. Abrasive segment includes the results of newly acquired entities and hence lower margins.

Finance costs were at ₹150 million compared to ₹10 million in the previous year. Total Comprehensive Income increased from ₹2517 million to ₹3236 million.

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

(₹ Million)

	2022-23	2021-22
CUMI Standalone	4067	3455
Subsidiaries including step down subsidiaries:		
Indian		
Net Access India Limited	45	33
Southern Energy Development Corporation Limited	(47)	92
Sterling Abrasives Limited	220	164
PLUSS Advanced Technologies Limited	(179)	(126)
Foreign		
CUMI (Australia) Pty Limited	282	191
CUMI International Limited	103	247
Volzhsky Abrasive Works	2046	1381
Foskor Zirconia (Pty) Limited	104	76
CUMI America Inc.	174	3
CUMI Middle East FZE	(10)	1
CUMI Abrasives & Ceramics Company Limited	(47)	(15)
CUMI Europe s.r.o.	1	-
CUMI Awuko Abrasives GmbH	(457)	(196)
Rhodius Abrasives GmbH	(398)	(5)
Total of Subsidiaries	**1837**	**1846**
Inter Company Eliminations	(727)	(739)
Consolidated profit before tax and share of profit from Associate and Joint ventures	**5177**	**4562**
Consolidated profit after tax attributable to owners	**4140**	**3334**

On a consolidated basis, the profit before tax and exceptional item (before share of profit from Associate and Joint Ventures) increased to ₹5177 million from ₹4562 million. Profit after tax and non-controlling interests has increased to ₹4140 million from ₹3334 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		
	31.03.2023	31.03.2022	% change	31.03.2023	31.03.2022	% change
Net Fixed assets (including goodwill and Right of use assets)	5322	4527	18	16142	10638	52
Investments - Non-current	10475	9685	8	1612	1378	17
Other Assets						
- Inventories	3795	4002	(5)	8989	6909	30
- Trade receivables	3897	3309	18	6274	4848	29
- Cash and cash equivalents	99	158	(37)	3964	3475	14
- Other assets	796	1017	(22)	2263	5980	(62)
Total assets	**24384**	**22698**	**7**	**39244**	**33228**	**18**
Liabilities (Other than loans)	3279	3661	(10)	7458	6609	13
Net assets	**21105**	**19037**	**11**	**31786**	**26619**	**19**
Sources of funding:						
Total equity attributable to owner	20065	17407	15	28206	23638	19
Non - Controlling interest	-	-	-	1279	859	49
Loan outstanding:						
- Long term borrowings	-			429	78	451
- Short term borrowings (including current maturities of long time borrowings)	1040	1630	(36)	1872	2044	(8)
Total loans	**1040**	**1630**	**(36)**	**2301**	**2122**	**8**
	21105	**19037**	**11**	**31786**	**26619**	**19**
Loans (net of cash and cash equivalents)	**941**	**1472**	**(36)**	**(1663)**	**(1353)**	**23**

On a consolidated basis, the total equity attributable to owners as on 31st March 2023 was ₹28206 million. There was an increase (net of dividend) to the extent of ₹4568 million. Non-controlling interest was at ₹1279 million.

Liabilities (other than loans) was ₹7458 million. The loans outstanding increased to ₹2301 million from ₹2122 million. Net fixed assets (including goodwill and Right of use assets) increased to ₹16142 million during the current year from ₹10638 million in the last 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	
	2022-23	2021-22	2022-23	2021-22
Cash flow from Operations	4395	2821	5927	3771
Taxes paid	(955)	(840)	(1625)	(1326)
Cash flow from operating activities	**3440**	**1981**	**4302**	**2445**
Capital Expenditure (Net of disposal)	(1564)	(812)	(3006)	(1631)
Cash flow from other investing activities	(558)	(4672)	434	(2971)
Cash flow from investing activities	**(2122)**	**(5484)**	**(2572)**	**(4602)**
Cash flow from financing activities	**(1377)**	**1113**	**(1334)**	**894**
Net increase/(Decrease) in Cash & Cash equivalents	(59)	(2390)	396	(1263)
Net Cash and Cash equivalents at the beginning of the year	**158**	**2548**	**3475**	**4783**
Effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	-	-	93	(45)
Cash and Cash equivalents at the end of the year	**99**	**158**	**3964**	**3475**

On a standalone basis, net cash generation from operations was ₹3440 million in FY 2022-23 compared to previous year's ₹1981 million. Net cash outflow on account of investing activities was ₹2122 million majorly towards capital expenditure. Net cash outflow on account of financing activities was ₹1377 million which is attributable primarily to repayment of borrowings. The net decrease in cash and cash equivalents was ₹59 million against the net decrease of ₹2390 million in FY 2021-22.

On a consolidated basis, net cash generation from operations was ₹4302 million in FY 2022-23. Net cash outflow on account of investing activities was ₹2572 million. Net cash outflow on account of financing activities was ₹1334 million. The net increase in cash and cash equivalents was ₹396 million against a net decrease of ₹1263 million in FY 2021-22.

Key Financial Ratios (on a standalone basis)

Parameter	2022-23	2021-22	Favourable/ (Adverse) in %	Comments
R O C E (%)	21.2	18.2	17	Better returns & effective utilisation of capital employed
Debt Equity (times)	0.05	0.09	45	Due to repayment of current borrowings.
PBT (%) to Sales*	16.4	15.8	4	Increase due to better profitability.
Asset turnover (times)	1.8	1.5	21	Optimal utilisation.
Receivable turnover (days)	53	54	2	Effective control of Receivables
Inventory turnover (days)	58	58	-	At the same level
Interest Coverage Ratio (times)	33.0	422.5	(92)	This is due to the increase in Finance costs consequent to utilisation of borrowings during the current year.
Current Ratio (times)	2.0	1.6	24	Due to repayment of current borrowings.
Operating Profit Margin (%)*	15.2	13.9	9	Increased efficiency.
Net Profit Margin (%)	13.4	11.6	15	Better profitability due to product mix and market growth
Return on Net Worth (%)	17.7	15.5	14	Increase due to higher profits

**excluding exceptional income/expenses (Net)*

SHARE CAPITAL

The paid-up equity share capital as on 31st March 2023 was ₹189.94 million. The capital increased during the year by ₹0.08 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/- per equity share of ₹1/- each. It may be recalled that in February 2023, an interim dividend at the rate of ₹1.50/- per equity share of ₹1/- each was declared and paid in March 2023. This aggregates to a total dividend of ₹3.50/- 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 2023 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 2023.

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 basically hard synthetic minerals coated on to 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 more than sixty years 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, it has built world class facilities with strong processes, which gives it a cutting edge.

In the FY 2022-23, the business invested in expanding its conversion facilities at Sriperumbudur for the Coated operations.

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 that are exhibited by a very experienced team of application engineers across the globe.

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 ten manufacturing plants located across India, Russia and Thailand.

The marketing entities in North America, Middle East, China 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 increase in disposable income.

The global Abrasives market got impacted heavily in Q1 and Q2 of FY 2022-23 due to heavy cost inflation after every economy and industry got affected because of Russia-Ukraine war. Europe and to a lesser extent US saw a heavy impact on Industrial production due to the inflationary conditions.

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 2021-22. Cement production and Steel consumption both realised growth in Q3, after remaining subdued in previous months - positive signs for construction, infrastructure, and SMEs.

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

Likewise, the war in Ukraine and the resulting impact in Europe led to a slowdown in some sectors like Handicrafts and Hand tools which have high dependence on exports.

Sales Overview

The Abrasives business on a standalone basis recorded revenues of ₹11069 million compared to ₹10516 million in the previous year.

The first 2 quarters were focused on managing the cost pressure and ensuring selective price increases to manage the margins. The precision Abrasives business was able to register double-digit growth due to the demand from the Auto sector. However, severe competition from cheap imported players led to muted demand in the standard range of products.

Business had initiated several projects in cost control pursuing new methodologies like design-to-value, Packaging cost improvements, Process efficiencies and Automation projects using Digital and IOT techniques.

The business continued to make steady progress in building distribution leadership, a key strategic pillar for the Company's growth. During the year, the business appointed new channel partners and expanded its dealer network across India. The Company continued with online digital marketing initiatives with the physical market promotion activities, commencing from Q4. Retail development activities, promotional "influencer" campaigns, end user-based email campaigns across geographies were conducted for better market penetration and several new digital initiatives were introduced which are expected to give a sustainable competitive advantage, better and faster connect with the end user communities. New products continued to be developed and introduced in the market meeting the needs of customers.

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 FY 2022-23 was to complete the line balancing with respect to both upstream and downstream processes. Based on it, the conversion capacities and capabilities were enhanced. Coated business faced relentless pressure in terms of cost push, increased lead time for raw materials throughout the year. To negate the above, manufacturing lines were operated at higher productivity levels through line speed increase in the continuous process of jumbo making for selective run of the mill products. Major investments had been made in the backward integration process by enhancing the capabilities of cloth processing. To respond quickly to the market, a new pilot plant investment was done with the start of art facilities.

Bonded Abrasives adapted a different methodology known as QRM (Quick Response to Manufacturing) for its Make-to-order line segments to reduce in factory lead time which enabled the business to serve the B2B markets at faster phase. This learning was horizontally deployed across all line segments in vitrified and organic abrasives products.

Focus on mass market for FY 2022-23 was taken differently in challenging the cycle time of manufacturing products by adapting the TPM 8 pillar approach and certain capacities added with the start of art facilities focusing more on cycle time reduction.

To Build on quality consistency, major investments made in Ball mill, double compaction presses, high-profile CNC machines, high-intensity mixers and ovens to match the global standards of the products the Company manufacture for both precision and channel business.

To strengthen our in-house manufacturing capabilities, a highly technological machine was designed and commissioned for Super Abrasives manufacturing across the entire manufacturing and conversion processes.

To accelerate the cost savings, major projects were identified and implemented for yield improvements, energy savings and consumables. As a part of the fuel cost push, few units transitioned to alternative fuels as well resulting in more effective kiln utilisation which supported negating the cost push.

The elements of industry 4.0 have been imbibed in the day-to-day operations to leverage the gains of IOT and data analytics. Several digital initiatives are being pursued to remain competitive. Similarly, to be the best in class in manufacturing of Abrasives, various LSS (Lean Six Sigma) projects were in place across all functions which supported the quality, variable cost reduction programs, understanding of the customer needs and aligning the process and products to suit their needs. Horizontal deployment of such steps is likely to further the competitive advantage in the changing landscape.

Benchmarked targets were taken across all units towards sustainability, like implementation of Roof top solar, transition from liquid fuel to gaseous fuels, waste reduction projects, RECD (Retrofit Emission Control Devices) for all our DG sets across units, revamping of effluent treatment plants for effectiveness in treatments, automated operations and improvement in manpower productivity.

Key Financial Summary

(₹ in million)

Particulars	Standalone			Consolidated		
	2022-23	2021-22	Change (%)	2022-23	2021-22	Change (%)
Revenue	11069	10516	5	20353	12830	59
Segment results (PBIT)	1512	1627	(7)	1047	1563	(33)
Capital employed	3697	3787	(2)	13503	11439	18
Share to total revenue of CUMI (%) (without eliminations)	45	48		44	39	
Share to segment results (PBIT) of CUMI (%)	36	47		19	34	

Ceramics

Business Profile

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

Industrial Ceramics

Industrial Ceramics business offers advanced Ceramics in Alumina, Zirconia, Zirconia Toughened Alumina and Silicon Carbide products addressing wear and corrosion protection, electrical insulation, thermal protection and ballistic protection applications. The key user industries for Ceramics business are Power Generation and Distribution, Mining & Ore processing, Cement, Ferrous and Non-Ferrous Industries, Automotive, Battery, Glass, Paper, Food Grain handling, Petrochemicals and Ceramic Tiles.

The operations are carried out through manufacturing/service facilities located in India, Australia and the US. 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, US, 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, Equipment & Services, 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 to solve customer problems through on-site wear audits, superior design and simulation, on-site installation services, enhances equipment performance, productivity and life. Prototype remote monitoring system enabling the Company/its customers to forecast maintenance/changeover of equipment is under testing.

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 US, Japan and India.

CUMI 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 also been entering adjacencies and transformational spaces in Advanced Ceramics & Materials. The new facility for Sintered Silicon Carbide established in FY 2021-22 is fully operational and serves applications in Chemical Industry, Defence and others.

New forming capabilities - Hydraulic press for near-net forming, Isostatic Press for larger diameter and longer parts, Ceramic 3D Printing capabilities - 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 1850^{0}C 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, 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 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.

In line with our long-term strategic objectives, we have built significant capabilities in Carbon Fiber Reinforced Composites (CFRP). They are ideal materials for applications such as drones due to their high strength-to-weight ratio, durability, and resistance to fatigue. During the year, the Company acquired certification of EN 9100-2018 (Equivalent to AS 9100D of the Society of Automotive Engineers (SAE) and the JISQ 9100 of the Japanese Aerospace Quality Group). The business added a new dust-free facility for manufacturing structural parts for drones, and aerospace applications.

Industry Scenario

Industrial Ceramics

A strong resurgence in the Mining and Mineral Processing Industry, especially in Australia, was seen in FY 2022-23 resulting in significant demand for Wear Protection Materials and Services. The outlook for Core segments like Steel, Cement, and Power Plants remained strong throughout the year.

Further, the Solid Oxide Fuel Cells and Hydrogen market remained buoyant during the year due to the increased focus on sustainability and policy-driven push by countries like US, Korea and India for Green Hydrogen. This has resulted in the Engineered Ceramics vertical doing very well during the year. The other key Industries that Engineered Ceramics caters to - mobility, both Electric and ICE based - remained very strong during the year.

The Metallised Ceramics vertical supplies predominantly to the Power Distribution segment. With a capacity of 2.1 million cylinders per year, the division plans to strengthen its position as a leading global player, working closely with the global players.

Refractories

The demand for thermal protection of critical assets in core segments like steel, glass, chemical processing, carbon black, cement remained strong throughout the year, post pandemic.

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 is experiencing considerable inorganic consolidation.

The business also made significant progress in the global market in line with our strategic intent to go global. We have expanded into key markets in Europe, the Americas 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 fertilizer plants due to increased production of specialty crop nutrients. The demand resulted in significant growth in acid resistant liners and carbon products. Besides the domestic market, we made significant gains in Middle East and African markets.

The description of the Mega trends as explained in the previous section will also drive demand for 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 the addition of about 19GW capacity over the next two to three years. There is a significant traction in the demand for offshore windmills.

Sales Overview

Revenues of the Ceramics business increased by 26 per cent on standalone basis from ₹6612 million to ₹8342 million on the back of good orders from repair and maintenance and higher offtake by customers for Metallised Cylinders and Solid Oxide Fuel Cells (SOFC). Selective price increases were taken for majority of the products to mitigate cost push.

Industrial Ceramics

Metallised Cylinders, Engineered Ceramics and Wear Materials business focused on robust growth servicing key customers, adding new market and customers catering to the changing demand patterns in an agile manner. Focused efforts were made in targeting newer markets and partnering with global customers to garner long-term sustainable business has helped in making forays into new geographies and applications. The Engineered Ceramics vertical registered strong growth driven by the SOFC, Hydrogen and Mobility segments, where focused efforts were taken to grow the volumes of existing products and develop new variants in an agile and collaborative manner. The Wear Ceramics vertical also registered strong growth, with all market segments - especially, Mining & Mineral Processing - doing very well.

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 the Chemical industries. The business made significant gains in Anti-Corrosive, FRP and Composites during the year. During the year, we developed a range of construction chemicals, and a monolithic acid-resistant coating to reduce usage of acid-proof bricks in select applications. Enhanced capabilities in CFRP also helped cater to new applications in the drone industry.

Demand for advanced composites will significantly increase due to the Indian Governments' policy of "Atma Nirbhar Bharat". The business is developing capabilities in new forming techniques in composites.

Offshore windmill installations will drive the need for larger structural parts in FRP. Increased usage of electro-refining and electro-winning will drive the requirement for Polymer Concrete Cells. The business has a focused development platform in place to cater to changing needs of the customer and industry.

Manufacturing

Industrial Ceramics & Refractories

The focus of the business was to drive volume growth by debottlenecking capacities and adding key balancing equipment.

The Wear Ceramics vertical carried out a major redesign of the furnace loading pattern, to unlock additional capacities. The Engineered Ceramics vertical focused on adding a new state-of-the-art Hydraulic press with the capability of near-net forming to meet the growing demands of Structural Ceramics. The Metallised Ceramics vertical focused on converting some of the batch processes - like Glaze firing - to faster continuous processes, thereby increasing capacities significantly. In addition, several initiatives were driven on the shopfloor with the objective of reducing defects and improving efficiencies, which helped greatly in tiding over the cost increases of some of the input materials and utilities.

During the year, the business commissioned an energy efficient fiber lined high temperature kiln that increased the capacity of fired products by 1200 MT. Significant capability and improvement in efficiency precision grinding was built through commissioning of Wendt India's dual carriage grinding machine for grinding of large refractory blocks for glass industry.

Plant 1 of Super Refractories was certified by CII for significant achievement in the practice of TPM.

The business also kicked off the practice of Quick Response Manufacturing to improve lead time, and asset turnover.

Key Financial Summary

(₹ in million)

Particulars	Standalone			Consolidated		
	2022-23	2021-22	Change (%)	2022-23	2021-22	Change (%)
Revenue	8342	6612	26	10274	7980	29
Segment results (PBIT)	2048	1315	56	2507	1593	57
Capital employed	4236	3666	16	5918	5029	18
Share to total revenue of CUMI (%) (without eliminations)	34	30		22	24	
Share to segment results (PBIT) of CUMI (%)	49	38		46	34	

Electrominerals

Business Profile

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

The business continues to focus on aggressive growth in the domestic and export market while catering to the requirements from 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. For this, the business ensures 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 special products for refractory application, competitive solgel alumina and monocrystalline alumina, etc., are well received by the customers. 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 focus 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 new and 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 during the year and the products are being adapted/functionalised for selective applications. The trials for developing high purity SiC have given encouraging results.

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 year 2022-23 opened many opportunities for the business and the business also commenced its sustainability journey to become more responsible to the society in terms of bringing better environmental controls and carbon footprint reduction. During the year, 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 has also initiated a new project for generating green energy by tying up with a Solar Power producer for the installation and commissioning of a 1.8MVA project at its campus in Edappally.

The business has seen an ever-increasing demand for its minerals due to the revival of Auto, Construction and Steel sector. The focus of the Government in infrastructure spending and continued growth of Steel industry has pushed the demand for Abrasives and Refractory products in the domestic market. The ongoing war between Russia and Ukraine imposed certain challenges with some customers from Europe insisting on supply of non-Russian Originated materials. While there was consistent demand for applications like Diesel Particulate Filters (DPF) and Semi-Conductors, the business could not cater to them fully due to restrictions imposed on the usage of feed material available from Russian subsidiary.

The business could very well establish the new synthetic fusion-based materials in place of regular Brown Fused Alumina (BFA). The Okha facility in Gujarat continued producing various grades of bauxite materials using bauxites available locally.

Transformational products like Graphene and high purity Silicon Carbides are still evolving with testing & approval for selected applications and the business is confident of scaling up to a commercial level from next year.

Sales Overview

The Electrominerals business on a standalone basis recorded revenue of ₹7020 million compared to ₹6207 million in the previous year.

The growth in the domestic business can be attributed to the revival of domestic Abrasives and Refractory customers, who are the biggest consumers of Electrominerals. Business has effectively implemented price corrections to the customers across market segments, to ward off the competition from Chinese suppliers. The business has also maintained a stable performance of its regular business on account of the consistent and stable performance reported by the user industries like Construction, Automobile, and Steel segment during the year.

Global players looking to reduce sourcing dependence on China can present opportunities for Mineral business.

The Russian subsidiary ran at near full capacity. Higher demand for Refractory grade materials aided the growth.

The Zirconia business at Foskor Zirconia also reported favorable results during the year.

Manufacturing

Manufacturing strategies focused mainly on improving throughput by efficient operations supported by loss 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.

During the year, the business has received significant awards like Kerala State Energy Conservation Award and Manufacturing Innovation award from Kerala Management Association.

The business has successfully enhanced fusion capacities, and this is expected to augment the volume of ABV range of materials. The business has already taken initiatives to increase its crushing and grinding capabilities for White Fused Alumina (WFA) and modernisation of the processing facility for BFA during the year. This would further enhance the material availability of WFA and BFA from Minerals business.

The year saw probably the highest volatility in the availability and price of critical raw materials: Alumina, Graphite Electrode and Raw Petroleum Coke (RPC) in international and domestic market.

Foskor Zirconia which is into production of Monoclinic Zirconia and Calcia Stabilised Zirconia has also revived its operation with increased demand from customers. The Silicon Carbide operations at VAW were at its full capacity.

The business has successfully produced Graphene from its new facility and established three variants for commercial applications. The production trial of High Purity Silicon Carbide has been conducted and the chemical and physical properties are being evaluated.

Key Financial Summary

(₹ in million)

Particulars	Standalone			Consolidated		
	2022-23	2021-22	Change (%)	2022-23	2021-22	Change (%)
Revenue	7020	6207	13	16338	13120	25
Segment results (PBIT)	985	612	61	2753	1942	42
Capital employed	2536	2152	18	9209	7037	31
Share to total revenue of CUMI (%) (without eliminations)	28	28		36	40	
Share to segment results (PBIT) of CUMI (%)	23	18		51	42	

FINANCE

During the year, the Company generated ₹3440 million cash surplus from its operations on a standalone basis. All debts have been serviced on time. The Company's long-term borrowings as on 31st March 2023 stands at nil while short-term borrowings was at ₹1040 million. The capital expenditure program of ₹1570 million and investments in subsidiaries of ₹807 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 increased to ₹2301 million. The cash and cash equivalent level (net of borrowings) at a consolidated level stands at ₹1663 million.

The debt-equity ratio for the Company was 0.05 at standalone and 0.08 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 ₹150 million compared to ₹10 million last year. The Company earned ₹1 million by investing surplus cash available for short term.

At a consolidated level, the finance cost increased to ₹235 million from ₹56 million. The increase in borrowings has resulted in higher finance costs. The capital expenditure program of ₹3017 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 2023 and the date of this Report.

INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARDS

The Company, its Subsidiaries, Joint Ventures and its Associate 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 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 on 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 with the recommendation of the Audit Committee 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

This year, we have been strengthening the connection between the Human Resources function and the business. We have partnered with businesses to deliver on building capabilities for the future. At the beginning of the year, HR team across businesses spent time understanding and assessing the growth plans of businesses. All these dialogues and reflections translated into programmes to develop talent and capability across functions and levels. The objective has been to build human assets in a way that is relevant to the business and its growth charter. A clear example of this is the year-long induction of the largest batch of Graduate Engineering Trainees who were selected from campuses across India. These young graduates were then placed across Divisions in functions including Manufacturing, Quality, R&D and Sales.

Employee Safety and Health

Safety continues to be the key area of focus for the Company. Behaviour-based safety training both in-person as well as virtual were conducted to promote a culture of safe working across factories. Safety awareness sessions continued on a regular basis to bring in more awareness on safety. “Drive Zero” is an initiative to ensure Zero accidents and Zero Harm to people working in all the manufacturing sites and area offices of Abrasives. Eight Level approach was adopted to create a sense of ownership towards safety and to have a structured approach for building a safe work culture. Safety Excellence model rolled out and various activities are initiated in EMD plants like Theme based monthly audits and Role plays. Plants received safety awards from Kerala Government and National Safety council for the safety performance.

Capability Building

The learning and development function could cover a greater number of learning programmes with customised development interventions across levels and wider participant coverage.

CUMI SUPER STAR program, a specially designed programme for development of supervisory staff Phase-2 was launched to enable the Supervisors to manage their work effectively and in engaging with their teams to improve productivity through developmental inputs, frameworks and techniques. 99 supervisors underwent various functional capability building sessions on 7 Quality Control Tools, problem solving, Statistical Process Control, 4MCM, Lean principles and mistake proofing. This was followed up with 18 Action learning projects to implement the learning on the job. A 1-day experimental learning outbound program was also planned for all the 99 supervisors based on behavioural competencies like planning, time management, emotional intelligence, collaboration, communication and customer focus. A valedictory function was organised in which all the supervisors were certified to have successfully completed the program and top projects and participants were recognised and rewarded. Apart from this a Customised 2 day Supervisory Development program exclusively designed for 23 supervisors of EMD.

Based on the inputs from Graduate Engineer Trainee batches 2018 to 2021, a customised development calendar was released exclusively, and programs were conducted on topics like APQP, FMEA, LEAN, TPM and finance for Non-finance and session on Data analytics using excel and power BI.

YOLO, a customised intervention for the GET batch of 2022 was launched with a 1 one year development journey covering Campus to corporate workshop, POSH, Whistle blower, 5 lights QC tools, low cost automation, Industrial safety, design,basic machining, materials technology and Industrial safety. GET’s also underwent finishing school at Murugappa polytechnic were learning on machines was covered.

CUMISEAD, a customised program for first time managers and individual contributors was rolled out in the month of February, with the objective of Enhancing self-awareness, improving interpersonal effectiveness and driving impactful results through systematic and structured behavioural tools and techniques. The intervention started with “Manager as Coach” workshop to help the reporting managers to coach participants throughout the 6 month learning journey. The program has a combination of classroom training, assignments, action learning projects and one to one coaching sessions. Currently, the first batch of 20 employees are undergoing this intervention and module -1 has been completed.

Customised business need based programs were conducted. 2 Batches of Data analytics using Power BI were conducted for Abrasives division covering 65 employees across different functions. The program was delivered in a blended mode with e-learning, classroom and action learning projects with multiple rounds of review to help the participants to use POWER BI Dashboards for analytics and decision-making in the internal monthly reviews. For Industrial ceramics division a customised business specific program on crucial conversations was conducted for 30 participants to provide inputs on high impact conversations skills, cross cultural sensitivity and handling difficult customers.

Training need-based programs were rolled out on functional topics like 8D problem solving, Cost Effective Automation, 6 Sigma, 7QC Tools, APQP & Design for Manufacturing, and Behavioral programs on interpersonal skills, emotional intelligence, negotiation skills, strategic planning and execution and design thinking for innovation. The program on emotional intelligence was delivered as a high impact program in partnership with PSG institute of Management.

Lean Six Sigma initiative was started in the year 2020 to eliminate variations in the existing process to improve process capability and competency of the personnel by using problem-solving statistical methods in Abrasives business. Continuing the journey of Lean Six Sigma, during FY 2022-23, 41 continuous improvement projects were executed across all functions. The projects were aimed at cost saving, revenue enhancement and internal efficiency improvement. Around 43 members from various functions were selected and coached in green belt DMAIC process. Promotional activities like ATOM (A Theme One Month) and gallery displays are done to ensure continuous refreshment of six sigma tools. Six sigma project teams participated in external competitions viz. CII, NITE, ISQ TOPS etc., and achieved 2 external awards.

Apart from this, "train the trainer" program was organised in which 30 internal experts within CUMI were identified and went through a workshop on training and facilitation skills. 34 leaders also underwent the Awareness session on "Prevention of Sexual Harassment".

The Catalyst, 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 mentors from catalyst to 18 Graduate Engineer Trainees.

Platform for Accelerated Career Experience (PACE) - the platform for cross-functional experiential learning continued to engage and provide employees with an opportunity to work on different projects of their choice. The year saw 14 new projects and the projects are in different stages of implementation.

Knowledge Management

Knowledge Management framework was introduced, and a pilot project was initiated in EMD for Knowledge Management. Various initiatives have been taken up among the retiring employees as well as the serving employees to capture the knowledge available in the organisation in a structured way. An IT platform is used to capture data, storage of data and for easy retrieval of the data.

Employee Engagement

Employee recognition through different platforms continued to recognise employees for their achievements. Employees who exhibited exceptional values during the year were recognised with "Shine Awards". Total of 90 nominations received and 11 employees won the award. They were facilitated along with their families during the award distribution ceremony.

In continuation to the Employee Engagement survey conducted in Q4 of FY 2021-22, Focused Group Discussion was conducted across divisions and action plan implementation were initiated based on the outcomes to improve the Engagement score.

The Employee Engagement Index was 69 per cent against the score of 60 per cent in 2018 (AON). The employees feel good that CUMI as an organisation has great reputation, they feel a sense of belonging among teams, feel proud of their work and enables them to demonstrate the Five Lights.

The predominant areas of improvement are compensation and benefits, performance-based differentiation in Incentives & Increments and more opportunities for fun at work.

Based on the survey outcomes, focus group discussions were conducted for all the employees and action plans were created to improve employee experience. Consolidation of inputs & implementation of Action plan was initiated from November 2022 & is in progress. Significant part of the actions have been completed and others are in progress and on schedule to be completed.

Every quarter, we recognise and reward employees of all functions on their projects that they have completed in the previous quarter (month/quarter) with regards to Cost Saving - variable/fixed, First Time Right, NPI establishment, Sales topper (region wise), Best Support to business, Best NPI/NPD Launch and Process improvement projects. 'You made a difference' is a quarterly recognition programme conducted in EMD to recognise the special contributions of employees.

Achiever's Gallery was initiated to recognise employees for improvements, Kaizens, suggestions in PQCDSM. Circle wise the shop floor teams were evaluated by an apex cross-functional team and rated on 43 parameters.

To motivate and recognise the internal trainer and build more talent pool internally, the Company launched a monthly best trainer recognition programme at Hosur named CUMI Acharya. They were evaluated by the feedback ratings and number of training sessions they have conducted.

On Teacher's day, the Company recognised 39 Internal Trainers across all functions as CUMI Acharyas and honored them for their contribution. "Across the Wave" initiative was launched in the month of December which is a leadership inspiration programme.

HR Excellence

CUMI Participated in the 13th CII HR Excellence Assessment. The purpose was to have a deeper and closer objective assessment of our HR ecosystem and to identify opportunities for improvement and to have an outside in perspective. A team of Assessors with Senior HR professionals from across industries visited and conducted a detailed assessment of our HR systems and practices in December. They spent time at our factory locations and interacted with our colleagues from shopfloor to Board room. As an outcome of the assessment, CUMI is honored to receive the **'Significant Achievement in HR excellence'** certification from the Confederation of Indian Industry. The scores have improved from the last participation.

This recognition is evidence of a robust ecosystem and confirmation that we are on the right path to building a people-first future. The assessment report is a guiding note in our journey on excellence. Action plans based on the feedback report are being reviewed.

Employee Relations

Cordial relationships have been maintained with employees and unions despite the disruptions and volatile business conditions and the wage settlements have brought in greater flexibility in operations, adherence to TPM practices ensuring high standards of productivity. During the year, 3 factory units signed off wage settlement increasing productivity target and without loss of any manhours.

Talent Acquisition & Talent Management

Hiring of fresh talent and development of future leaders continued as a strategic focus area. The focus was to continue creating a talent pipeline in the middle management level by hiring Graduate Engineer trainees. The Company continued its onboarding of Graduate/Post-Graduate Engineer Trainees who have been undergoing a year long training program.

The quality of hiring has been enhanced by introducing Thomas Personal Profile Analysis (PPA). The capability of the HR team is constantly enhanced by undergoing training program on PPA and getting certified on the same. Lateral hires with greater emphasis on referrals, job boards and internal transfers lowered sourcing costs.

High Potential Talents who were identified as future leaders through multi-source feedbacks and assessments were enrolled for different development programmes. Employees who are identified as potential business leaders are undergoing a development programme through Indian Institute of Management, Ahmedabad (IIMA). They have completed the program and have been certified.

Employees who are identified as mid-level leaders were enrolled in CUMI Leadership Programme, a customised development programme designed and executed in collaboration with Great Lakes Institute of Management. They have completed the program and have been certified.

High Potential employees in junior-level management are being identified through a performance - potential matrix. The assessment will take 2-year performance data and a potential score from Thomas General Intelligence report. The exercise is completed and the critical talent have been identified. Individual Development Plans are being evolved in discussion with the respective employee and reporting manager.

Performance Management System (PMS)

In order to drive the performance-oriented culture, the goal setting process of 2022-2023 and the appraisal process of 2021-2022 were completed during July 2022. Based on the PARC review, the rewards were distributed among the qualifying employees. Rewards include recurring salary revision, promotional reward, salary correction for critical talent, one-time cash reward for exceptional contribution. The incentive payout is also completed depending on the Balanced Score card (BSC). Some of the employees were considered for promotion/salary correction during January 2023 as a part of mid-year review process.

ACHIEVEMENTS AND AWARDS

Despite continuing to be a challenging year from an operational perspective, the Company continued to be a proud recipient of several awards and recognitions reiterating its commitment to excellence.

- MMA (Madras Management Association) Award for Managerial Excellence 2022.
- EMD was awarded the IEI Industry Excellence Award 2022.
- EMD has been recognised with GOLD Award for Energy Management and Conservation by Society of Energy Engineers & Managers (SEEM).
- EMD was awarded the Kerala State Energy Conservation Award 2022 in appreciation of the commendable achievements towards energy conservation and management in the category of Large-Scale Energy Consumers.
- Russian subsidiary, VAW awarded 'Best Managers and Organisations' in 2021.
- Super Refractories won TPM Strong Commitment Award for Ranipet Factory.
- Abrasives won Gold medal in the 16th CII Six Sigma National Competition.
- Abrasives was awarded Gold in CCQC 2022 award instituted by the Quality Circle Forum of India, Madurai Chapter for six sigma project.
- 5th National Convention on Innovative QC Teams - NCIQCT - 2022 by Abrasives team.
- Won Bronze award in "QIT (Quality Improvement Teams) Convention"- October 2022 by NITE - National Institute. for Transformation and Excellence by Abrasive team.
- Achieved Special Award - Deming Trophy for best use of Statistical Tools by Abrasives team.
- 5th SMED Competition by ABK AOTS, Chennai, participated and won RHODIUM AWARD by Abrasives team.
- EMD - Maniyar Team won the Gold Award in ABK AoTS Competition.
- EMD- Koratty MGP Team Won the Platinum Award in Quality Circle Competition NCIQCT.
- Three of our units won Safety Award this instituted by Government of Kerala and National Safety Council.
- AZ Team won the CII Kerala State Quality Circle Competition in November 2022.

The total staff on rolls of the Company (including Joint Ventures and Subsidiaries) as on 31st March 2023 was 6015 with 3771 employees in India (previous year 5555 with 3674 employees in India).

PERFORMANCE OF SUBSIDIARIES

The Russian subsidiary recorded sales of RUB 8067 million against RUB 7293 million during the previous year. The profit after tax stood at RUB 1239 million against RUB 1100 million. Growth was driven by the SiC and Refractories business. Volumes remained encouraging throughout the year. Considering the challenges that arose because of the Russia-Ukraine war, particularly in logistics to sell outside Russia, the business explored the opportunities to sell more within the domestic market and increased its volume share in Russia from level of 40-45 per cent to 55-60 per cent. There had been no impact on the operations and the installed capacities were being utilised at the same level as it was before the war. Also, collections were on time. On the logistics front, arrangements were made to Europe, India and other geographies through alternate routes. The products of VAW are not under any sanction nor is restricted. Neither VAW as an entity nor its directors or its employees are under any sanction.

Foskor Zirconia, South Africa, recorded a sales of ZAR 440 million compared to ZAR 354 million in the previous year with an uptick in demand for its products. The entity made a turnaround in its performance and profit after tax stood at ZAR 60 million against ZAR 15 million in the previous year. During the year, owing to a restructuring of the balance sheet mutually agreed between the shareholders of FZL as well as an improved financial performance, the Company saw a turnaround. The comment of the subsidiary's Auditors on the material uncertainty relating to going concern which was made in the previous year reports have been dispensed with and the Company is well on path for a sustainable growth in future.

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 21.1 million to AUD 30.1 million registering the highest recorded revenues in the Company. Profit after tax was AUD 3.6 million against AUD 2.5 million last year.

Sterling Abrasives reported very good growth in revenues at ₹1381 million compared to last year's sales of ₹1118 million. Profits after tax increased to ₹165 million from ₹121 million during the last year. 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.

During the year, considering the sustainability of the business under the current operating model in China owing to increasing travel restrictions and other challenging business conditions, it was decided to minimise the operations in CUMI Abrasives and Ceramics Company Limited (CACCL), the subsidiary based in China. Post the conscious call of tapering down the operations, the market is being served directly from India.

The sales of CUMI America during the year improved significantly to USD 18 million as against USD 12 million last year, driven by an increase in sales of both Bonded Abrasives and Industrial Ceramics thereby improving profits. The profit after tax increased from USD 0.04 million to USD 2.16 million.

For CUMI Middle East, sales decreased from USD 2.2 million to USD 1.0 million. Loss for the year was at USD 0.13 million against a profit of USD 0.02 million during the previous year.

Southern Energy Development Corporation Limited (SEDCO), the gas-based power generation subsidiary recorded a sale of ₹259 million as against ₹245 million last year. The business made a loss after tax of ₹44 million as compared to profit after tax of ₹68 million during last year on account of the significant increase in gas prices and other generating & transmission charges.

Net Access India Limited, which provides IT facility management and other allied services grew from ₹453 million to ₹585 million. The profit grew from ₹25 million to ₹34 million.

CUMI International Limited, Cyprus recorded a revenue of USD 6.1 million representing mainly dividend income as against last year's income of USD 5.9 million. During the year, the Company made an investment of USD 9.6 million in CIL to enable suitable funding to its subsidiaries.

CUMI Europe s.r.o. is not in operation.

Last financial year, the Company made a strategic investment of 72 per cent in the share capital of PLUSS Advanced Technologies Private Limited by purchasing a part of the existing stake held by its promoters as well as entire stake held by TATA Capital Fund and other investors and also made a direct investment in the Company. During the year, the Company increased its investment in the Company by 0.74 per cent by acquiring additional 3724 shares. PLUSS Advanced Technologies Limited recorded a revenue for the year ₹542 million as against ₹190 million for the previous year (Post-acquisition from October 2021) and loss after tax for the year was at ₹137 million as against ₹96 million for the previous year (Post-acquisition) under acquisition accounting. The losses for the current year were reduced from ₹70 million to ₹38 million on an actual basis.

CUMI Awuko Abrasives GmbH had acquired the main assets of Awuko Abrasives Wandmacher GmbH & Co. KG, a company under insolvency in Germany during the year 2021-22. The operations of the Company continued to be impacted by the volatile business conditions and the newly inducted Management is in the process of stablising the operations. Awuko recorded a revenue of EUR 9.4 million and loss after tax was at EUR 3.7 million.

Rhodius Abrasives GmbH - During the last financial year, CUMI International Limited incorporated an operating company in Germany to acquire the Abrasives business of Rhodius Group. The increasing prices of raw materials and energy prices in Europe and challenging business conditions owing to the continuing geopolitical crisis has impacted the operations of the newly acquired subsidiary. Rhodius recorded a revenue of EUR 64.5 million and loss after tax of EUR 3.6 million.

ENTERPRISE VALUE ADDITION

The Company has been able to continuously add value, the summary of which is given below: (₹ in million)

Particulars	2022-23	2022-22	2020-21	2019-20	2018-19
Generation of Gross Value added (excludes exceptional items (net)	**7201**	**6275**	**5153**	**5044**	**5072**
Breakup on Application of Value added					
Payment to Employees and Directors	**2389**	2169	1982	1979	1839
Payment to Shareholders (on payment basis)	**665**	569	284	757	520
Payment to Government	**1050**	899	638	709	946
Payment to Lender	**-**	-	-	-	-
Towards replacement and expansion	**3097**	2638	2249	1599	1768
	7201	**6275**	**5153**	**5044**	**5072**

- 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. During the previous year, in collaboration with external advisors, the enterprise management framework was assessed for its maturity levels and due changes to the risk management policy and the manner of risk identification and categorisation were made. During the year, the Company has completed the automation of the upgraded enterprise risk management framework. The Risk Management Committee continued to review the risks and mitigation plan as per the adopted Charter and Risk Management Policy. During the year, dedicated focus on developing a cyber security framework for the Company was provided. The Company is in process of establishing an 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 geopolitical risks in the volatile global market conditions and periodic risk register review continued.

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 the profitability either favourably or adversely based on the changes in the power cost. As part of its strategy to build competitiveness, the Company continues to look for opportunities to add to its captive power generation. 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 power systems has been commissioned at various factory locations which has generated around 15,00,000 units of electricity from cleaner sources, equivalent to saving 17550 trees and reducing 606 Tons of CO_2 emissions. Also, a solar powered electric vehicle charging station has been installed at one of the factory location to encourage employees towards EV adoption. 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 single source of energy.

The requirement of fuel is driven by the high-temperature processes in the Abrasives and Ceramics businesses. 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 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 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 was given priority. Awareness mailers were disseminated across to mitigate risk of such attacks and requisite infrastructure upgrade to support the remote working conditions in a secured manner was initiated.

As mentioned earlier, the Company is in the final stages of completing the establishment of a cybersecurity framework as a part of its IT Strategy. We have partnered with an external expertise to assist in developing this framework after undertaking maturity assessment for both IT and OT capabilities. The implementation of the framework will commence in the coming years.

The Company's input materials are not commoditised and does not warrant for 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 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 cannot be ignored as the pandemic still continues in an intermittent manner with the risk of another wave with the same or new variant still lingers. The priority for the Company continues to be the safety and health of all its employees and other stakeholders with minimal disruption to operations. To mitigate the risks related to any subsequent infection waves, if any, the Company is well prepared with its workforce of more than 95 per cent vaccinated with the first and second dose. Drives were conducted during the year for the booster shots of the vaccines which helped minimise the impact as and when different variants of the virus emerged.

Further, dedicated task forces for taking concerted and quick decision on matters relating to COVID-19 have been set up under the supervision of Head-HR. The quarantine centers to handle any sudden spurt of infections at the Company's plant location remain to be activated any time. The Company also ensures that safety protocols and government guidelines are being strictly followed including monitoring the same vide its compliance management system.

Considering the declining trend of the COVID pandemic and with the situation almost normalising across the globe, the risks associated with the same reported until last year is not being specifically disclosed in this report. However, the Management is conscious of the emerging variants and continues to monitor the situation and take precautionary action. The risks across operations, human resources, IT, supply-chain etc., which were identified and the mitigation plans to address the risks continue to be on the risk radar of the Company.

BUSINESS OUTLOOK AND OPPORTUNITIES

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. Navigating the growth paradox amid an increasingly volatile global backdrop remains the key challenge. The Government of India has largely continued with its focus on driving capex by enhancing the gross budgetary support for Roadways, Railways, and Defense sectors. The budget had a strong focus on capex and infrastructure development as well as giving more money in the hands of the middle class and improving Agricultural income along with job creation through skill development for the weaker section.

This should all go well for the Company. CUMI has 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 Performance of Business Segment section.

Even as India's outlook remains bright, global economic prospects for the next year have been weighed down by the combination of a unique set of challenges expected to impart a few downside risks. Multi-decadal high inflation numbers have compelled central banks across the globe to tighten financial conditions. The impact of monetary tightening is beginning to show in slowing economic activity, especially in Advanced Economies. Besides this, adverse spillovers from the prolonged strains in supply chains and heightened uncertainty due to geopolitical conflict have further deteriorated the global outlook. Hence, global growth is expected to bottom out at 2.8 per cent in 2023 before rising modestly to 3.0 per cent in 2024. Global inflation is estimated to decrease, although more slowly than initially anticipated, from 8.7 per cent in 2022 to 7.0 per cent in 2023 and 4.9 per cent in 2024 (IMF's World Economic Outlook, April 2023).

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.

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 31.03.2022	Movement (Net of Deletions)	As on 31.03.2023
Loans given by the Company	-	-	-
Corporate guarantee given by the Company	5195.33	(4899.78)	295.55
Investments made by the Company	9684.86	790.36	10475.22

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 21st March 2022 duly factoring the processes and procedures to be established to supervise the expanded list of transactions with the extended list of Related Parties. During the year, the policy on Related Party transactions was reviewed and revised on 29th March 2023.

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 of repetitive in nature. Omnibus approvals in respect of transactions that cannot be foreseen or envisaged 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. Further, considering the regulatory changes in the SEBI Listing Regulations on the enhanced monitoring of transactions with Related Parties since April 2022 (and April 2023), awareness sessions across the various subsidiaries of the Company, both domestic and overseas was conducted to brief the requirements of the amended Listing Regulations. Following this, the changes were effected in their reporting framework as well as in the monitoring process at the entity level.

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 of 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 29th March 2023, the 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/themes/CUMI/pdf/policies/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 CSR activities undertaken by CUMI are rooted in the principle, "towards prosperity in harmony with people and planet". We believe that social responsibility is not just a corporate obligation that has to be carried out, but rather an opportunity to make a difference. All our CSR programmes are aimed at inclusive growth and sustainable development of the community.

The Company continues to engage in Corporate Social Responsibility (CSR) activities directly as well as through implementation agencies registered with the Central Government, in line with its stated CSR policy.

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 the 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 National Council on Vocational Training syllabus for the rural youth drawn from socially and underprivileged sections of the 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.

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 rural development.

Further, during the year, the CSR activities in the healthcare sector involved grants for conducting pediatric cardio surgery at Sri Sathya Sai Sanjeevani Hospitals besides installation of oxygen generator at Sir Ivan Stedeford Hospital. Sri Sathya Sai Health Education Trust established in May 1970 started Sri Sathya Sanjeevani Hospitals in 2012 primarily to address congenital heart disease free of cost to the needy children. Sir Ivan Stedeford Hospital, a multi-speciality hospital set up in 1966 located in Ambattur, Chennai aims at providing quality medical care through latest technology to cater to the medical needs of the poor and needy sections of the society at an affordable cost. AMM Foundation, an autonomous charitable trust, is engaged in philanthropic activities in the field of education and healthcare since 1953. The Company's focus areas for grants to implementing agencies continued to be in the education and health sector. The grant to AMM Foundation for the 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 the past 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 was made towards coaching the students of Murugappa Youth football academy (MYFA) by engaging BVB Febballakademie GmbH, a firm from Germany specialised in football coaching. They conducted a camp for three days covering five training sessions for the MYFA students.

Further, the Company had also contributed towards essential medical equipment like Wheel chair, Stretcher Trolley, ECG equipment, BP Checkup equipment, Computers, Sugar testing equipment and Clinical microscope for setting up at Shri Padmavathi General hospital at Madurantakam, Chengalpattu, run by Sri Padmavathy Trust for Socio Economic Uplift of rural communities.

MCRC is a non-Governmental voluntary research organisation working on devices and technologies for rural application of eco-friendly technologies to combat pollution. MCRC is recognised by Department of Scientific and Industrial Research, Government of India as a Scientific and Industrial Research Organisation to conduct research in various areas and is approved by the University of Madras, Chennai to offer Ph.D. programmes in the areas of Energy, Bioenergy and Biomass for rural development. During the year, a grant was made to MCRC for research and development on biological waste water treatment using Microbial, Enzymes etc., for rural villages.

The local community assistance programmes undertaken at various plant locations included Education & Child development, Health care, Youth empowerment, Women empowerment, flood relief activities across locations, Educational sponsorships of underprivileged children, livelyhood programs for the women, sports, recreation and support for basic infrastructure for the public utility and schools etc.

Besides the above, the Company also actively pursued local community assistance programmes in and around its plant and office locations anchored by its employees.

The Company's CSR policy is available on the Company's website at the following link https://www.cumi-murugappa.com/wp-content/uploads/2021/04/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 2022-23. The Company spent ₹49.41 million towards CSR activities and no amounts remain unspent at the end of the year.

As at 31st March 2023, 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 222 position as per the market capitalisation at NSE as on 31st March 2023. The Business Responsibility and Sustainability Report for the year ended 31st March 2023 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 perspective.

GOVERNANCE

Board of Directors and Key Managerial Personnel

As at 31st March 2023, the Board of the Company comprised eight Directors of which majority (five) are independent.

During the year, Mr. P S Raghavan and Mr. Sujjain S Talwar were re-appointed as Independent Directors for a second term of five years effective 9th May 2022 and their re-appointment was approved by the shareholders vide special resolution at the 68th Annual General Meeting in August 2022.

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 69th Annual General Meeting for consideration and approval by the shareholders.

Further, during the year, Mr. N Ananthaseshan, Managing Director whose term of office was expiring on 22nd November 2022 was re-appointed as Managing Director for a second term from 23rd November 2022 to 31st December 2024. The Board considered and approved his appointment on 28th October 2022 and the approval of the shareholders had been obtained vide a postal ballot process on 7th December 2022.

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. N Ananthaseshan, Managing Director, Mr. Sridharan Rangarajan, Director - Finance & Strategy, 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, 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. During the year, the Remuneration Policy was amended in line with the changes in SEBI Listing Regulations.

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 five members of which majority are Independent Directors i.e. four members. Mr. Sanjay Jayavarthanavelu is the Chairman and other members are Mr. Aroon Raman, Mr. Sujjain S Talwar, Mrs. Soundara Kumar and Mr. Sridharan Rangarajan. During the year, six Audit Committee meetings were held, the details of which are provided in the Corporate Governance Report.

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 ₹62,50,000/- (excluding out of pocket expenses incurred by them in connection with the Audit and applicable taxes) for the FY 2022-23 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 2023 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. 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 2022-23 on a remuneration of ₹5,00,000/-. Further, they have also been appointed by the Board to conduct the cost audit for the FY 2023-24 at a same remuneration of ₹5,00,000/-.

The Companies Act, 2013, mandates that the remuneration payable to the Cost Auditor is ratified by the shareholders. Accordingly, a resolution seeking the shareholders' ratification of the remuneration payable to the Cost Auditor for the

FY 2023- 24 is included in the Notice convening the 69th 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 2022-23. 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. N Ananthaseshan, 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 2023, 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/policies-disclosure/.

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 276,500 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/wp-content/uploads/2023/07/Disclosure-under-ESOP-Regulations.pdf. 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 2023. There was no instance of one time settlement with any Bank or Financial Institution.

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 8, 2023

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 2022-23 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 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 (60)	Managing Director	21,957,185	M.Sc (Applied Science), M.Tech Material Science (37)	19.02.1986(d)	-
Bhaskharan Kannun (57)	Head- Human Resource	7,873,550	MSW (Personnel Management) (34)	29.10.2020	Tube Investments of India Limited
Ninad M Gadgil (52)	Head - Abrasives	17,958,529	BE (Electronics) & PGDBM (Marketing) (28)	04.11.2019	Country Business Leader - Health Care, 3M India Limited
Narayanan R (57)	Vice President-Finance -Abrasives	7,248,276	ACWA, ACS (32)	19.03.1998	Cutfast Abrasives Limited
Padmanabhan P (55)	Chief Financial Officer	8,196,249	B.Com, Grad CWA, ACA, PGDFM (35)	01.07.1994(d)	-
Rajeev Singhal (55)	Vice President - Sales (Abrasives)	7,335,971	PGDBA (33)	25.07.1991(d)	-
Rekha Surendhiran (45)	Company Secretary	7,147,054	B.com, ACS,PGDFM,MBL (24)	23.08.2013	Cholamandalam MS General Insurance Co. Ltd.
Sivakumaran M V (51)	Head-Electrominerals	8,463,418	M.Sc, MBA & M.Tech (26)	01.07.1996(d)	-
Sridharan Rangarajan (57)	Director-Finance & Strategy	24,000,966	B.Com, ACA, Grad CWA (37)	22.06.2011	CFO, Indian Operations - TIMKEN
Vijayalakshmi D (57)	Vice President - Corporate Communications	8,060,935	B.Sc Physics (34)	21.01.2010	Ogilvy Public Relations

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 1	Designation/ Nature of duties 2	Gross remuneration paid (₹) 3	Qualification & experience (years) 4	Date of commencement of employment 5	Previous employment 6
Rajendran V G (53)	Head - Refractories and prodorite	10,384,905	B.E. (Metallurgy) and PGD in Management (34)	25.10.2017	C.O.O.- Foundry Division, Mahindra CIE Automotive
Shyam S Rao (60)	Head - Industrial Ceramics	14,294,572	B.Tech Metallurgy, MS Material Science, Ph.D. Material Science (29)	07.05.1999	Widia India Limited

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. During the year, no Options were granted under the Employees Stock Option Scheme, 2007. During the year, eligible employees were granted in aggregate 276,500 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.

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 per cent 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 2022 to 31st March 2023 and all other particulars are as on 31st March 2023.

f) None of the employees of the Company other than those listed above were in receipt of remuneration for the FY 2022- 23 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 2022- 23 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	16.00
Mr. Sanjay Jayavarthanavelu	Independent Director	2.81
Mr. Aroon Raman	Independent Director	3.04
Mr. P S Raghavan	Independent Director	3.53
Mr. Sujjain S Talwar	Independent Director	2.43
Mrs. Soundara Kumar	Independent Director	2.58
Mr. N Ananthaseshan	Managing Director	33.39
Mr. Sridharan Rangarajan	Director-Finance & Strategy	36.50

(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	-0.94
Mr. Sanjay Jayavarthanavelu	Independent Director	0.54
Mr. Aroon Raman	Independent Director	-
Mr. P S Raghavan	Independent Director	-4.13
Mr. Sujjain S Talwar	Independent Director	-8.57
Mrs. Soundara Kumar	Independent Director	-2.86
Mr. N Ananthaseshan	Managing Director	16.68
Mr. Sridharan Rangarajan*	Director-Finance & Strategy	NA
Mr. P Padmanabhan	Chief Financial Officer	15.96
Mrs. Rekha Surendhiran	Company Secretary	11.49

**Joined the Board during FY 2021-22 and hence not comparable.*

- The Directors' remuneration comprises commission and sitting fees for attending the meetings of the Board. While there is no change in remuneration structure for the Non-Executive Directors during the year as indicated in the Corporate Governance Report, the decrease in remuneration is on account of the reduction in number of Board/Committee meetings conducted during the year which were attended by the Directors as per the attendance details mentioned in the Corporate Governance Report.
- Remuneration for Executives during the FY 2021-22 and FY 2022-23 have been adjusted duly factoring their respective LTA availment status.
- The increase in the remuneration of the Key Managerial Personnel includes variable incentive payout as per the approved balance score card applicable to all employees in Corporate, which varies year on year.

(iii) Percentage increase in the median remuneration of employees in the financial year: 15.87 per cent (employees who were in employment for the whole of FY 2022-23 & whole of FY 2021-22 considered for this purpose in the respective financial years).

(iv) Number of permanent employees on the rolls of the Company as on 31st March 2023: 2160 employees.

(v) The average annual increase in salaries of employees was 9.68 per cent compared to an increase in the managerial remuneration of 21 per cent. The increase in managerial remuneration is primarily due to increase in Executive Directors remuneration (the increase in remuneration includes variable pay-out as per the approved balance scorecard of the Company). 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 8, 2023

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 the Company's values and beliefs and thereby into all business activities and the Company is carrying on CSR activities for several decades ago 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 mostly 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	2	2
2.	Mr. P S Raghavan	Member/Independent & Non-Executive Director	2	2
3.	Mr. N Ananthaseshan	Member/Managing Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR 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/2019/04/committee-composition.pdf
   (ii) CSR Policy: https://www.cumi-murugappa.com/wp-content/uploads/2021/04/CSR-Policy-2021.pdf
   (iii) CSR Projects: https://www.cumi-murugappa.com/wp-content/uploads/2023/05/CSR-projects-for-the-FY-2022-23.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 undertaken on recurring basis 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, Cochin over the last few years is a testimony to this effect. 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)	₹2470.44 Million
	(b) Two per cent of average net profit of the company as per section 135(5)	₹49.41 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, if any	₹11.58 Million (During the year 2022-23 the Committee and the Board considered setting off ₹11.58 Million out of the excess spends made by the Company until 2021-22 which aggregated to 16.14 Million.)
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	₹37.83 Million

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project*): ₹37.83 Million

Details of CSR amount spent against ongoing projects for the financial year: Nil

*The details of the projects other than ongoing project is 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)]: ₹378,33,069

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
378,33,069	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)	494,10,000
(ii)	Total amount spent for the Financial Year	378,33,069
(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)]	-

** Excess spend Set off available from 2020-21 : ₹4.56 Million till 2023-24

Excess spend Set off available from 2021-22 : ₹2.32 Million till 2024-25

Total available for set off : ₹6.89 Million

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- 2021-22	-	-	-	-	-	-	-
2	FY-2- 2020-21	-	-	-	-	-	-	-
3	FY-3- 2019-20	-	-	-	-	-	-	-

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							

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 8, 2023

N Ananthaseshan
Managaing Director

Aroon Raman
Chairman-CSR Committe

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		1,14,05,192	Yes	-	
2	AMM Foundation - AMM Vellayan Chettiyar Higher Secondary School	School education	Yes	Tamil Nadu, Uttarakhand		1,78,32,417	No	AMM Foundation	CSR00000050.
3	Football coaching for students of Murugappa Youth Football Academy	Technical Skill training	Yes	Tiruvallur, Tamil Nadu		4,99,583	Yes	-	
4	Sponsorship for pediatric cardio surgery in Sri Sathya Sai Sanjeevani Hospitals	HealthCare	No	Bangalore, Karnataka		5,20,000	No	Sri Sathya Sai Health and Education Trust	CSR00001048
5	Research & Development on Biological waste water treatment using microbial enzymes for rural villages	Rural Development	Yes	All over Tamil Nadu		64,00,000	No	Shri A.M.M. Murugappa Chettiar Research Centre (MCRC)	CSR00000057
6	Purchase of essential medical equipment for SVP Trust Hospital	Healthcare	Yes	Villupuram, Tamil Nadu		2,29,000	Yes	-	
7	Sir Ivan Stedford Hospital - Installation of oxygen concentrator	Healthcare	Yes	Chennai, Tami Nadu		45,000	Yes	-	
8	Installation of water purifier at Government School	Education	Yes	Kolkatta, West Bengal		127,352	Yes	-	
9	ASK (Attitude, Skill, Knowledge) centre	Women Empowerment	Yes	Ernakulam & Trichur, Kerala		481,938	Yes	-	
10	Youth empowerment	Rural development	Yes	Ernakulam, Kerala		134,992	Yes	-	
11	Other local area spend in the area of Medical camp/Flood relief/ preventive health care/ Distribution of Plant Saplings	Health care/ Disaster management/ Environmental sustainability	Yes	Ernakulam, Kerala/ Ranipet, Tamil Nadu		157,595	Yes	-	

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	2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
11.	Paid-up Capital	₹189943974
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 disclosures in this report is made on Standalone basis

II. Products/services

14. 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	44.62
2	Electrominerals - Abrasives Grains	Manufacture, Sale and Marketing of abrasives for various applications including Bonded, Coated & Super Abrasives	21.73
3	Refractories & Ceramics	Design and Manufacturing of Refractories, Ceramics, Anti Corrosives and Polymers	33.65

15. 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	44.62
2	Electrominerals	729	21.73
3	Ceramics	23939	33.65

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of locations where plants and/or operations/ offices of the entity are situated	Number of offices	Total
National	20	13	33
International	Nil	Nil	Nil

Note 1: The list of Subsidiary and Associate Companies in India and outside the Country is given in the questionnaire Sl. No. 21 of this report. This report is made on a standalone basis (i.e. only for the entity) and only contains information related to the entity.

Note 2: The environmental data presented in this report only represents consolidated data from 20 plants in India. Human resource and social data cover the whole entity data (i.e. 20 plants and 13 office locations).

17. 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/North America. Predominantly Europe, South-East Asia, Middle East, and America)

Note: The Company distributes its products internationally by working with our network of channel partners and we have international subsidiaries across multiple locations in Asia, Europe, America and Asia-Pacific.

b. What is the contribution of exports as a Percentage of the total turnover of the entity?

Total turnover contribution from exports is 26%.

c. A brief on types of customers

The Company caters to a diverse range of customers across various industries, including Iron & steel, Bearing, Automotive, Auto OEM, Metalworking, Construction, Aerospace, Railways, General engineering, Cement, Mineral processing, Coal, Pharmaceuticals, and Food Processing. In addition, the Company serves both retail and industrial customers through a distribution channel across India. The Company sells its products through multiple channels, including distributors, direct sales, and digital marketing.

IV. Employees

18. 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)	936	864	92%	72	8%
2	Other than Permanent (E)	39	35	90%	4	10%
3	Total employees (D + E)	975	899	92%	76	8%
Workers						
1	Permanent (F)	1185	1172	99%	13	1%
2	Other than Permanent (G)	3303	3036	92%	267	8%
3	Total employees (F + G)	4488	4208	94%	280	6%

b. Differently abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	3	2	67%	1	33%
2	Other than Permanent (E)	0	-	-	-	-
3	Total employees (D + E)	3	2	67%	1	33%
Workers						
1	Permanent (F)	1	1	100%	0	0
2	Other than Permanent (G)	0	-	-	-	-
3	Total employees (F + G)	1	1	100%	0	0

Note: We have employed differently-abled workers in our IC Hosur, Abrasives - Tiruvottiyur & Hosur. Our office space is equipped with elevators, accessible restrooms, and adjustable chairs to accommodate employees with disabilities. In addition, the majority of our plants also have facilities in place to support employees with disabilities.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5
Key Management Personnel	2	1	50

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.3	1.9	5.3	4.7	0.0	4.7	3.8	0.0	3.8
Permanent Workers	2.9	0.0	2.9	2.2	0.0	2.2	1.5	0.0	1.5

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. 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	72.73	No
4	Sterling Abrasives Limited	Subsidiary	60	No
5	Cumi (Australia) Pty 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	72.73	No
16	Rhodius Schleifwerkzeuge Verwaltungsgesellschaft Mbh	Subsidiary	100	No
17	Rhodius Nederland B.V	Subsidiary	100	No
18	Rhodius France S.A.R.L.	Subsidiary	100	No
19	Rhodius Korea Inc.	Subsidiary	100	No
20	Rhodius South America Limited	Subsidiary	100	No
21	Ciria India Limited	Associate/ Joint Venture	30	No
22	Wendt (India) Limited	Associate/ Joint Venture	37.5	Yes
23	Murugappa Morgan Thermal Ceramics Limited	Associate/ Joint Venture	49	Yes

Note: This report does not contain ESG information related to Subsidiaries and Associate Associate/Joint Venture Companies of CUMI. This is a Standalone report (i.e only for the entity: 20 plants and 13 office locations).

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): 25098.59 Million

(iii) Net worth (in ₹): 19719.00 Million

VII. Transparency and Disclosures Compliances

23. 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 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
		No of complaints filed during the year	No of complaints pending resolution at close of the year	Remarks	No of complaints filed during the year	No of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	-	**Refer Note 1** No complaints received from communities.	Nil	-	-
Investors (other than shareholders)	Yes	Nil	0	**Refer Note 2** No complaints received.	Nil	-	-
Shareholders	Yes	2	0	**Refer Note 2** Two complaints received from Investors were resolved. No complaints from shareholders are pending for resolution.	Nil	-	-
Employees and workers	Yes	1	0	**Refer Note 3** One complaint received in the fiscal year has been resolved. Awareness program on POSH was conducted to eliminate such complaints in the future.	Nil	-	-
Customers	Yes	73	10	**Refer Note 4** Ten complaints from customers are pending for resolution at end of reporting year. The respective team is responsible to resolve customer complaints.	401	8	-
Value Chain Partners	Yes	Nil	-	**Refer Note 3**	Nil	-	-
Others (Please Specify)	-	-	-	-	-	-	-

Note 1: Community Grievance Mechanism - we have implemented several measures to receive and address grievances from various stakeholders, including a Stakeholder forum comprising local body members and other community representatives, as well as need-based community interventions.

Note 2: Shareholder and Investor Grievances: https://www.cumi-murugappa.com/contact-us/

Note 3: Employees, Workers and Value Chain: https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/policies/Whistle-Blower-Policy.pdf

Note 4: Customer Grievances https://www.cumi-murugappa.com/contact-us/

24. 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 obligations	Risk	Climate change is resulting in increasing frequency and intensity of extreme weather events, which can disrupt our operations, damage our 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. We are in a phase where Climate obligations are rapidly evolving. The Indian government is taking steps to address climate change and we can expect more regulations to be introduced in the future. The risk could potentially increase our operating costs through carbon taxes or emissions caps. Additionally, our customers, investors, and other stakeholders are increasingly concerned about climate change and are demanding that we take action to address it. Failure to take action may result in reputational damage and loss of business.	To mitigate our exposure to these risks, we are taking proactive measures such as investing in energy-efficient technologies, reducing greenhouse gas emissions, increasing water efficiency, plan to diversify our supply chains, and developing contingency plans for extreme weather events. By implementing these methods, we can reduce our exposure to climate change risks and enhance our long-term sustainability. As a part of our sustainability efforts we are 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 our 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 our profitability and competitiveness in the long run.	We have made sincere efforts to reduce our environmental risks by transitioning from fossil fuels to LPGs and increasing our use of renewable power sources across most of our plants. We have also 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 our obligations under the EPR (plastic) regulation, we ensure the collection of plastic waste generated through third-party engagement. To monitor our compliance with environmental regulations, we use the KOMRISK tool, which enables us to track and report on our environmental performance on a monthly basis. Additionally, we conduct regular environmental monitoring to ensure that we pose no threat to the environment and prevent any potential disruption to our 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, we operate in a highly competitive industry, where access to skilled talent is essential for our success. Our ability to attract, retain, and develop skilled employees is critical to our ability to innovate, meet customer demands, and achieve our business objectives. Failure to do so could result in a shortage of skilled labor, which could limit our growth potential and put us at a competitive disadvantage.	The Murugappa group places a great emphasis on human capital as being essential for sustainable business operations and growth. To achieve this, 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. We have implemented various HR practices throughout the employment cycle, including performance-based rewards and recognition mechanisms. Job rotation and training are employed to develop employee capacity, and regular employee engagement activities are conducted.	Negative
4	Market Preference	Risk/opportunity	We operate in a highly competitive industry 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 our financial performance and ability to meet the needs of our stakeholders. Moreover, we operate in a global market where customers are increasingly focused on sustainability and ethical business practices. Failure to align our business practices with these changing market preferences could result in reputational damage, lost business opportunities, and legal liabilities.	We regularly conduct market research and analysis to understand customer preferences and expectations and adapt our products and services accordingly. We will also strengthen the integration of sustainability into our business strategy, operations, and decision-making, reflecting our commitment to responsible and ethical business practices that meet the evolving needs of our stakeholders.	Negative/ Positive
5	Technology Risk	Opportunity	Technology plays a vital role in our 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 put us at a competitive disadvantage and impact our ability to meet customer demands and expectations. Moreover, our 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 our brand reputation and stakeholder trust.	We have implemented various initiatives to mitigate the risk of technology-related threats. We regularly invest in research and development to enhance our technological capabilities, improve our processes, and develop innovative solutions that meet the evolving needs of our customers. We also planning to strengthen our cybersecurity measures in place to protect our digital assets and ensure the confidentiality, integrity, and availability of our 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	We understand that data security breaches can lead to significant reputational damage, financial losses, and legal penalties. The Company often stores 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.	We have implemented various measures, such as regular cybersecurity assessments, data security policies and procedures, and employee awareness to mitigate this risk. By proactively identifying and addressing this risk, we are committed to operating in a socially responsible and sustainable manner, protecting our reputation, and maintaining the trust of our stakeholders.	Negative
7	Data Privacy	Risk	The rapid digitalisation of the economy has made data privacy a significant concern. As a responsible and ethical Company, we are committed to protecting the privacy of our 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: We have implemented access controls to ensure that only authorised personnel have access to sensitive information. Regular Training and Awareness: We 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.	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 to our 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 are trained to have zero tolerance toward any breach of the code of conduct.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates nine principles as given below:

- P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- P2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4 Businesses should respect the interests of and be responsive to all its stakeholders.
- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect and make efforts to protect and restore the environment.
- P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 Businesses should promote inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their consumers in a responsible manner.

CUMI has implemented a rigorous governance mechanism to ensure sustainable business operations. We have adopted the Plan, Do, Check, and Act (PDAC) process to achieve ongoing improvement in our systems. As part of our sustainability journey, we have identified material aspects such as climate action obligation, environmental risks, supply chain disruptions, regulatory changes, technology risks, customer data privacy, organisation data security, employee turnover and skills, community engagement etc

To mitigate these material aspects, we have conducted an enterprise risk analysis and identified various opportunities, such as market research, Corporate Governance, HR policies, innovation and technology adaptation, data and information security systems, stakeholder grievance mechanism and engagement processes. The Company has also established various policies, such as the Murugappa Five Lights, Code of Conduct, Human Resources enabling policies, Privacy policy, Business Responsibility policy, Sustainability policy, Stakeholders engagement and grievances Redressal policy, Whistle-blower policy, and Corporate Social Responsibility policy etc.

All leadership and operational team members have been trained on these policies, and various awareness programs have been undertaken. The adherence to the Code of Conduct and an annual confirmation to the same at the beginning of every financial year reiterates our commitment to governance process and non-negotiable ethical behaviour. The Company has established a robust internal and external communication system to ensure the effective implementation of these policies across their facilities. While the respective business heads are primarily responsible for policy implementation, the Business Group Core Management committee and Audit Committee regularly monitor the overall governance aspects. All major material incidents are reported to the Board, along with corrective and preventive programs. Overall, we have demonstrated a strong commitment to responsible and sustainable business practices.

The following policies/standards/procedures are being implemented under each principle:

Principle 1: (1) Responsible business code of conduct (OECD or Equivalent), (2) Policies and procedures to meet the SEBI listing guidelines (Business Responsibility policy), (3) Board governance structure, (4) Regulatory compliance tracking and assurance policy, and (5) Anti-corruption and anti-bribery (covered under CUMI Right Path document and contractual agreements) (6) Conflict of Interest Policy (7) Transparency and Disclosure Policy.

Principle 2: We have procedures/policies in place that already address some of the important objectives of a supply chain sustainability policy. (1) Sustainability policy and (2) Product safety policy demonstrates our commitment to environmental and social responsibility. However, we are always striving to do better, and we believe that developing a dedicated supply chain sustainability policy can help us ensure that all of our suppliers and vendors uphold the same high standards.

Principle 3: (1) HR policies (lifecycle) (2) Equitable and Inclusive Work Place (3) Occupational health and safety policy, (4) Gender equality and diversity policy (5) Leave pool policy (6) Fair employee appraisal process (7) Group health and medical insurance, accident insurance.

In addition to the above, the Company also offers various career development programs to support employees in their professional growth and advancement. We also have reward and recognition programs in place to acknowledge and appreciate the contributions of our employees. Moreover, we regularly conduct employee engagement surveys to gather feedback and insights from our employees, which helps us to continuously improve and create a positive work environment for our staff. We have awarded Certificate for Significant Achievement in HR Excellence for the 13th CII National HR Excellence Award 2022-23 and it can be viewed at https://www.cumi-murugappa.com/awards/.

Principle 4: (1) Procedures for identifying stakeholders (concerns and opportunities), (2) Feedback mechanism (3) Whistle-blower Policy.

Principle 5: (1) Human rights policy - Non-discrimination Policy, Minimum Wage Policy, POSH Policy, Privacy Policy, Child Labour Policy etc. (2) Business code of conduct.

Principle 6: (1) Sustainability Policy (2) Health, Safety and Environment Policy.

Principle 7, Principle 8 and Principle 9: Code of Ethics and Conduct, Corporate Social Responsibility Policy, Responsible Marketing and Advertising Policy, Product Quality and Safety Policy, Privacy Policy, Social Media Policy, CUMI's Right Path and Code of Conduct besides the Whistle Blower policy and POSH policy etc.

Policy and Management Process

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy or 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/ Certain policies of the Company are only available to internal stakeholders or employees.								
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)	The Company endeavors to encourage its value chain partners to engage in responsible and sustainable business practices, taking into account their respective capabilities and resources. To enable this, we have Fair trade practice, Whistle-blower policy, Grievance mechanism and value chain engagement process etc.,								
4. Name of the national and international codes/ certifications/labels/standards	-	-	Y[1]	-	Y[2]	Y[3]	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	• Ensure 100 per cent compliance against all regulatory and statutory requirements. • Ensure 100 per cent compliance with respect to human rights. • Effectively address all stakeholder grievances in a satisfactory manner that meets their needs and expectations. • The Company has set a dedicated sustainability target to reduce its environmental footprint, which includes specific targets for reducing water consumption, emissions, waste, and energy consumption. Performance of each of the BRSR principles is reviewed periodically by various Committees led by the Board of Directors and Management.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	• We have achieved 100 per cent compliance against all applicable regulations and statutory requirements. • We have successfully achieved 100 per cent compliance with respect to human rights, demonstrating our commitment to upholding ethical and responsible business practices that respect the dignity and rights of all individuals. • Achieved tremendous progress in sustainability through the installation of Renewable Power, Switching to cleaner fuels, innovation in technology etc.								

Y[1]: IS 45001, Y[2]: -SA 8000, Y[3]: ISO 14001 & ISO 50001

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

We recognise the importance of Environmental, Social, and Governance (ESG) factors in creating a sustainable future for our business and society as a whole. We believe that by prioritising ESG considerations, we 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 our operations, right from our business strategy and decision-making processes to our daily practices and interactions with stakeholders. Our Board is made up of individuals with diverse backgrounds and experiences, including expertise in ESG issues, which enables us to effectively manage these considerations in our decision-making processes. We have established multiple committees within the Board, including but not limited to the Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, and Corporate Social Responsibility Committee. These committees play a vital role in ensuring effective governance, risk management, and sustainable development of our organisation (Please refer Sl. No. 9 for more details on their roles and responsibilities under ESG).

As a Company committed to ESG principles, we have adopted a set of policies and practices that align with our values and goals this includes the Company's Code of Conduct, Human rights policy, Code of Conduct for Prevention of Insider Trading, Diversity policy, Policy on prevention of sexual harassment, ethical guidelines on stakeholder dealing, Whistle Blower policy, Anti-corruption and anti-bribery, corporate social responsibility policy, Sustainability policy, Privacy policy, stakeholder engagement etc.

We are steadfast in our commitment to sustainability, and we have set a bold target of reducing our water consumption, emissions, waste, and energy consumption. To achieve this goal, we have implemented a range of measures, including increasing our renewable energy capacity, implementing water consumption reduction programs, and transitioning to climate-friendly fuels. In addition to these efforts, we recognise our responsibility to society, and we are dedicated to making a positive impact through our Corporate Social Responsibility (CSR) activities. We understand that our success is intricately linked to the health and prosperity of the communities in which we operate, and we are committed to engaging in meaningful CSR initiatives that contribute to the well-being of these communities.

Overall, our commitment to sustainability and responsible corporate citizenship is an integral part of our business strategy, and we believe that by pursuing these goals, we will not only create long-term value for our stakeholders but also contribute to a more sustainable and equitable world.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Name: Mr. N Ananthaseshan

Designation: Managing Director

9. Does the Company have a specified Committee of the Board/Director responsible for decision making on Sustainability related issues? (Yes/No). If yes, provide details.

Yes, The Board and its Committees bear the primary responsibility for overseeing the strategy, governance, compliance, stakeholder interest, risk management, and sustainability practices of the Company, including the identification, mitigation, and management of ESG risks and other material issues. We have established several Board committees to address business concerns, such as the Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, and Corporate Social Responsibility Committee.

1. Risk Management Committee: The Risk Committee is responsible for identifying and assessing Environmental, Social, and Governance (ESG) risks that may impact the Company's operations or reputation. The committee analyses these risks and recommends appropriate strategies and actions to mitigate them. By proactively addressing ESG risks, we can better protect its stakeholders and improve its long-term sustainability.

2. ESG Committee: 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.

3. Audit Committee: The Audit Committee is responsible for reviewing the Company's financial performance and ensuring that it complies with legal and regulatory requirements. In addition, the committee reviews the Company's ESG performance and sustainability reporting, ensuring that they are accurate, transparent, and provide relevant information to stakeholders. Through this oversight, the committee helps to maintain our reputation and build trust with its stakeholders.

4. Stakeholder Committee: The Stakeholder Committee is responsible for monitoring and addressing grievances from all Stakeholders, including Customers, Employees, Suppliers, and Communities. The committee ensures that stakeholder concerns are heard and addressed in a timely and effective manner, enhancing stakeholder satisfaction and loyalty. Through this approach, we build stronger relationships with its stakeholders and improve its reputation as a responsible and ethical business.

10. Details of Review of National Guidelines on Responsible Business Conduct (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 compliance management system to this effect.

Aspect	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	The leadership team has developed various policies and procedures on material aspects of CUMI. Although we have not undergone external Environmental and Social assessments, we have established a robust internal mechanism to ensure compliance with relevant standards and regulations. This mechanism includes site-level audits as well as corporate-level audits to assess our performance in areas such as environment, health, safety, and quality management. We have implemented various integrated management systems, including ISO 9001 for quality management, IS 45001 for occupational health and safety management, and ISO 50001 for energy management. These systems are audited by reputable organisations. We have also partnered with ESG specialists to assess our existing maturity levels and draw up plans to minimise the gap to benchmarked practices and processes in ESG.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated.

All principles are covered in the policies.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT, AND ACCOUNTABLE

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. CUMI's value systems are aligned with the Murugappa Group's Values and Beliefs guided by the Five Lights - spirit of the Murugappa Group: Integrity, Quality, Passion, Respect and Responsibility towards all stakeholders and the communities that the Company operates in and serves. The Company as well as all companies within the CUMI Group - its Subsidiaries, Associates or Joint Ventures are governed by this philosophy in addition to the requirements of their local jurisdictions. The Board recognises that governance expectations are constantly evolving and is committed to keeping its governance framework under continuous review to meet both letter and spirit of the law and its own demanding levels of business ethics.

Our key elements in Corporate Governance are transparency, internal controls, risk management, internal/external communications and good standards of safety, health, environment and quality. 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 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 Company's day-to-day affairs are managed by the Managing Director and Whole-time 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 Company's website (https://www.cumi-murugappa.com/policies-disclosure/). 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.

Various committees have been constituted by the Boards of the respective group companies in terms of regulatory requirements and to oversee operational/strategic matters thereby supporting the Board in discharging its duties efficiently. The Committees of the Board are Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, and CSR committee. The Board at the time of the constitution of committees approves the terms of reference of each committee. Recommendations of the committees on various matters are placed before the Board for approval.

CUMI's Right Path, a corporate manual setting out the corporate culture lays down the guidelines required to be adhered by every employee both in letter and spirit. This manual was prepared with a view to give clarity on ethical issues, maintaining transparency in all dealings and to practice ethics in a dynamic business environment. It is required to be adhered by all employees, the Company's Code of Conduct, Code of Conduct for Prevention of Insider Trading, Diversity policy, Policy on prevention of sexual harassment, ethical guidelines on stakeholder dealing, Whistle Blower policy which are also enshrined in the Right Path serve as a guiding norm in matters relating to ethics, anti-bribery and anticorruption for all employees. The anti-bribery clauses are made part of its contractual arrangements with suppliers, vendors etc., The Company has also put in place transparent processes for dealing with confidential and sensitive information of the Company, legitimate purposes for which it can be shared and the manner to conduct enquiry in case of a violation etc., beyond the mandate of law.

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 the prevention of sexual harassment at workplace. The above policies are periodically reviewed by the Board. Due to the adoption of a robust governance mechanism, no material incidents were reported during FY 2022-23.

The Company ensures that its Directors are kept up-to-date on sustainability initiatives and regulatory changes through quarterly meetings. This practice helps the Directors to make informed decisions that align with the latest industry standards and requirements. Key managerial and other employees/ workers are trained on various policies and work-related material aspects such as ethical guidelines on stakeholder dealing, health & safety, environment and climate change. A series of training programs and workshops are being conducted for the employees to ensure that the Murugappa Five lights spirit is embraced across the Company. No incidents related to corruption and bribery were reported either by internal, or external stakeholders including the whistle-blower mechanism for the FY 2022-23.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

The Company exercises due diligence in the selection of suppliers/contractors/others who are aligned with our value system. True to our purpose of 'Making Materials Matter,' we harness the properties of the rare resources of nature to maximise their efficiencies for the best possible material science solutions for an enduring planet. One of our long-term objectives within the sustainability space is to promote and facilitate the implementation of sustainable practices among our supply chain partners, vendors, and communities, with a focus on encouraging and providing support for these efforts.

We look at sustainability in all aspects of our business operations with a focus on innovation & process upgradation through purposeful Research & Development and collaboration with leaders in Materials Technology. Our research and product design has always centered on the sustainability of making 'more with less', extending product life cycles, enhancing efficiencies, improving processes, reducing cost, and minimising.

The Company strives for sustainable resource exploitation through its integrated operations. Collaborative project opportunities among the various business units lead to increased efficiencies in sourcing and product development. We adopt Total Productivity Maintenance (TPM) practices to improve operational efficiencies while also promoting sustainable operations and energy conservation.

In the Abrasives business which is the main business segment of the Company, sustainable sourcing is incorporated in the processes and procedures as follows: 1. Energy Management initiatives are captured in our Supplier addition checklist. 2. Focused Sustainability projects like reducing the weight of packing materials, water consumption, energy consumption etc are reviewed. 3. Procurement of paper is undertaken only from FSC-certified mills. Also, we have plans to promote/support SA 8000, ISO 14001, and OHSAS 45001 certified vendors in our supply chain as a way to integrate ESG aspects. The long-term plan is to conduct an ESG assessment of key suppliers and communicates areas of further improvements to reinforce ESG principles.

We continuously innovate and strive for optimal resource use over the life cycle of the products it manufactures. The Company has sustainable processes in place to recycle the products and waste, post-completion of the manufacturing life cycle. As part of our initiative towards reducing our GHG emissions over our product life cycle, we have migrated towards natural gas in both Industrial Ceramics & Bonded Abrasives and promote renewable energy consumption through the installation of solar energy at our plant locations. We have estimated our carbon footprint and net-zero strategy by engaging the Confederation of Indian Industries in certain businesses. We are further planning to undertake a life cycle assessment of major products.

The EPR regulations require us to manage our plastic waste from Abrasives Business. We have recycled 313 metric tons of plastic packaging waste during the year by engaging third-party services. There are many other initiatives to reduce waste such as use of rejected material back into the product manufacturing mix, including maximum recycling mix in products to ensure high recyclability etc.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

The organisation remained committed to prioritising the well-being of its employees. The Company has adopted employee-oriented policies covering areas such as employee contract policy, employee and worker wage policy, PF/Gratuity policy, career development policy, fair employee appraisal process, 360 Degree feedback process, employee grievance redressal mechanism, leave policy, travel policy, paternity and maternity leave policy, group health and medical insurance, accident insurance, policy on fairness to participating in open forums, prevention of sexual harassment workplace policy and great places to work policy.

The current workforce comprises 975 employees and 4488 workers, all of whom receive comprehensive health, accident, maternity, and retirement benefits. Our return to work and retention rates of permanent employees and workers over the last year is 100%. Unit level grievance committee/IC committee is responsible to address any grievances that employees or workers (both permanent and contractual) may have. There were, no pending grievances for the fiscal year 2022-23 due to the effective employee and worker engagement process implemented by the organisation.

Employee Safety and Health Safety continues to be the key area of focus for the Company. Most of the manufacturing locations of the Company are certified ISO 14001 (Environment Management System), QMS - ISO 9001 (Quality Management System), and ISO 45001. Some of the plants are also certified EnMS ISO 50001:2011. Behaviour-based training both in-person as well as virtual was conducted to promote a culture of safe working. The Behaviour-based safety model has been piloted in select units of Electrominerals, Industrial Ceramics and Abrasives Businesses. We conduct HIRA assessments in all of our plants, and for certain units, we also perform working condition assessments based on the REBA model. Our risk register encompasses all work-related hazards, demonstrating our commitment to comprehensive risk management. Safety awareness sessions continued on a regular basis to bring in more awareness of safety. Separate kiosks have been set up at select units to provide virtual training on safety and to issue a work passport on the successful completion of safety orientation.

We prioritise regular awareness sessions, training on the proper use of protective equipment, and identifying and eliminating any hazardous conditions. CUMI places great importance on workplace safety and has made sustained efforts to train our employees on safe work practices. Over the last year, 100 per cent of our employees and workers have been trained in health and safety. We remain committed to promoting and empowering women through initiatives such as our friendly workplace policies, policies for the prevention of sexual harassment, and the establishment of internal complaints and women welfare committees. Some of our plants have already taken measures to benchmark their safety protocols. Furthermore, the organisation has entered and emerged victorious in many competitions for exemplary safety practices over the past year. Throughout the previous financial year, we are pleased to report that we did not receive any complaints related to health, safety, or the environment (HSE) from our employees or workers. This indicates that our organisation's efforts to prioritise HSE and implement effective measures to promote a safe and healthy workplace have been successful.

- EMD was awarded the IEI Industry Excellence Award 2022
- EMD has been recognised with GOLD Award for Energy Management and Conservation by Society of Energy Engineers & Managers (SEEM)
- EMD was awarded the Kerala State Energy Conservation Award 2022 in appreciation of the commendable achievements towards energy conservation and management in the category of Large-Scale Energy Consumers
- Three of our units have won Safety Award this instituted by Government of Kerala and National Safety Council

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

CUMI strongly believes in order to deliver services that are relevant to the market; stakeholder engagement is essential. The major stakeholders are shareholders and investors, employees, customers, suppliers, local communities, regulators, and government agencies.

The most critical material topics that are having some interest or influence on the stakeholders are regulations, technology risk, market preference risk, environmental risk, climate action obligation, employee turnover and skills, customer data privacy, organisation data security, corruption and bribery, and supply chains.

The Company management regularly interacts with key stakeholders. The consultation with the Board on key stakeholder concerns is largely facilitated by different organisational functions which are responsible for the respective stakeholders. This is facilitated through periodic Board reviews held at least once a quarter. The Company conducts a customer satisfaction survey on a periodic basis. The Company puts the customers at the fulcrum of its business strategy. The Company understands the requirements of the customers and provides holistic solutions rather than merely supplying materials.

The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalised stakeholders in and around the Company's factories/plants. Education, sports and health aids are provided to schools in rural/underdeveloped areas and to schools supporting differently abled children. The Company's Corporate Social Responsibility (CSR) policy drives the initiatives undertaken by the Company towards the benefit of the disadvantaged, vulnerable, and marginalised stakeholders. The Company has spent ₹378.33 Lakhs on CSR activities benefiting more than 80 per cent from marginalised and weaker sections of the society during the FY 2022-23.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

CUMI has a strong commitment to upholding human rights in all of its business operations. The Company recognises that human rights are universal, inherent, interdependent, and indivisible. To integrate this aspect with its operations, the Company takes conscious efforts to understand the regulatory aspects of human rights both nationally and internationally. CUMI respects the human rights of all relevant stakeholders and groups, including communities, consumers, vulnerable and marginalised groups, and business units within their sphere of influence. They strive to promote awareness and realisation of human rights across their value chain.

The Company is committed to providing equal opportunities during employment and recruitment, regardless of gender, race, caste, religion, disability, creed, etc., CUMI also prioritises maintaining a safe, hygienic, and humane workplace environment that upholds the dignity of employees. This includes regular training and communication.

To ensure high standards of ethical, moral, and legal business conduct, the Company has established a whistle-blower mechanism that provides an avenue to raise concerns. The grievance mechanism also provides adequate safeguards against employee victimisation. Awareness campaigns organised by the Internal Complaints Committee, set up under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, help promote a safe and respectful workplace. In the previous year, two referrals were received under the policy for the prevention of sexual harassment, which were resolved after due inquiry.

All permanent and non-permanent employees at CUMI are paid more than minimum wages. About 99.66 per cent of permanent workers and 8.9 per cent of other than permanent workers are paid more than the minimum wages.

No disputes or legal cases related to HR-related incidents or human rights were filed or pending against the organisation. The corporate HR head is primarily responsible for the overall implementation of various human rights-related policies and addressing grievances. We have following polices/framework in place to promote human rights.

- Compliance with the Code of Wages 2019 and other applicable regulations,
- Employee contract or agreement,
- Equal and fair wages policy,
- Employee and staff leave policy,
- Timely disbursement of salaries,
- Compliance with provident fund and gratuity,
- Leave policy,
- Parental leave, and come back to work policy,
- Employee and staff health protection policy,
- Occupational health and safety at workplace policy,
- Employee freedom of expression and participation policy,
- Employees separation and notice period policy,
- Promoting inclusiveness and equal opportunities,
- Non-discrimination and protection against sexual harassment,
- Employee information and privacy policy,
- Grievance redressal mechanism for employees and service providers,
- Employee awareness programs on HR policies and human rights,
- Fairtrade practices with service providers.

No complaints regarding child labor, forced labor, bonded labor, or involuntary labor were reported in the last financial year, and all plants and offices undergo third-party audits for compliance with human rights aspects. CUMI requires all its value chain partners to comply with their supplier code of conduct, which insists on 100 per cent compliance with human rights aspects such as child labor, forced/involuntary labor, sexual harassment, and wages.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

We at CUMI have implemented robust mechanisms to ensure compliance with applicable environmental laws and regulations. We are dedicated to being an environmentally friendly organisation and have established an extensive Environmental and Sustainability Policy that is followed across all our business units. Additionally, the Company actively participates in initiatives to address environmental issues and promote sustainable development. Almost all of our plants are certified for both ISO 14001 certification for Environment Management Systems and ISO 9001 certification for Quality Management Systems. The Company's environment policy can be viewed at https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/Sustainability-Policy-2023.pdf.

Our sustainability vision for 2025 aims to reduce our environmental footprint significantly. To achieve this, we plan to lower our specific water consumption, emissions, and energy consumption. We also intend to incorporate renewables into our power mix and reduce waste considerably. As part of our commitment towards sustainability, we have progressed across different components of the environment in the following ways as underlined below.

Throughout the year, the Company's various businesses demonstrated a significant commitment to energy conservation with a strong focus and dedication. The details of energy conservation initiatives and investments are available in Annexure D. The primary energy conservation measures undertaken involved identifying and optimising power consumption in power-intensive equipment, modifying the manufacturing process, replacing legacy equipment with efficient and energy-conserving alternatives, improving cycle time, and sourcing alternate fuels (fuel oil to LNG/CNG). As a result, we achieved several efficiency improvements in furnace operations, commissioned solar power units at multiple factory locations, realised fuel savings through automation and heat recovery, and made improvements in combustion efficiency and specific fuel consumption. Our energy intensity has come down by 6 per cent in the reporting fiscal year and we met a total of 11 per cent of total power consumed from renewable energy with a total specific power consumption rate of 0.053 TJ/turnover in Rupees million.

As part of our commitment to reducing greenhouse gas emissions, we have enlisted the services of a third party to assess our overall carbon footprint. We are presently developing customised carbon reduction strategies for each of our plants, taking into account the specific requirements of each business.

To reduce our Scope 1 emission, we have successfully replaced fuel oil with carbon-effective LNG at most of our plants. Furthermore, we are committed to achieving a renewable energy mix of at least 25 per cent by integrating our renewable energy blend into our power supply. Accordingly, our total Scope 1 and Scope 2 emissions intensity have been reduced by 13 per cent from the last fiscal year with 8.2 Mt CO_2e (Scope 1 and Scope 2)/ turnover in Rupees million.

The total volume of water consumed during the preceding financial year amounted to 375229 KL, characterised by a specific consumption rate of 15 KL per turnover in Rupees million. In an effort to curtail water usage, a range of water-saving initiatives has been implemented, such as refining the treatment process, incorporating a jet aeration system, reusing rejected reverse osmosis (RO) water as feedwater for boilers, and effectively recycling rainwater. At all of our facilities, we have installed both Sewage Treatment Plants and Effluent Treatment Plants, which are in compliance with the applicable discharge norms as established by the pollution control board. Moreover, several of our plants operate as Zero Liquid Discharge plants.

All of our business units follow the "reduce, reuse, and recycle" approach to manage waste. We have implemented various initiatives to support this approach, including selling fired rejects from our Industrial Ceramics business to Super Refractories, maximising the reuse of waste generated within our internal system or among group companies, and implementing a bio-treatment system for food waste. As per the EPR regulations, we are responsible for managing our plastic waste. To fulfil this responsibility, we have recycled 313 metric tons of plastic packaging waste through third-party services this year. In the reporting fiscal year, we have recycled/reused about 39 per cent of the waste we have generated.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

CUMI is an active member of several national and international trade and industry chambers and associations. As part of these groups, we provide recommendations and representations to regulators and associations to advance and improve the industrial climate in India. Additionally, we regularly participate in forums and discussions related to energy security and management, water and food security, and sustainable business practices to share our views and opinions. However, during the previous fiscal year, the Company did not engage in any public policy advocacy.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Prior to the mandatory implementation of Corporate Social Responsibility (CSR) provisions under the Companies Act of 2013, we had already made it a tradition to allocate a portion of our profits to fulfill social responsibilities in accordance with the Murugappa Group's value system. The Company views social responsibility as more than a mere obligation, but rather as a moral duty in line with one's spiritual beliefs. Therefore, our philanthropic endeavours reflect our ethical principles and provide us with a means of fulfilling our obligations to various segments of society.

To effectively implement our well-defined CSR policy, a dedicated CSR Committee has been established to oversee the allocation of funds towards specific projects. The CSR policy outlines the Company's responsibility towards CSR, the guiding principles of our initiative, the method of implementation, and a corresponding reporting process. With a focus on Skill Development, Education, and Healthcare, these priority areas are at the forefront of the Company's CSR endeavours.

The Company is committed to promoting inclusive growth through a comprehensive Corporate Social Responsibility (CSR) Policy, which can be viewed at the link CSR-Policy-2021.pdf (https://www.cumi-murugappa.com/wp-content/uploads/2021/04/CSR-Policy-2021.pdf). In the previous fiscal year, we implemented several projects in the areas of Child and Youth Empowerment, Elderly Care, Health Services, and Sustainability, with a total CSR spend of 378.33 Lakhs. These projects have benefitted approximately 24,529 individuals, with 80 per cent of the beneficiaries being from marginalised or vulnerable communities.

CUMI is committed to promoting social inclusion and economic empowerment, particularly for marginalised groups. As part of this commitment, we have exclusively engaged suppliers from these groups for the supply of manpower to our various plants. This not only supports our manufacturing processes but also helps to ensure the livelihoods of these suppliers. In the previous fiscal year, 1 per cent of our annual procurement of goods and services are from marginalised suppliers.

We have implemented several measures to receive and address grievances from various stakeholders, including a Stakeholder forum comprising local body members and other community representatives, as well as need-based community interventions.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

We, at CUMI place great importance on addressing customer complaints and recognise the need to be agile, transparent, and solution-oriented in order to resolve them effectively to the satisfaction of our customers. We believe that commitment to transparency is vital to build trust and credibility with our customers, by demonstrating honesty and openness in handling complaints.

Customers can communicate their complaints via email or phone calls to the regional salesperson, who will send an immediate acknowledgment of the complaint via email. The complaint is then registered in the Company's Enterprise Resource Planning (ERP) system. To ensure efficient resolution of complaints, technical complaints are handled by the quality control team, while commercial complaints are managed by the Marketing team. The Company has set a target of resolving complaints within 30 days, in cases where the return of material is necessary for analysis. Through the ERP we have streamlined the complaint resolution process by routing the complaint to the appropriate team and tracking its progress. By centralising complaint management in the ERP system, the Company ensures that complaints are addressed efficiently and effectively.

During the previous fiscal year, we did not receive any complaints related to data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, or unfair trade practices. However, we have received 73 complaints under other category, and we were able to resolve 86 per cent of those complaints to the satisfaction of our customers. The Company encourages our customers to prioritise safety by providing instructions (instruction labels) regarding the handling, storage, use of its products and disposal mandated as per the local laws. Also, in order to promote the safe and responsible usage of our products, we have made available Material Safety Data Sheets (MSDS) on our website. These sheets contain detailed information about the potential hazards associated with our products and provide guidance on how to handle, store, and dispose of our products in a safe manner. We also make the decision to voluntarily recall our products due to issues with material breakage in interest of ensuring the safety and satisfaction of our customers.

The Company conducts consumer surveys and monitors satisfaction trends periodically. Surveys are often carried out during customer plant visits, allowing us to gather firsthand insight into their experiences with our products and services. No cases of customer data breaches have been reported in the previous fiscal year.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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 a respective category covered by the awareness programmes
Board of Directors	Throughout the fiscal year 2022-23, a range of awareness programs, and discussion meetings were conducted for the Board and its various Committees. These programs comprehensively covered various aspects of the BRSR 9 principles highlighted in the Business Responsibility and Sustainability Reporting, and were delivered in the form of quarterly presentations covering topics such as SEBI listing guidelines, difference between BRR and BRSR reporting, Corporate Governance, Regulatory Changes, domestic and global corporate and industry developments, sustainability and ESG updates, policy awareness, grievance mechanism, occupational health and safety aspects, and risk management and mitigation measures. We strongly believe that discussing and addressing critical aspects of Economic, Environment, Social, and Governance aspects during the meetings enables the Board to make informed and timely decisions. Board members frequently interact with each other to review progress made in material aspects and take decisive decisions to align with the set targets (one such example is CSR spending). Moreover, the Chairman and Board of Directors periodically visit the manufacturing facilities. In the last fiscal year, the Board visited plants in Kochi, Kerala, to gain an understanding of the various initiatives implemented in Environment and Sustainability, in line with our Sustainability Goals. These initiatives include new investments in the modernisation of the fused alumina facility, efforts to reduce GHG gas emissions through quantification, the implementation status of GHG mitigation projects, and the development of new sustainable products.		100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in a respective category covered by the awareness programmes
Key Managerial Personnel	An array of awareness sections/training programs for KMPs and employees as listed below have been conducted in the last fiscal year. • Awareness on Whistleblowing and raising complaints under the Policy of the Company • Sustainability practices of the Company • Awareness session on POSH • Awareness session on Values workshop • Training program on GHG accounting and mitigation measures • Workshop on guiding principles and beliefs which define organisation culture and serve as a reference for our decision-making processes • Online and Offline training programs on occupational health and safety • Awareness sessions on SEBI (PIT) Regulations, 2015		KMP-100%
Employees other than BoD and KMPs			Employees-71%
Workers	• Awareness on Whistleblowing and raising complaints under the Policy of the Company • Awareness session on POSH • Occupational Health and Safety		26%

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.

Monetary					
Segment	**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			NIL		
Settlement			NIL		
Compounding fee			NIL		

Non-Monetary				
Section	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment			NIL	
Punishment			NIL	

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NIL	

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 policy.

CUMI's Right Path, a corporate manual setting out the corporate culture lays down the guidelines required to be adhered by every employee both in letter and spirit. This manual was prepared with a view to give clarity on ethical issues, maintaining transparency in all dealings and to practice ethics in a dynamic business environment. It is required to be adhered by all employees, the Company's Code of Conduct, Code of Conduct for Prevention of Insider Trading, Diversity policy, Policy on prevention of sexual harassment, ethical guidelines on stakeholder dealing, Whistle Blower policy (https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/policies/Whistle-Blower-Policy.pdf) which are also enshrined in the Right Path serve as a guiding norm in matters relating to ethics, anti-bribery and anti-corruption for all employees.

The Company strictly prohibits its employees and representatives from engaging in any form of bribery or corruption in any business dealings involving government officials, customers, vendors, or employees. This includes offering, accepting, paying, or authorising any form of bribe or corrupt payment. Our code of conduct includes a provision that prohibits employees from making any payments, directly or indirectly, to any individual or entity in exchange for business or any other favourable action. The anti-bribery clauses are made part of its contractual arrangements with suppliers, vendors etc. The Company has also put in place transparent processes for dealing with confidential and sensitive information of the Company, legitimate purposes for which it can be shared and the manner to conduct enquiry in case of a violation etc., beyond the mandate of law. Wherever feasible the contractual agreements with third parties also include provisions for adherence to the anti-bribery policy of the Company.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	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				

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.

Not Applicable

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
The Company is in the process of developing and institutionalising a program for the value chain partners.		

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 instituted a Code of Conduct that serves as a guiding framework for its Board of Directors and Senior Management personnel, elucidating clear directives on abstaining from and disclosing actual or potential conflicts of interest that may arise in connection with the Company's business operations. To reinforce the adherence to these directives, the Company mandates an annual declaration from its Board of Directors and Senior Management personnel, disclosing any interests that they may hold in other entities. Additionally, the Company undertakes necessary measures to procure 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 products and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year (FY 2022-23)	Previous Financial Year (FY 2021-22)	Details of improvements in environmental and social impacts
R&D	3.58%	-	Environmental improvement, Product recycling, New Product development, 'Disclosure on Conservation of Energy and Technology Absorption'.
Capex	8.06%	16.2%	

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

b) If yes, what Percentage of inputs were sourced sustainably?

The Company exercises due diligence in the selection of suppliers/contractors/others who are aligned with its value system. True to our purpose of 'Making a Material Difference,' we harness the properties of the rare resources of nature to maximise their efficiencies for the best possible material science solutions for an enduring planet. One of our long-term objectives within the sustainability space is to promote and facilitate the implementation of sustainable practices among our supply chain partners, vendors, and communities, with a focus on encouraging and providing support for these efforts.

Sustainable sourcing is incorporated in the processes and procedures as follows: 1. Energy Management initiatives are captured in our Supplier addition checklist. 2. Focused Sustainability projects like reducing the weight of packing materials, water consumption, energy consumption etc. are reviewed. 3. Procurement of paper is undertaken only from FSC-certified mills. Also, we have plans to promote/support SA 8000, ISO 14001, and OHSAS 45001 certified vendors in our supply chain as a way to integrate ESG aspects. The long-term plan is to conduct an ESG assessment of key suppliers and communicates areas of further improvements to reinforce ESG principles.

As a Company, we have implemented a process where we only engage with suppliers who are marginalised to provide us with manpower for our various plants. This is done in order to support our manufacturing process while also ensuring that these marginalised suppliers are able to earn a livelihood. We have committed to procuring 1 per cent of our annual goods and services from these suppliers as part of our commitment to support marginalised communities.

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.

We are already implementing sustainable practices in our operations. Firstly, we are reusing materials to minimise waste. Secondly, any waste generated on-site is either recycled within our facility or given to recycling vendors. Thirdly, a significant percentage of our Abrasives products are covered under Extended Producer Responsibility (EPR) regulations as required by Indian law. Lastly, we are adhering to Local Government policies by avoiding the use of single-use plastics.

The EPR regulations require us to manage plastic waste from our Abrasive units. We have collected and recycled 313 metric tons of plastic packaging waste by engaging third-party services as part of EPR obligation in the reporting fiscal year. We recover more than 50 per cent of the gross loss of skeleton waste from the Abrasives Business in the form of marketable products. There are many other initiatives to reduce waste such as the use of rejected material back into the product manufacturing mix, including maximum recycling mix in products to ensure high recyclability etc., Therefore, plastic waste generated from our products and their packaging is safely managed under EPR obligation through third-party engagement which undertakes recycling and coprocessing to effectively manage waste.

E-waste and Hazardous Waste: Most of our products before and after use do not contribute to the generation of E-Waste and Hazardous waste. However, the usage of Prodorite leads to the generation of hazardous chemicals, which are informed to the customers for safe management and handling by customers based on Material Safety Data Sheet (MSDS) sheet provided 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, it is applicable to our Abrasive units. Our EPR compliance obligation for the last fiscal year was 313 MT of plastic waste (70 per cent of the plastic packaging which we purchased and introduced in the market) and we have achieved the target. The details are summarised in the below.

Collection City	Material Type	PWP Type	Volume (MT)
Dindigul	Category I	Recycler	21
Kumbakonam	Category II	Co-processing	286
Karaikudi	Category II	Co-processing	
Elapully	Category II	Co-processing	
Elapully	Category III	Co-processing	6
Total Volume			**313**

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.
While formal life cycle assessments have not yet been undertaken, we continuously innovate and strive for optimal resource use over the life cycle of the products we manufacture. The Company has sustainable processes in place to recycle the damaged products and waste, post-completion of the manufacturing life cycle. As part of our initiative towards reducing our GHG emissions over our product life cycle, we have migrated towards natural gas in both Industrial Ceramics & Bonded Abrasives and promote renewable energy consumption through the installation of solar energy at our plant locations. We have estimated our carbon footprint and net-zero strategy by engaging with CII. We are further planning to undertake a life cycle assessment of our major products.					

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
No major concerns were identified. However, the usage of Prodorite leads to the generation of hazardous chemicals, which are handled and disposed of by customers based on the MSDS sheet provided along with the product. Also, for the waste generated from premature failure of products shall be disposed of by customers as per the MSDS sheet provided.		

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).**

Presently, we do not use any virgin recycled or reuse material from the markets in our products. We are exploring possibilities for alternative sourcing and sustainable materials. However, we reuse and recycle waste generated from our operations within our plant and through authorised third party vendors. The below table list gives details of wastes that have been generated during the process operation and reused within our system itself. This data does not provide details on virgin recycle/reuse input materials coming from the market used in our production process.

Indicate input material*	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Reclaim (100 % of reclaim generated recycled)	26.92% (2708 MT)	27.71% (2823 MT)
Wooden Pallet recycle	100.0%	100.0%
Ceramics scrap (100 % generated waste recycled in SR)	10.4% (1045.62 MT)	15.98% (1627.63MT)
Ceramics Sludge (100 % generated waste recycled in SR)	1.85% (185.9MT)	2.38% (242.03MT)
Mullite-refractory (100 % generated waste recycled in SR)	27.97% (78.09MT)	25.91% (64.79MT)
Sic-refractory (100 % generated waste recycled in SR)	44% (39.61MT)	49.84% (33.73MT)
Abrasive Grains from crushed wheels & recovered from Coated abrasive trimmings	1%	0.75%
Secondary material (refractories)	2832 MT	-

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.**

Please refer answer to “Essential Indicators, Sl. No. 4”

5. **Reclaimed products and their packaging materials (as Percentage of products sold) for each product category.**

Our Abrasives units have the obligation of 70 per cent of the plastic packaging which we purchased and introduced in the market to be collected and recycled under EPR regulation. Our Refractory products are tailor-made to fit the specific needs of our clients and are put together on-site. As a result, there is minimal packaging involved and the amount of waste generated is negligible. We provide customised refractory solutions that are assembled directly at the client’s location, which greatly reduces packaging waste. We prioritise sustainable waste management practices by striving to repurpose any waste generated in our production processes back into the same processes. We have also taken steps to ensure that all of our facilities have partnered with authorised vendors from the

Pollution Control Board (PCB). Our authorised vendors are responsible for recycling or reusing the waste whenever possible, thereby minimising the amount of waste that goes to landfills or incinerators. However, in instances where certain waste cannot be feasibly reintroduced into the circular economy, we make sure that it is properly disposed of through either incineration or safe landfills.

Please refer answer to "Essential Indicators, Sl. No. 4" for EPR compliance details.

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	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity		Day care Facilities	
		No.	% (B/A)	No.	% (C/A)	No.	% (D/A)	No.	% (E/A)	No.	% (F/A)
Permanent Employees											
Male	864	864	100%	864	100%	864	100%	864	100%	864	100%
Female	72	72	100%	72	100%	72	100%	72	100%	72	100%
Total	936	936	100%	936	100%	936	100%	936	100%	936	100%
Non-Permanent Employees											
Male	35	35	100%	35	100%	35	100%	35	100%	35	100%
Female	4	4	100%	4	100%	4	100%	4	100%	4	100%
Total	39	39	100%	39	100%	39	100%	39	100%	39	100%

Note: We have many employee-friendly policies in place such as (1) HR policies (lifecycle), (2) Equitable and Inclusive Work Place (3) Occupational health and safety policy, (4) Gender equality and diversity policy (5) Leave pool policy (6) Fair employee appraisal process (7) Group health and medical insurance, accident insurance. Also, most of our plants are ISO 45001 certified.

b. Details of measures for the well-being of workers

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity		Daycare Facilities	
		No (B)	% (B/A)	No (C)	% (C/A)	No (D)	%(D/A)	No (E)	% (E/A)	No (F)	% (F/A)
Permanent Workers											
Male	1172	1172	100%	1172	100%	1172	100%	-	-	1172	100%
Female	13	13	100%	13	100%	13	100%	-	-	13	100%
Total	1185	1185	100%	1185	100%	1185	100%	-	-	1185	100%
Non-Permanent workers											
Male	3036	3036	100%	3036	100%	3036	100%	-	-	3036	100%
Female	267	267	100%	267	100%	267	100%	-	-	267	100%
Total	3303	3303	100%	3303	100%	3303	100%	-	-	3303	100%

2. Details of retirement benefits for the Current Financial Year and Previous Financial Year.

Benefits	Financial year 2022-2023			Financial year 2021-2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	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	NA	100	Y	NA	100	Y
Others -Specify	NA	NA	NA	NA	NA	NA

NA- Not applicable

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.

Our office space is equipped with elevators, accessible restrooms, and adjustable chairs to accommodate employees with disabilities. In addition, the majority of our plants also have facilities in place to support employees with disabilities.

Disabled employees who are part of various business units have been mapped with roles that can be performed with ease and based on this assessment, further evaluation is done to identify roles that can be performed remotely/home. Present work locations of differently abled employees are accessible to them. Efforts are in progress to prepare other locations also accessible to our differently-abled employees.

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, covered as part of Diversity and Inclusion Policy under Right Path. CUMI is an equal opportunity employment provider. The Company encourages inclusive growth and supports equal employment opportunities for all job applicants and prospective employees, without discrimination about sex, caste, community, religion, age, disability, sexual orientation etc. Discrimination based on caste, colour, religion, or gender is considered a strict offence against the Company's principles. Equality of opportunity and merit is the sole criteria for selection.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Non-Permanent employees	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Unit-level grievance committees are existing at each location. For any Sexual harassment grievance, the IC committee under POSH exists for redressal. Workers can also reach out to the Ombudsman under the whistleblower mechanism.
Other than Permanent Workers	The first point of contact to resolve the grievance is the contractor through whom the worker is employed. The IC committee under POSH is available for any contract employee who can raise any grievance related to sexual harassment.
Permanent Employees	A dedicated mail id cumiposhcomplaints@cumi.murugappa.com is available to receive and resolve grievances. Employees can reach out to IC Committee constituted under POSH for Sexual harassment complaints. The whistle-blower channel is open to all employees for raising grievance or issues with confidentiality. Local & corporate HR units also have grievance redressal mechanism.
Other than Permanent Employees	Employees can raise their grievance through the contractor. If not resolved, can be escalated to the Unit HR, & also through the whistle blower mechanism.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	Current Year (FY 2022-23)			Previous Year (FY 2021-22)		
	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						
Male	864	-	-	851	-	-
Female	72	-	-	70	-	-
Total Permanent Workers						
Male	1172	544	46%	1188	480	40%
Female	13	-	-	12	-	-

8. Details of training given to employees and workers

Category	FY 2022-23					FY 2021-2022				
	Total (A)	On health and safety		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	899	899	100%	650	72%	864	864	100%	673	78%
Female	76	76	100%	44	58%	75	75	100%	44	59%
Total	975	975	100%	694	71%	939	939	100%	717	76%
Workers										
Male	4208	4208	100%	1136	27%	4385	4385	100%	1214	28%
Female	280	280	100%	9	3%	328	328	100%	12	4%
Total	4488	4488	100%	1145	26%	4713	4713	100%	1226	26%

Note: We have provided various awareness and training programs such as safe use of equipment and machinery, identification of risk and mitigation measures in the workplace, how to respond in case of an emergency etc., under Occupation, health and safety programs. We have also conducted skill development programs such as on the Job awareness programs, first aid, ergonomics etc.

9. Details of performance and career development reviews of employees and workers.

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	899	772	86%	864	785	91%
Female	76	60	79%	75	63	84%
Total	975	832	85%	939	848	90%
Workers						
Male	1172	913	78%	1034	950	92%
Female	13	10	77%	11	11	100%
Total	1185	923	78%	1045	961	92%

Note: While performance and career development review of employees and workers are undertaken every year. Where as above referred data depicts as at position. However as the above referred data points pertain to the year end position, 100% adherence is not being depicted owing to the changes in the employees/workers during the year making them ineligible for a performance review during that year.

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, most of our manufacturing locations of the Company are ISO 45001 certified. Our organisation has adopted the ISO 45001 Plan-Do-Check-Act cycle to continuously improve our management system for occupational health and safety. We have recognised all possible safety hazards and risks arising from our business activities by conducting both internal and external safety audits.

Behaviour-based training both in-person as well as virtual was conducted to promote a culture of safe working. The Behaviour-based safety model has been piloted in select units of Electrominerals, Industrial Ceramics and Abrasives Businesses. We conduct Hazard Identification and Risk Assessment (HIRA) in all of our plants, and for certain units, we also perform working condition assessments based on the Rapid Entire Body Assessment (REBA) model. The enterprise risk management framework mandates maintenance of risk registers across businesses and this enables identification and mitigation of all work-related hazards, demonstrating our commitment to a comprehensive risk management. Safety awareness sessions continued on a regular basis to bring in more awareness of safety. Separate kiosks have been set up at selected units to provide virtual training on safety and to issue a work passport on the successful completion of safety orientation.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

As detailed above the Company has implemented the ISO 45001 cycle that follows the Plan-Do-Check-Act framework to continually enhance our management system for occupational health and safety. At all plants, a Hazard Identification and Risk Assessment (HIRA) is conducted to identify potential hazards and risks related to occupational health and safety. Additionally, a working condition assessment is performed at select units based on the Rapid Entire Body Assessment (REBA) model. This assessment helps to evaluate the ergonomic risk factors and improve the working conditions for employees.

To ensure that all risks related to work-related hazards are identified and managed, a risk register is maintained. This register covers all the potential risks that have been identified during the HIRA and REBA assessments, and is updated regularly to reflect any changes or new risks that may arise. By maintaining a comprehensive risk register, the organisation can effectively monitor and manage all risks related to occupational health and safety, and take appropriate measures to mitigate these risks and prevent accidents or injuries in the workplace.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

We actively promote a culture of reporting near-miss incidents/unsafe act among our employees through various digital platforms (safety tree). These incidents are analysed from a central repository to identify potential hazards and take appropriate corrective measures. Our 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, we can effectively manage and mitigate risks related to occupational health and safety across our organisation. We also formulated safety meetings for each plant comprising of workers & management representatives. The forum provides an avenue to workers to raise any work-related hazards, and implement corrective actions.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, all employees/workers are covered under the health insurance scheme. Regular Annual Health check-up for employees/workers at external reputed hospitals/diagnostic centres for checking both occupational & non-occupational medical tests are provided.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR (per one million-person hours worked)	Employees	0	0
	Workers	3.85	3.67
Total recordable work-related injuries	Employees	0	0
	Workers	9	14
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The safety and health of employees are of utmost importance for the Company, and we have implemented a comprehensive safety management system to ensure a safe working environment at all our factory locations. The measures are summarised below:

- Company has implemented ISO 45001 PDCA to continuously improve our health and safety management system.
- Safety hazards: we have identified all the potential risks and hazards that can emerge from our business operations through internal and external safety audits.
- Risk mitigation measures have developed health and safety policies, machinery and equipment safety provisions, only authorised entry to hazard areas, and supply of personnel protective equipment.
- Safety SOPs covering procedures to adhere to safe work practices.
- Training and awareness: monthly meetings by the site head and plant safety specialist with all employees on safe work place practices, potential hazard, worker behaviour and PPEs.

At each unit, we have appointed a safety officer who is responsible for monitoring workplace safety. The safety office at each site reports to the Corporate Safety head. We have also established safety committees comprising of workers and management representatives to oversee safety practices and raise concerns regarding any work-related hazards. We actively promote a culture of reporting near-miss incidents/unsafe act among our employees 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, we conduct a root-cause analysis and take corrective actions to prevent future incidents. We also provide safety training to all employees before they enter the plant premises, and implement behavior-based safety training to install safety practices as a culture among our workforce. Additionally, we conduct Hazard Identification and Risk Assessment (HIRA) and working condition assessments 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, we maintain a risk register that covers all 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, we can effectively manage and mitigate risks across our organisation.

We have also participated in the best safety practices competition and won awards for our safety practices, which is a testament to our commitment to ensuring the safety and well-being of our employees.

13. Number of Complaints on the following made by employees and workers.

Category	FY 21-22 (Current Financial Year)			FY 21-22 (Previous Financial Year)		
	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	No complaints reported					
Health & Safety	No complaints reported					

Note 1: We monitor indoor air quality, worker room temperature, ergonomics, and provide adequate ventilation to ensure safe working conditions. To further ensure the safety of our workers, we provide machine guards and personal protective equipment (PPE) to all our employees and workers.

Note 2: Most of our plants are certified under the ISO 45001 standard. We prioritise the health and safety of our workers by conducting regular health check-ups (including respiratory, vision, blood, and ECG tests for employees working in high-emission zones). We have visiting doctors and OH centers with first aid available in all our plants. Monthly meetings are held to discuss health and safety measures, and daily monitoring is done to maintain the best working conditions possible.

14. Assessments for the year

Category	% of the plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

Note: Please refer to the footnote of Sl. No. 13

a) Some of our plants were inspected/audited by safety experts from external agencies like National Safety Council-Kerala Chapter & Dept of Factories & Boilers, Government of Kerala for Safety Award Assessment.

b) All Major plants of EMD underwent ISO 45001-2018 in March 2023 for Recertification audit and were recommended for Certification.

c) All our EMD plants are inspected annually by Dept of Factories & Boilers, Government of Kerala and Electrical Inspectorate as per statutory requirements.

d) Regular third-party inspections by competent person approved by the Dept of Factories & Boilers, Government of Kerala for all lifting tools & Tackles, Air Compressors etc are done and certificate of fitness maintained by respective plants.

e) Periodic inspection by local factory inspectors/their representatives were conducted at all other units.

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.

Please refer to Essential Indicator number 12 for information regarding the steps taken by our organisation to ensure a safe and healthy workplace. ISO 45001:2018 Occupational Health and Safety (OHS) Management Systems have been successfully implemented and verified by authorised bodies. The process of ISO 45001 includes Plan-Do-Check-Act (PDCA) methodology, which involves identifying risks, conducting hazard analysis, and developing risk mitigation plans with both passive and active measures. Standard Operating Procedures (SOPs) have been developed and communicated to employees through training programs. Individual department heads are responsible for implementing the OHS Management System, while OHS committees have been constituted at each site to supervise and audit the system's implementation.

We actively encourage our employees to report any instances of unsafe acts or near-misses through our safety digital platform. An OHS dashboard has been developed and regularly reviewed by the plant head, providing a clear picture of the OHS performance at each site. A tracking mechanism has been established to monitor the OHS management system's effectiveness and ensure compliance with the ISO 45001:2018 standard. To identify potential unsafe practices, we have implemented a safety tree that provides valuable insights into incidents and helps us to take appropriate corrective actions. We also take into account the inputs from the safety tree to identify any potential risks and implement corrective actions at the respective locations to ensure a safe working environment. Some of our day-to-day activities to reduce accidents are listed below:

- Personal Protective Equipment compliances. The Company provides all necessary PPEs to employees and insists on wearing them inside the factory.
- Regular Safety related Training Programmes - classroom, online, shopfloor talk, mock drills etc., are carried out to ensure a safe & healthy workplace.
- Improving Plant safety through planned investment in technology upgrades to reduce manual activities identified as risky, improve the environmental & plant ambience and improve working conditions inside the plant are undertaken in a programmed manner.
- Emergency Mock drills are conducted to create awareness among workmen at periodic intervals.
- Continuous improvements like Kaizen, a suggestion scheme focusing on safety is undertaken to make the plant more safe place to work.
- Safety studies like HAZOP, HAZID, What-If are conducted to improve the safety systems inside the plant.
- First Aid Training are imparted to employees through external and internal training programs.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

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 in accordance with the regulations stated in the Factories Act. Additionally, all the contractors we hire are covered by ESI scheme. As per the Employee Deposit Linked Insurance scheme, the family will continue to get the last drawn salary of the employee 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.

All our payment process is fully digitalised and integrated to the GST system. In order for payment to be processed, the service provider must submit proof of remittance 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:

Category	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 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Employees	Nil			
Workers	Nil			

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

5. Details on assessment of value chain partners

Aspect	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	None
Working Conditions	None

We have not conducted any assessment of our value chain partners in the previous fiscal year on employee well-being such as SHE and working conditions. However, we intend to conduct such audits as part of our ESG goals in the near future.

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.

Not applicable (Please refer answer to “Leadership Indicator Sl. No. 5“

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.

We place a strong emphasis on stakeholder engagement as a means of delivering relevant services to the market. We believe that responsiveness to stakeholder requirements is fundamental to our success, as reflected in our Corporate Values & Beliefs of Integrity, Passion, Quality, Respect, and Responsibility.

The key stakeholders include shareholders and investors, employees, customers, suppliers, local communities, regulators, and government agencies. We have implemented a stakeholder identification process to classify the major stakeholders who have an impact on our business, as well as the impact our business has on them. To lead our stakeholder engagement efforts, we have established a Stakeholder Relationship Committee. Our 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 a 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)	Frequency of engagement (Annually/ Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder	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, Quarterly communication meeting, weekly communication from Managing Director "Thinking aloud", goal setting and performance appraisal meetings/review, exit interviews, arbitration/union meetings, wellness initiatives, engagement survey, email, intranet, flat screens, websites, poster campaigns, house magazines, circulars, quarterly publication 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 meets, 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, 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, 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)	Frequency of engagement (Annually/ Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	Meets (of community/local authority and town council/committee/location head), community visits and projects, partnerships with local charities, volunteerism, seminars/conferences.	ongoing	Communication of Disaster Management Program and Emergency response plan, Also, we have discussed issues like the transportation of heavy vehicles and mitigation measures undertaken to reduce dust levels in the plant neighboring community areas, Monitoring plans to minimise environmental impact in nearby villages. We have 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 at 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 a 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 is able to provide input and guidance on how the Company can best address them. We discuss the aspects listed in "Sl. No. 6 of essential indicators" with the respective stakeholders. A brief of items that are being discussed in the meetings are listed below.

- Investors: Screening of ESG, discussions to understand Company's operations are aligned with its ESG obligations and to mitigate any potential risks.
- Leadership team and employees: Consultation revolves around ESG/sustainability implementation aspects and ongoing activities to keep them 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 they 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 they are aware of the Company's ESG expectations.
- Community: Consultation on disaster management plans, environmental monitoring plans etc., We have installed display boards at the entrance gate to ensure transparent communication of our environmental information to the community. This helps to build trust and demonstrates our 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.**

We recognise the importance of stakeholder consultation in our decision-making process, particularly in matters concerning environmental and social issues. Through these consultations, we gained valuable insights into the needs of the community, especially those from marginalised or vulnerable groups, which helped us develop our Corporate Social Responsibility programs.

In some cases, our customers and suppliers may conduct ESG audits to evaluate our performance in ESG areas. By clearing these audits, we demonstrate our commitment to sustainable business practices and ethical behaviour. This enables us to establish and maintain positive relationships with our stakeholders, which ultimately contributes to our long-term success as a responsible and trusted business partner. As a responsible Company, we also acknowledge the growing demand from stakeholders to address various evolving frameworks in the ESG (Environmental, Social, and Governance) world. We are committed to keeping up with these developments and plan to address them in the near future.

Moreover, to achieve the Company's sustainability target we partnered with third-party agencies to identify the environment and social ESG materiality and calculate our carbon footprints and GHG mitigation strategies. We also partnered with agencies to assess maturity levels in this evolving frame work.

3. Provide details of instances of engagement with, and actions taken to, address the of vulnerable/marginalised stakeholder groups.

The majority of our manufacturing sites are situated within industrial estates. Despite operating in these areas for many years, we have not negatively impacted the surrounding community. Additionally, all of our contract workers are sourced from marginalised communities. As described in the previous section, we have implemented CSR programs in the communities surrounding our plant locations based on their needs. Our CSR initiatives have helped approximately 24,529 individuals in the past fiscal year, with 80 per cent of the beneficiaries belonging to vulnerable or marginalised communities. Additionally, we have made efforts to support marginalised suppliers by procuring 1 per cent of our annual goods and services from them.

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	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total (A)	No. employees workers covered (B)	% (B/A)	Total (c)	No. employees workers covered (D)	% (D/C)
Employees						
Permanent	936	936	100	921	921	100
Other than permanent	39	39	100	18	18	100
Total Employees	975	975	100	939	939	100
Workers						
Permanent	1185	1185	100	1200	1200	100
Other than permanent	3303	3303	100	3513	3513	100
Total Workers	4488	4488	100	4713	4713	100

Note: All our employees have been trained on the spirit of the Murugappa group's five lights i.e. integrity, quality, passion, respect and responsibility towards all stakeholders and communities. Awareness campaigns regarding these aspects were held periodically. These aspects are communicated through notice boards, posters, email communication and regular meetings.

2. Details of minimum wages paid to employees and workers in the following format:

Category	FY 2022-23					FY 2021-22				
	Total	Equal to minimum wage		More than minimum wage		Total	Equal to minimum wage		More than minimum wage	
		No.	%B/A	No. (C)	%C/A		No.	%(E/D)	No.	%(F/D)
Employees										
Permanent										
Male	864	-	-	864	100%	851	-	-	851	100%
Female	72	-	-	72	100%	70	-	-	70	100%
Other than permanent										
Male	35	-	-	35	100%	13	-	-	13	100%
Female	4	-	-	4	100%	5	-	-	5	100%
Workers										
Permanent										
Male	1172	-	-	1172	100%	1188	-	-	1188	100%
Female	13	4	31%	9	69%	12	-	-	12	100%
Other than permanent										
Male	3036	2757	91%	279	9%	3197	2707	85	483	15%
Female	267	251	94%	16	6%	316	270	85	46	15%

Note: We follow minimum wages act and ensure that all our employees and workers are paid wages that is equal or exceeding the minimum wage prescribed by the law. All of our employees are paid more than minimum wages. 99.66 per cent of permanent workers and 8.9 per cent of other than permanent workers in the last fiscal year received wages higher than the salary as per the Minimum Wages Act. We ensure the timely disbursement of salaries, and all payments are made through net banking to both contractors and workers for greater transparency.

3. Details of remuneration/salary/wages in the following format (₹ in lakhs)

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	7	23.20	1	17
Key Managerial Personnel	3	219	1	71.47
Employees other than BoD and KMP	1859	6.5	59	8.39

Note: 1. The Nomination and Remuneration Committee of the Board will decide the matters related to the remuneration of the Board. The key result areas of the Board are also decided by the committee and there is an annual evolution programme.

2. Employees who were in employment for the whole of FY 2022-23 considered for this purpose.

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 HRSPOCS at each site. Employees can reach out to the HRSPOCS for any complaints related to human rights, discrimination, etc. The Corporate HR will 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.

Permanent Workers: Unit-level grievance committees are existing at each location. For any sexual Harassment grievance, the Internal complaints (IC) committee under POSH exists for redressal. Workers can also reach out to the Ombudsman for any whistle-blower matters.

Other than Permanent workers: Workers can raise their grievance through the contractor. If not resolved, can be escalated to the Unit HR.

Permanent Employees: A dedicated mail id cumiposhcomplaints@cumi.murugappa.com is available to receive and resolve grievances. Employees can reach out to IC Committee constituted under POSH for Sexual harassment complaints. The whistle-blower channel is open to all employees for raising grievance or issues with confidentiality.

Other than Permanent Employees: Employees can raise their grievance through the contractor. If not resolved, can be escalated to the Unit HR.

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 whistle blower mechanism or even to the Corporate HR/Unit HR. Absolute confidentiality will 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.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2022-21		
	Filled during the year	Pending resolution at end of the year	Remarks	Filled during the year	Pending resolution at end of the year	Remarks
Sexual harassment	1	-	-	2	-	-
Discrimination at workplace	Nil	-	-	Nil	-	-
Child labour	Nil	-	-	Nil	-	-
Forced labour/involuntary labour	Nil	-	-	Nil	-	-
Wages	Nil	-	-	Nil	-	-
Other human related methods	Nil	-	-	Nil	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has several mechanisms in place to prevent discrimination and harassment at workplace. These mechanisms are listed below.

- We have business Code of Conduct policy that clearly defines our commitment to provide a safe and inclusive work environment for all employees and stakeholders. We follow the Murugappa five lights, which serve as a framework to guide our decision-making processes and ensure ethical and responsible business practices.
- Our HR policies specifically aim to eliminate discrimination and harassment in the workplace. These policies are regularly reviewed and updated as needed to ensure compliance with relevant laws and regulations.
- In order to monitor and ensure compliance with our HR policies, we conduct periodic audits of our individual plants. These audits are conducted by our Corporate HR team to identify any gaps or areas of improvement in our HR practices.

- To raise awareness and promote a culture of respect and inclusivity, we conduct regular training and awareness programs on topics such as Prevention Of Sexual Harassment (POSH) and workplace HR policies. We believe that these mechanisms work together to prevent adverse consequences to complainants in cases of discrimination and harassment and promote a safe and respectful work environment for all.

If an employee feels he/she has experienced any form of discrimination, they can confidentially contact the Ombudsman/HR for assistance. The Ombudsman will 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.

The Company has a gender-neutral policy to prevent sexual harassment in the workplace, and an Internal Complaints Committee (ICC) has been established to lead awareness campaigns on creating a safe and harassment-free environment. The ICC meets quarterly to review the progress of these programs. Any employee who has been wronged can file a complaint with the ICC, and all complaints will be investigated with the utmost confidentiality. The committee will make appropriate decisions based on the investigation's findings.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, Murugappa group's five lights i.e. Integrity, Quality, Passion, Respect and Responsibility forms integral part of all our businesses. Whereever possible all our business agreements and contracts will contain clauses related to compliance with respect to human rights.

9. Assessments for the year

Category	% of your plants and units assessed by (entity or statutory authorities or third party)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others- please specify	None

Note: We have various HR policies to prevent and protect human rights of our employees and workers such as (1) Human rights policy - Non-discrimination Policy, Minimum Wage Policy, POSH Policy, Privacy Policy, Child Labour Policy,forced and involuntary labour etc. (2) Business code of conduct.

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

We have developed a process which respects human rights of our value chain starting from raw material receipt to processing and dispatch. Majority of activities involved in our operations involve unskilled, semi-skilled, skilled and advanced level resources. Through awareness sessions and training on human rights, we eliminate human rights grievances. There have been no grievances or complaints received in regards to human rights violations that require modifications of the existing procedures in place to address the grievances. The Company's grievance redressal mechanisms for human rights violations have always been efficient and comprehensive upholding human rights principles.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

There have been no grievances or complaints received in regards to human rights violations that required modifications of the existing procedures in place to address the grievances. The Company's grievance redressal mechanisms for human rights violations have been efficient and comprehensive upholding human rights principles.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Please refer Sl. No. 9 of essential indicators.

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 our offices and plants are accessible to differently abled visitors. In other locations steps are being taken to make them also 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	Murugappa group's five lights i.e. Integrity, Quality, Passion, Respect and Responsibility forms integral part of all our businesses. Whereever possible all our business agreements and contracts will contain clauses related to compliance with respect to human rights. Nonetheless, there has been no official assessment of the value chain partners.
Discrimination at workplace	
Child Labour	
Forced Labour/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.

Please refer to answer of Sl. No.4 of Leadership Indicator.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (in Tera Joules TJ)	729	747
Total fuel consumption (B) (in Tera Joules TJ)	612	505
Energy consumption through other sources (C) (in Tera Joules TJ)	-	-
Total energy consumption (A+B+C) (in Tera Joules TJ)	**1341**	**1252**
Energy intensity per rupee of turnover (TJ/turnover in ₹ Million)	0.053	0.057
Indicate if any, independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	We currently have a significant number of plants within our organisation that have achieved ISO 14001 certification, demonstrating our commitment to implementing effective environmental management systems. Additionally, a few of our plants have also obtained ISO 50001 certification demonstrating our commitment to optimising energy efficiency, reducing energy consumption, and minimising our carbon footprint. Building upon our successful implementation of these certification programs, we are now in the process of extending these initiatives to the remaining plants within our organisation. By doing so, we aim to enhance environmental sustainability and energy efficiency across our entire operations, ensuring that all plants adhere to the highest standards of environmental and energy management.	

Note: We have done significant efforts to improve our energy efficiency, reduce energy consumption, and minimise our carbon footprint through switching to cleaner fuels, installation of solar power, energy optimising programs, and purchase of green electricity. Our energy intensity has come down by 6 per cent in the reporting fiscal year and we met a total of 11 per cent of total power consumed from renewable energy.

2. (a) 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? (Y/N)

(b) If yes, disclose whether targets set under the PAT scheme have been achieved.

(c) In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable. CUMI has no facilities or sites that have been categorised as designated consumers under the Performance Achieve and Trade (PAT) scheme of the Indian government.

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in Kilolitres)		
(i) Surface water (KL)	93079	102841
(ii) Groundwater (KL)	153434	166185
(iii) Third party water (KL)	128716	129369
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in KL) (i + ii + iii + iv + v)	375229	398395
Total volume of water consumption (in KL)	375229	398395
Water intensity per rupee of turnover (Water consumed/turnover) KL/₹ million	15	18
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (YES/NO) If yes, name of the external agency	We are ISO 14001 certified, water consumption and its management are integral parts of our environmental management system. As an ISO 14001-certified organisation, we have implemented comprehensive measures to monitor and manage our water consumption and minimise the environmental impact of our operations. These efforts are in line with the requirements of the ISO 14001 standard, which encompasses various aspects of environmental management, including water management. While we have not engaged in an exclusive external water audit assessment, our ISO 14001 certification underscores our dedication to responsible water management and environmental stewardship as a whole.	

Note: All of our sites have valid Consent to Operate (CTO) under the Water Prevention and Control Act, 1974. To accurately monitor the water flow, we have installed flow meters at the inlet and outlet lines, and these meters are regularly calibrated to maintain their accuracy. Our absolute water consumption for the reporting fiscal year has been reduced by 6 per cent and we have achieved an intensity water consumption reduction of 17 per cent from FY 2021-22.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We have obtained valid Consent to Operate (CTO) under the Water Prevention and Control Act, 1974, for all our sites. In order to ensure precise measurement of water flow, we have installed flow meters at both the inlet and outlet lines. These flow meters undergo regular calibration to uphold their accuracy and reliability. Our wastewater generation is well within the consented levels. We are taking steps to decrease freshwater usage by implementing water reuse practices. This is achieved through the installation of Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) at each plant location. These systems enable the Company to reuse and recycle water and utilise it again within the plant premises such as for process reuse, gardening, flushing etc. Thus, CUMI has implemented a mechanism for zero liquid discharge (all our plants adopt complete reuse/recycling treated wastewater in the plant and no wastewater is discharged into the open drains).

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	µg/m³	26	27
SOx	µg/m³	17	14
Particulate matter	µg/m³	35	28
Persistent organic pollutants*	-	-	-
Volatile organic compounds*	-	-	-
Hazardous air Pollutants*	-	-	-
Others -Please specify	-	-	-
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (YES/NO) If yes, name of the external agency	-	Ambient air quality monitoring is conducted through third-party NABL-accredited laboratories and submitted to Pollution Control Board	

Note: The data provided pertains to annual average ambient air quality at our plant locations, which is monitored periodically through NABL-accredited third-party laboratories. Our monitoring is conducted to ensure that the National Ambient Air Quality Standards (NAAQS) are met, and to prevent harm to our workers and the surrounding community. Please note that our consent to operate does not require us to monitor PoP, VOCs, and hazardous air pollutants.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	$MtCO_2e$	48896	54978
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	$MtCO_2e$	156799	153579
Total Scope 1 and Scope 2 emissions per rupee of turnover	$MtCO_2e$	205695	208557
Emission intensity (optional) - the relevant metric may be selected by the entity - MT CO_2/ ₹ Million Turnover	Mt CO_2e/₹ Million Turnover	8.2	9.4
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Yes, we have undertaken a comprehensive Green House Gas (GHG) emission assessment of Scope 1 and Scope 2 through the Confederation of Indian Industries (CII). By engaging with CII for this assessment, we ensured that our GHG emission calculations followed internationally recognised methodologies and protocols. This has helped us in creating accurate and credible measurements of our carbon emissions, enabling us to establish a baseline and set targets for reducing our environmental impact.		

Note: We have taken steps to reduce our Scope 1 and Scope 2 emissions in line with our sustainability goals for reduction in GHG emissions from our baseline data. In the reporting fiscal year, we have undertaken projects such as switching to cleaner fuels, increasing renewable energy capacity, purchase of green electricity, and energy optimisation programs through technology innovation etc. Accordingly, our total Scope 1 and Scope 2 emissions intensity have been reduced by 13 per cent from the last fiscal year.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

This year, we have implemented several programs aimed at reducing our Green House Gas (GHG) emissions. Across all of our business units, we have integrated solar energy into our power mix, with an increase in solar capacity this year. For instance, we have boosted the solar capacity for our EMD business unit by 735 kwP. Additionally, we have reduced our reliance on carbon-intensive fuels like SKO and kerosene, and have instead increased the use of fuels with lower carbon emissions such as LPG and CNG.

We have also installed solar systems at our Abrasive plant in Hosur, Tiruvottiyur, and Sriperumbudur. Additionally, we have implemented a Green Gas Refrigerant system for fifty air conditioning units. A detailed list of works undertaken under the carbon reduction program is outlined below.

At Abrasives Business, we successfully implemented ISO 50001 to improve energy management and optimize energy usage. We have invested ₹185 lakhs in fuel conversion and have a fuel switching project underway, which will help reduce carbon emissions. To reduce energy consumption, we implemented heat loss reduction projects and improved the layout for better air conditioning. Additionally, we have taken various energy conservation measures such as installing LED lights, making VFD changes, and implementing idle load programs. EMD Business is working on a clean fuel project to eliminate 157 tons of CO2 emissions and has implemented energy-saving projects like installing efficient pumps and motors. At Refractories Business, we have optimised kiln fuel usage through a heat recovery system and energy-efficient kilns. We have also introduced battery-operated forklifts and installed solar panels to reduce Scope 1 and Scope 2 emissions in all our units. In the previous fiscal year, the fuel mix for our IC unit was led by PNG, and we have also nearly doubled our use of PNG in our Abrasive plant. Moreover, our EMD plant uses renewable hydro power and a mix of green energy purchased from grid to run our plant. We are actively working on developing an action plan in partnership with CII-GBC to further reduce our GHG emissions.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in Metric Tonnes)		
Plastic waste (A)	473	373
E-waste (B)	4	2
Bio-medical waste (C)	2	0
Construction and demolition waste (D)	25	40
Battery waste (E)	15	10
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	125	112
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	13188	12169
Total (A+B + C + D + E + F + G + H)	13832	12706
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	5161	5499
(ii) Re-used	307	200
(iii) Other recovery operations	0	0
Total	5468	5699
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	13	3
(ii) Landfilling	24	10
(iii) Other disposal operations	8328	6995
Total	8364	7008
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Most of our plants have implemented an environmental management system and have undergone an external audit by a certification body to achieve ISO 14001 certification. As part of waste management, proper procedures are practiced to ensure appropriate handling and disposal of waste materials through PCB-authorised vendors.	

9. 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.

We have adopted various waste management practices to ensure proper handling and disposal of different types of waste. Our waste management strategy focuses on reducing the usage of hazardous and toxic chemicals in our products and processes, as well as effectively managing the waste generated.

- **Waste Inventory Process:** We have implemented a waste inventory process in accordance with ISO 14001 standards. This process allows us to track and document the types and quantities of waste generated in our facilities.
- **Segregation and Storage of Hazardous Waste:** We strictly segregate and store hazardous waste 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.
- **E-Waste Segregation and Disposal:** Electronic waste (e-waste) is segregated separately and disposed of through authorised vendors who specialise in e-waste recycling and proper disposal methods. This helps us adhere to the regulations and prevent any potential harm from electronic waste.
- **Plastic Waste Management:** To manage plastic waste, we follow the guidelines provided by the Central Pollution Control Board (CPCB) and the Extended Producer Responsibility (EPR) framework. This includes proper collection, segregation, and disposal of plastic waste through authorised recycling channels. Our Abrasives Business is obligated under EPR regulation and we have achieved the target to collect and recycle 313 metric tons of plastic packaging waste through third-party services this fiscal year.

- **Management of Other Solid Waste:** Solid waste generated in our establishments 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.

10. 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? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Tiruvottiyur Chennai Unit	Bonded abrasives	The facilities we operate do not fall within notified ecologically sensitive locations such as Wildlife Sanctuaries or Biosphere Reserves. However, it is important to note that our Tiruvottiyur facility is situated near a Coastal Regulation Zone (CRZ) area. However, this facility was established prior to the CRZ notification, 1991.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

No Environmental impact assessments was conducted for the current financial year.

12. 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 (Y/N). 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
Our business units operate under the purview of the Environmental Protection Act and hold valid Consent to Establish and Consent to Operate certificates from Pollution Control Boards. These certificates are regularly renewed as per the Board's directives. To ensure compliance with environmental regulations, we regularly submit environmental monitoring reports and update our practices in accordance with new guidelines or regulations. We have maintained a clean record with no instances of violation in the previous fiscal year.				

Leadership Indicators

1. Provide a break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (Tera Joules)		
Total electricity consumption (A)	144	150
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**144**	**150**
From non-renewable sources (Tera Joules)		
Total electricity consumption (D)	585	598
Total fuel consumption (E)	612	505
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**1197**	**1103**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	We currently have a significant number of plants within our organisation that have achieved ISO 14001 certification, demonstrating our commitment to implementing effective environmental management systems. Additionally, a few of our plants have also obtained ISO 50001 certification demonstrating our commitment to optimising energy efficiency, reducing energy consumption, and minimising our carbon footprint. Building upon our successful implementation of these certification programs, we are now in the process of extending these initiatives to the remaining plants within our organisation. By doing so, we aim to enhance environmental sustainability and energy efficiency across our entire operations, ensuring that all plants adhere to the highest standards of environmental and energy management.	

2. **Provide the following details related to water discharged: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The Company has implemented effective water management strategies by installing Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) at all plant locations. Through these systems, we have established a Zero Liquid Discharge (ZLD) mechanism, which enables us to reuse and recycle water within the plant premises for various purposes such as process reuse, gardening, flushing, and others. As a result, we have significantly reduced freshwater usage and minimised the discharge of waste water outside the premises.

3. **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. Our plant locations are not in water-stressed areas.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY (Current Financial Year)	FY (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	We have partnered with CII to establish our GHG emissions baseline, including Scope 1 and Scope 2 emissions. Although we did not estimate our Scope 3 emissions for the last fiscal year, we now recognise the data requirements for this category. As a result, we plan to conduct a thorough screening of relevant material categories within Scope 3 emissions that pertain to our business type. We will then proceed to collect the necessary data and estimate these emissions accordingly in the near future.		
Total Scope 3 emissions per rupee of turnover			
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			

5. **With respect to the ecologically sensitive areas reported at Question 10 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.**

Our plant, which is located in Tiruvottiyur and produces Bonded Abrasives, is subject to the Coastal Zone Regulation (CRZ) though the plant was established decades before the Regulation was enforced. As a responsible Company, we have taken measures to ensure that we comply with these regulations. One of the steps we have taken is to plant a good amount of green cover on the sea-facing side of the plant. This not only helps us comply with the CRZ regulations but also adds to the aesthetics of the area.

Furthermore, we are committed to monitoring the quality of the air and water in and around our plant. We take the necessary steps to ensure that we do not discharge any untreated water into the coastal zone, which helps us to minimise any potential impact on the biodiversity of marine habitats. Overall, we can proudly say that our operations have a negligible impact on the biodiversity of marine habitats in the area.

6. 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:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Refractories			
1	Total Productive Maintenance (TPM)	TPM is practised through CII-TPM Club, two plants have achieved TPM Strong Commitment Award	Improves the OEE%, manufacturing cost optimisation, improving 5S, overall improvement in PQDSCM.
2	Integrated Management system	ISO 9001-2105, ISO14000-2015, ISO 45001-2018; EN 9100-2018	Plant operation optimisation, resource optimisation, business growth & sustainability
3	Quick Response Manufacturing Technique (QRM)	Reducing lead-times across all functions and effetely using the White space	Reducing internal and external lead times, resulting in competitive advantage.
4	Lean Six Sigma	Energy optimisation & Yield improvement Projects	Reduction in process variation & removal of operation waste & hence increases the velocity of value creation in business process.
Electromineral			
1	Water reduction	Rain water recycling Projects at Boehmite 200 T & AzureS	Successfully conserved 2600 KL of water.
2	Carbon reduction	1.8 MW solar power installation	Reduce reliance on fossil fuels and significantly lower our carbon footprint (by 2180 tonnes), contributing to a cleaner and more sustainable energy future.
3	Energy reduction	Installation of energy efficient motors, pumps, LEDs etc.	Improve fuel efficiency and reduce energy consumption, leading to cost savings and a more sustainable manufacturing process.
Abrasives			
1	Water reduction	Implementation of ZLDs	Complete elimination of liquid discharge, ensuring environmentally responsible operations.
2	Carbon reduction	Renewable energy generation through solar power	Reduce reliance on fossil fuels and significantly lower our carbon footprint, contributing to a cleaner and more sustainable energy future.
3	Energy reduction	Kiln fuel optimisation through efficient use of Heat recovery system. LED lights and Energy efficient Kiln with Ceramic fiber were commissioned for fuel efficiency.	Significantly improve fuel efficiency and reduce energy consumption, leading to cost savings and a more sustainable manufacturing process.
Industrial Ceramics			
1	Carbon reduction	Increase clean fuel usage (PNG)	Reduction in carbon emissions and promoting a cleaner and more sustainable energy source for our operations.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

At CUMI, we take business continuity and disaster management planning very seriously. We understand the importance of being prepared for any unforeseen events that can disrupt our operations and cause potential harm to our employees, environment and communities.

To ensure that we are always ready, we conduct regular mock drills and training sessions for all our employees. We have developed Standard Operating Procedures (SOPs) and guidelines for various scenarios, including natural disasters, fires, chemical spills, and other emergencies. These procedures are constantly reviewed and updated to reflect any changes in our operations or external factors.

We have also identified critical business functions and established backup plans to minimise downtime and ensure continuity of operations in case of any disruptions. These plans include alternative production sites, supply chain backups, and remote work capabilities for our employees.

In addition, we have established partnerships with local emergency response agencies, such as fire departments and medical services, to ensure timely and effective response in case of any emergencies.

Overall, our commitment to business continuity and disaster management planning is an essential part of CUMI's culture. We understand that by being prepared, we can protect our employees, assets, and communities while ensuring running our business operations.

8. 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?

As a manufacturing Company, there are several aspects that can have a significant adverse impact on the environment throughout the value chain. Some of these aspects include raw material extraction, transportation, production processes, packaging, and waste management.

To mitigate these impacts, the Company has taken several measures. We have identified material areas to improve our environmental performance. We have also implemented various energy-efficient technologies and processes to reduce our carbon footprint, including the use of renewable energy sources such as solar power.

In addition, we are planning to establish sustainable supply chain practices by working with suppliers who prioritise environmentally friendly practices. We also have a robust waste management system that focuses on reducing waste, reusing materials, and recycling wherever possible.

Moreover, we regularly conduct mock drills to assess our preparedness for any potential disasters, and we have developed SOPs and procedures to respond to any environmental incidents that may occur. Our employees are continuously being trained on environment, health and safety.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

At present, we have not assessed our value chain partners for environmental impacts, but we acknowledge its significance and commit to conducting them in the future. We believe in engaging with our partners to reduce our overall environmental impact and ensure they follow sustainable practices.

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.

CUMI is an active member of several national and international (about 20) trade and industry chambers and associations.

(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	Confederation of Indian Industry	National
2	Indian Ceramic Society	National
3	National Safety Council-Kerala Chapter	State
4	Kerala Management Association	State
5	Madras Management Association	State
6	South India Chamber of Commerce	National
7	SICMA - Europe	International
8	Indo-German Chamber of Commerce	International
9	Indo-Australian Chamber of Commerce	International
10	Indian Carbon Society, India	National

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
No adverse orders received and no corrective action was necessitated by the Company during the previous fiscal 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)	Whether information available in public domain? (Yes/No)	Web Link, if available
CUMI is an active member of several national and international trade and industry chambers and associations. As part of these groups, we provide recommendations and representations to regulators and associations to advance and improve the industrial climate in India. Additionally, we regularly participate in forums and discussions related to energy security and management, water and food security, and sustainable business practices to share our views and opinions. However, during the previous fiscal year, the Company did not engage in any public policy advocacy other than making representations to the consultation papers released by SEBI and participation in decision making in IRMA and other business/industry association.					

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 the project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)
Not Applicable				

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format.

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R
Not Applicable				

3. Describe the mechanisms to receive and redress grievances of the community.

We have implemented several measures to receive and address grievances from various stakeholders, including a Stakeholder Forum comprising local body members and other community representatives, as well as need-based community interventions. While these may not have a formal structure, this has helped in operating across various locations in India and maintaining cordial relations with the communities surrounding our places of operations.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/small producers	• Abrasives has purchased 8.73% of goods directly from MSMEs/small producers. • Industrial Ceramics has used 3% of input materials directly from MSMEs/small producers. • On average about 4% of our Super Refractories purchased input materials directly from MSMEs/small producers.	• Abrasives has purchased 7.90% of goods directly from MSMEs/small producers. • Industrial Ceramics has used 3.8% of input materials directly from MSMEs/small producers. • On average about 10% of our Super Refractories purchased input materials directly from MSMEs/small producers.
Sourced directly from within the district and neighboring districts	• Abrasives has purchased 47.4% input materials from within the district/neighbouring districts. • Super Refractories also purchased input materials from within the district/neighbouring districts based on availability (SR Unit 1-20.3%, SR Unit 2 - SR 17%, PD 3.62% and Jabalpur - 3.97%). • Industrial Ceramics has purchased 23% of input materials from within the district/neighbouring districts.	• Abrasives has purchased 46% input materials from within the district/neighbouring districts • Super Refractories unit also purchased input materials from within the district/neighbouring districts based on (SR Unit 1: 9.93%, SR Unit 2-19.24%, PD 4% and Jabalpur - 15%). • Industrial Ceramics has purchased 30.70% of input materials from within the district/neighbouring districts.

*Electrominerals: The business input materials are not very conducive for sourcing from MSME/Small producers/within district/neighboring district.

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
Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational District	Amount spent (In INR)
We have not undertaken any projects in Aspiration Districts in the previous fiscal year and our CSR activities predominantly are conducted in and around the places of our operations. However, the Company is committed to promoting inclusive growth through a comprehensive Corporate Social Responsibility (CSR) Policy, which can be viewed at the link https://www.cumi-murugappa.com/wp-content/uploads/2021/04/CSR-Policy-2021.pdf. In the previous fiscal year, we implemented several projects in the areas of Skill Development, Women Child and Youth Empowerment, Elderly Care, Health Services, and Sustainability, with a total CSR spend of ₹378.33 Lakhs. These projects have benefitted approximately 24,529 individuals, with 80 per cent of the beneficiaries being from marginalised or vulnerable communities. Kindly refer the Board's report containing the details of our CSR projects in detail.		

3.	a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (YES/NO) b. From which marginalised/vulnerable groups do you procure? c. What Percentage of total procurement (by value) does it constitute?	Considering the nature of our products, the raw material and other input materials such as power and fuel cannot be sourced from marginalised groups. However, as a Company, we have implemented a process where we only engage with suppliers who are marginalised to provide us with manpower for our various plants. This is done in order to support our manufacturing process while also ensuring that these marginalised suppliers are able to earn a livelihood. We have committed to procuring 1 per cent of our annual goods and services from these suppliers as part of our commitment to support marginalised communities.

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:**

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
None		

6. **Details of beneficiaries of CSR Projects**

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Caring Elderly	60	Elders from the community
Environment sustainability	118	Low-income group
CCSD	140	100%
Ambulance	20461	100%
Vellayan Chettiyar Higher Secondary School	3000	100%
Touch A Life	250	100%
ASK Centre	500	100%

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.

We believe that commitment to transparency is vital to build trust and credibility with our customers, by demonstrating honesty and openness in handling complaints.

Customers can communicate their complaints via email or phone calls to the regional salesperson, who will send an immediate acknowledgment of the complaint via email. The complaint is then registered in the Company's Enterprise Resource Planning (ERP) system. To ensure efficient resolution of complaints, technical complaints are handled by the quality control team, while commercial complaints are managed by the Marketing team. The Company has set a target of resolving complaints within 30 days, in cases where the return of material is necessary for analysis. Through ERP we have streamlined the complaint resolution process by routing the complaint to the appropriate team and tracking its progress. By centralising complaint management in the ERP system, the Company ensures that complaints are addressed efficiently and effectively. Further, CUMI manufactures over 20000 SKUs and its product and solution offerings are spread across varied business segments catering to the needs of almost all user industries cutting across many sectors. In many cases, the products or solution offerings are customisable and we work with our customers closely to co-create the solutions. Customer centricity is the top priority for the Company and is one of the strong pillar for its profitable existence close to 7 decades.

2. Turnover of products and/services as a Percentage of turnover from all products/service that carry information about:

Category	As a Percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe (where ever applicable)	100%

3. Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of the year		Received during the year	Pending resolution at end of the year	
Data privacy	Nil	-		Nil	-	
Advertising	Nil	-		Nil	-	
Cyber-security	Nil	-		Nil	-	
Delivery of essential Services	Nil	-		Nil	-	
Restrictive Trade Practices	Nil	-		Nil	-	
Unfair Trade Practices	Nil	-		Nil	-	
Other	73	10	Customer complaints are dealt by respective Business.		-	

4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	1	On one occasion, we made the decision to voluntarily recall one of our products (abrasives) due to issues with material breakage, amounting to ₹30 Lakhs. This decision was made in the interest of ensuring the safety and satisfaction of our customers.
Forced recalls	-	-

5. (a) Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No)

(b) If available, provide a web-link of the policy.

Yes, we have IT Policy covering cyber security and risks related to data privacy. Cyber security risk has been identified as one of our material aspects under technology risk (please refer to Section A).

As a risk mitigation measure to address cyber security threat, the Company does periodical penetration assessment testing for all internally and internet facing applications. We have also undertaken, assessment of security risks from usage of public Wi-Fi and Bluetooth devices. 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 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 was given priority. As a part of its IT security strategy, the Company during the year in partnership with third party expertise has done a maturity assessment of its IT & OT platforms and is in the process of developing & implementing a comprehensive cyber security framework.

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.**

Not Applicable. We have not received or faced any issues related to the aspects such as 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 in the previous fiscal year.

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

i) https://www.cumi-murugappa.com/abrasives/

ii) https://www.cumi-murugappa.com/emd/

ii) https://www.cumi-murugappa.com/ceramics/ic/

iv) 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 encourages our customers to prioritise safety by providing instructions (instruction labels) regarding the handling, storage, use of its products and disposal mandated as per the local laws. Also, in order to promote the safe and responsible usage of our products, we have made available Material Safety Data Sheets (MSDS) on our website (ex. https://www.cumi-murugappa.com/ceramics/ic/material-datasheet/). These sheets contain detailed information about the potential hazards associated with our products and provide guidance on how to handle, store, and dispose of our products in a safe manner. A copy of the MSDS is sent to Overseas customer with the product despatch which provides guidance on safe & responsible usage.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

We use email communication with consumers/channel partners in case of any potential disruptions or discontinuations 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, we provide information as per the Legal Metrology- packaging law. Over and above the statutory requirement, information on the usage of the product including safety aspects are also communicated in the packaging wherever required. The Company conducts consumer surveys and monitors satisfaction trends periodically. Surveys are often carried out during customer plant visits, allowing us to gather first hand insights into their experiences with our products and services. No cases of customer data breaches have been reported in the previous fiscal year.

5. **Provide the following information relating to data breaches**

(a) **Number of instances of data breaches along with impact**

No cases of customer data breaches have been reported in the previous fiscal year.

(b) **Percentage of data breaches involving personally identifiable information of customers**

None.

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. A capex program was implemented for the conversion of existing liquid fuel (HSD & SKO) run furnaces to Natural gas. Natural gas being a cleaner gas will result in lower emissions and a cleaner environment. Natural gas is supplied through pipelines, eliminating the transportation of Liquid fuel in trucks resulting in fossil fuel conservation and reduction in carbon footprint. Also, the energy management system ISO-50001 is implemented and certified in the major locations and energy conservation projects are executed systematically with major Management Programs. Other measures such as speed optimisation of fans in kilns, usage of thin kiln furniture, loading density improvement in kilns, 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 conservation of energy.

Around 1.5 MWp capacity of solar power systems has been commissioned at various factory locations which has generated around 15,00,000 units of electricity from cleaner sources, equivalent to saving 17550 trees and reducing 606 Tons of CO_2 emissions. The solar-powered electric vehicle (EV) charging station has been installed at one of the factory locations to encourage employees towards EV adoption.

The above energy-saving measures implemented across businesses are expected to benefit the Company by lowering costs and emission levels. Further, cost saving in energy was also achieved by prudent sourcing of power from the exchanges and optimising the generation from its own hydel power plant at Maniyar.

During the year ended 31st March 2023, a capital investment of about ₹132 million was made on energy conservation equipments 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 creating high-performance products offerings to customers in line with the overall divisional objective of offering engineered solutions to customers and efforts were made in the areas of Hi-performance heavy duty Polyester cloth development, Hi modulus resins for coated Abrasives, Neutral wetting resol development for Thin wheels, new generation resin bond for precision grinding, Vitrified wheels with engineered grain spacing for creep-feed applications and Replacement of lubricating oils in vitrified mixes for fume reduction.

The Electrominerals business established processes for manufacturing Monocrystalline Alumina and cost competitive Solgel alumina with its own Boehmite during the year. The Business also established process and quality parameters for High purity SiC with 4N purity and high-performing refractory variants in White Fused Alumina (WFA).

The Ceramics business developed cost-effective formulations for Wear Ceramics using indigenised Alumina. The Cr- Cu- Au Metallisation process on Alumina substrates using Magnetron Sputtering technique useful for MIC fabrication in collaboration with ISRO Ahmedabad has been SPACE qualified. The Business also entered into collaborative research with CSIR-NAL for the development of tape casting process for dense Alumina (CUMITUFF 996) & Zirconia (8YSZ) Films. The joint project entitled "Indigenous development of electrolyte supported R-SOFC single cell and its demonstration in power generation and hydrogen generation mode" has been entered with CSIR-NAL and CSIR-CG&CRI under DST Advanced Hydrogen and Fuel cell program. Another joint project in green hydrogen field entitled "Hydrogen generation through high-temperature Solid oxide electrolyzer" has been entered with CSIR-CG&CRI under CSIR-Green Hydrogen mission programme. A Joint research projects on Nano-ceramics and nano-diamond coating has been initiated with IIT-Madras and provisional joint patent has been filed. An MOU has been entered with Amrita Viswa Vidhyapeetham for development of Hybrid RbSiC ceramic composites for high end ballistic and IED blast protection. An MOU has been entered with MIDHANI for joint collaboration in the field of armour protection. A ToT entitled "Ceramic Radome technology" has been obtained from DRDO-RCI, Hyderabad.

The Refractories and Composites business obtained EN9100:2018 certification from TUV-Nord for "Design, Development and Manufacturing of Structural Composites for Aerospace Applications". During the year, the business also developed significant capabilities to manufacture large parts made of Resin Infusion for Windmill Nacelle Covers. Another area in which progress made was the development and supply of CFRP tubes for drones.

Benefits derived as a result of the above efforts

In the Abrasives business, efforts resulted in establishment of new products like next generation Valve seat grinding wheels for engine valve grinding, new creep feed grinding wheels for turbine blade grinding, and Hi-performance Cutting wheels for Steel and foundry applications. The other developments include Sturdy Zirconia and Ceramic Belts for metal applications, new paper-based sheet for premium wall sanding applications, Stearated discs for wall and wood applications etc. This helped in the import substitution by Abrasives to the tune of around ₹0.6 million in precision and overall ₹3.5 million during the first year of new product sales.

In the Electrominerals segment, through the new processes established, the business was able to tap incremental demand for Mono Crystalline Alumina in the Abrasives market. The development of this product also increases the export market opportunities of the business. The development in Graphene and high-purity SiC space will enable the business to improve its presence in the value-added and transformational product portfolio.

In the Ceramics business, the new cost-effective formulations are at par with imported Alumina in terms of performance and will benefit in-cost savings and de-risking the sourcing of Alumina. The tape cast technology from CSIR-NAL has been commercialised and also paved the way for R-SOFC and SOE technology using the facility established at CUMI-IC. The sputtering and thin film technology is expected to help in creating products that can be used in a host of applications across sunrise industries such as electronics, semi- conductors, remote sensing and solar PV modules. These include thin film resistors, substrate heaters for multi-chip modules, metal insulators and metal capacitors for RF applications, laser diodes and heat sinks for solar cells. The business has started receiving enquiries from various defence organisations.

In the Refractories and Composites Businesses, sourced technology which will help the business to cater aerospace applications. Whereas EN9100:2018 certification will help the business to step up its efforts in the area of CFRP lightweight Structural components for Drone customers.

During the year, the Company was granted 10 patents, 25 Trademarks and 8 designs.

Imported technology

No new technology was 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 was instrumental in generating several IPs in the form of patent/design/trademark registrations during the year.

EXPENDITURE ON R & D (₹ million)

Description	2022-23
Capital including CWIP	76.68
Recurring	211.46
Total - A	288.14
Sales - B	24731.84
Total expenditure as a Percentage of Sales (A/B)	1.17%

4. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ million)

Description	2022-23	2021-22
Foreign Exchange Earnings	6224	5004
Foreign Exchange Outgo		
- Revenue	5881	5233
- Capital	121	68

On behalf of the Board

Chennai
May 8, 2023

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 8, 2023

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. CUMI considers Corporate Governance as the cornerstone for sustained superior performance and for serving all its stakeholders. The Company's continuing contribution to the society through meaningful Corporate Social Responsibility initiatives, be it direct initiatives through the CUMI Centre for Skill Development or indirect initiatives through contributions to eligible implementing agencies in the core sectors of health & education, plays a significant role in its governance framework. 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. The various measures undertaken by the Company in the last few years to combat the unprecedented COVID-19 pandemic and yet carry on operations in the interest of its stakeholders with utmost safety, reinforces our commitment to core values, sustainability, and governance principles. Constant value creation for the shareholders - both organically as well as inorganically continues to be the driving force for CUMI over its more than 6 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 global crisis, the Management continuously adheres to simple principles of behavioural ethics with its conviction of purpose for sustainable growth. CUMI'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 during global crisis & disaster and volatile business conditions but also provides the leadership with cautious optimism and confidence to not only survive these tough times 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. CUMI has already been the recipient of the coveted Golden Peacock awards in Corporate Ethics and Corporate Governance in the past years. The Company's Annual Reports (FY 2018-19 and 2019- 20) have in the past won prestigious ICAI award for excellence in financial reporting in manufacturing and trading sector and were also selected by the South Asian Federation of Accountants for the Certificate of Merit in the Manufacturing Sector category. In FY 2021-22, the Company had been chosen as a "Best Managed" Company in India's first ever best managed companies awards by Deloitte. The Best Managed Companies is a marquee Deloitte programme. The globally celebrated award was introduced in India last year and the Company earned the distinction of being one of India's first-ever "Best Managed" companies. These recognitions stand testimony to the Company's strong ethics, corporate governance and excellence in financial reporting. Continuing this legacy, during this financial year, the Company has been awarded the MMA Award for Managerial Excellence 2022 as well as the Industrial Excellence Award 2022 from Minister of Education of Tamilnadu. Further, during the year, the Company has also been recognised with the Certificate for Significant Achievement in HR excellence at the 13th CII National HR excellence award 2022-23.

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 Independent Directors provide an objective judgment on matters placed before them.

The Company's day-to-day affairs are managed by the Managing Director and Whole-time 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 2023, the Board comprises 8 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)	7	3(2)	8	Yes	691,340
Sanjay Jayavarthanavelu DIN - 00004505	Non-Executive & Independent Director	7(2)	5	1(1)	8	Yes	Nil
Aroon Raman DIN - 00201205	Non-Executive & Independent Director	4	4	4	8	Yes	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	3	2	3(1)	7	Yes	Nil
Soundara Kumar DIN - 01974515	Non-Executive & Independent Director	7	-	6(2)	8	Yes	Nil
Sridharan Rangarajan DIN - 01814413	Whole time Director-Finance & Strategy	8	2	5	8	Yes	213,868
N Ananthaseshan DIN - 02402921	Managing Director	5(1)	6	3(1)	8	Yes	144,835

(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;

(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 2023 is given below:

Name of the Director	Company Name	Category
M M Murugappan (MMM)	Cholamandalam Financial Holdings Limited	Non-Executive and Non-Independent Chairman
	Cholamandalam MS General Insurance Company Limited (Debt Listed)	
	Cyient Limited	
Sanjay Jayavarthanavelu (SJ)	Lakshmi Machine Works Limited	Chairman and Managing Director
	Super Sales India Limited	Non-Executive and Non-Independent Chairman
	The Lakshmi Mills Company Limited	Non-Executive and Non-Independent Director
	Lakshmi Electrical Control Systems Limited	
Aroon Raman (AR)	Wheels India Limited	Independent Director
	Lakshmi Machine Works Limited	
	Brigade Enterprises Limited	
P S Raghavan (PSR)	-	-
Sujjain S Talwar (SST)	Alkem Laboratories Limited	Independent Director
Soundara Kumar (SK)	Rajapalayam Mills Limited	Independent Director
	Tamil Nadu Newsprint & Papers Limited	
	Shanthi Gears Limited	
	Ramco Systems Limited	
	Bank of Baroda	
Sridharan Rangarajan (SR)	Cholamandalam Financial Holdings Limited	Non-Executive and Non- Independent Director
	E.I.D Parry (India) Limited	
N Ananthaseshan	Wendt (India) Limited	Non-Executive and Non-Independent Director

Changes in Board composition during the financial year 2022-23

During the year ended 31st March 2023, there were no changes in the Board composition other than as detailed below:

Name	Category	Nature of change
P S Raghavan	Non-Executive Independent Director	The Board of Directors at their meeting held on 4th May 2022 recommended the re-appointment of Mr. P S Raghavan as Non-Executive Independent Director to the shareholders for a second term of 5 years effective 9th May 2022. The re-appointment was approved by the shareholders at the 68th AGM held on 1st August 2022.
Sujjain S Talwar	Non-Executive Independent Director	The Board of Directors at their meeting held on 4th May 2022 recommended the re-appointment of Mr. Sujjain S Talwar as Non-Executive Independent Director to the shareholders for a second term of 5 years effective 9th May 2022. The re-appointment was approved by the shareholders at the 68th AGM held on 1st August 2022.
N Ananthaseshan	Managing Director	The shareholders at the 68th AGM held on 1st August 2022 re-appointed Mr. N Ananthaseshan, who retired by rotation. Though the Managing Director is not liable to retire by rotation, for the purpose of complying with Section 152(6) of the Companies Act, Mr. Ananthaseshan's directorship was considered for the purposes of reckoning the number of directors whose office is liable to determine by rotation. He was re-elected as a Director at the last AGM. Further, as his term as Managing Director was expiring at the close of office hours on 22nd November 2022, the Board of Directors at their meeting held on 28th October 2022, recommended a further extension of his tenure as the Managing Director until 31st December 2024. The approval of the shareholders for this re-appointment was obtained on 7th December 2022.

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 8th May 2023 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 its business(es) and sector(s) for it to function effectively and those available with the Board is given below:

Sl. 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.	✓		✓		✓	✓	✓	✓

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 2023, eight Board meetings were held on 4th May 2022, 13th May 2022, 1st August 2022, 23rd August 2022, 28th October 2022, 31st January 2023, 16th February 2023 and 29th March 2023. 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 Boards 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 per cent of the consolidated net worth of the Company or which has generated more than 20 per cent 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 (formerly CUMI Abrasives GmbH) was a Material Subsidiary as per Regulation 16 (1) (c) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 but not meeting the threshold as prescribed under regulation 24 of the Listing Regulations. Considering this is a recently acquired subsidiary, during the year, the governance structure of the entity was reviewed as per the local regulatory requirements and steps have been taken to establish an Advisory Board for the entity in which one of the Independent Director, Mr. Sanjay Jayavarthanavelu, has been invited to be a member. 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 have also been reviewed. The Board at its meeting held on 29th March 2023 reviewed the policies adopted for regulatory purposes over the years and suitable changes in line with the applicable laws have been made.

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 29th March 2023 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 29th March 2023.

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 60 years of its existence and gives a glimpse of 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. During the year, the Board visited the Electrominerals Plants of the Company located in Edapally and Kakkanad on 16th February 2023. The physical plant visit provides 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. These visits provide them the requisite understanding which facilitated the long term strategy review discussion held on 16th and 17th February 2023 during the year.

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, the updates are provided on adhoc basis too. Annually, a dedicated meeting of the Board for business plan/strategy discussion is held, usually at the plant locations of the Company. During the year, this meeting was held in Kochi. 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 Directors' responsibilities and liabilities with respect to the subsidiaries especially the overseas entities are also briefed. The Board is also regularly updated on the technological 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 for 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 in the voting and approval of related party transactions.

Composition & Meetings

As at 31st March 2023, the Audit Committee comprised of majority of Independent Directors and all members of the Committee are financially literate. The Chairman of the Board, 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 six meetings on 4th May 2022, 13th May 2022, 1st August 2022, 28th October 2022, 31st January 2023 and 29th March 2023 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	6(6)
Sujjain S Talwar	5(6)
Aroon Raman	6(6)
Soundara Kumar	6(6)
Sridharan Rangarajan	6(6)

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 at the link https://www.cumi-murugappa.com/wp-content/uploads/2023/05/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.

Composition & Meetings

The Committee comprises of three members, all of them being Independent Directors. The Committee met on five occasions during the year - 4th May 2022, 13th May 2022, 1st August 2022, 28th October 2022 and 29th March 2023. 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(5)
Aroon Raman	5(5)
P S Raghavan	5(5)

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 also 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 was reviewed and upgraded and the entire risk management process is automated. While the Committee continued to review the risks and mitigation plan as per the adopted Charter and Risk Management Policy, during the year, dedicated focus on developing a cyber security framework for the Company was provided. The Company is in process of establishing an 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 geopolitical risks in the volatile global market conditions and the risk registers continued.

Composition & Meetings

The Committee comprises two Independent Directors and the Managing Director. The Management Committee members comprising the Senior Management executives are invited to the meetings.

The Committee met on three occasions during the year on 6th June 2022, 28th October 2022 and 29th March 2023. 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	3(3)
Aroon Raman	3(3)
N Ananthaseshan	3(3)

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 four members with one member being an Independent Director.

The Committee met on four occasions during the year on 4th May 2022, 1st August 2022, 28th October 2022 and 31st January 2023. 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	4 (4)

During the year, there were two investor service related complaints received and the same have been resolved. The grievances were against the Registrar and Share Transfer Agent with respect to the documentation process for transmission and an initial request seeking extracts of the statutory registers lodged in the SCORES platform. Further, there were no investor service complaints pending as at 31st March 2023.

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 (Formerly known as M/s. KFin Technologies Private Limited), 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.cumimurugappa.com/wpcontent/uploads/2021/04/CSRPolicy-2021.pdf. 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 two Independent Directors and the Managing Director as its members. The Management Committee members are invited to the meetings. The Committee met on two occasions during the year on 13th May 2022 and 31st January 2023. 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(2)
P S Raghavan	2(2)
N Ananthaseshan	2(2)

4. DIRECTORS' REMUNERATION

4.1 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 organisational objectives. The summary of the Stock Options granted to Mr. N Ananthaseshan and Mr. Sridharan Rangarajan 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 per cent 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. In view of the significant enhancement of the roles, duties and responsibilities of the Non-Executive Directors under the existing regulatory regime, the Board reviewed its compensation structure on 8th May 2023 for a revision in commission payable from FY 2023-24.

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 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 in India and globally representing the Company. Under his Chairmanship, the Company has grown globally from ₹4060 million to over ₹45000 million. Under his Chairmanship, the Company has recently been able to inorganically grow with three main acquisitions viz., PLUSS Advanced Technologies Limited, CUMI Awuko Abrasives GmbH and Rhodius Abrasives GmbH which will augur well with the 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 2022-23 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.

4.2 Remuneration for FY 2022-23

Non-Executive Directors (₹ Million)

Name	Sitting Fees	Commission@
M M Murugappan, Chairman	0.52	10.00
Sanjay Jayavarthanavelu	0.85	1.00
Aroon Raman	1.00	1.00
P S Raghavan	0.82	1.50
Sujjain S Talwar	0.60	1.00
Soundara Kumar	0.70	1.00
Total	**4.49**	**15.50**

@ will be paid after adoption of accounts by shareholders at the 69th Annual General Meeting.

Executive Directors

Names		N Ananthaseshan	Sridharan Rangarajan
Fixed Component	Salary & Allowances	13.27	14.77
	Retirement benefits*	3.77	3.78
	Perquisites	0.13	0.13
Variable Component	Incentive(a)	4.78	5.32

**includes contribution to National Pension System of PFRDA.*

(a) Represents incentive paid during the financial year 2022-23 in respect of the financial year 2021-22.

(b) As per the terms of their remuneration, the Managing Director and Wholetime Director are eligible for an annual incentive based on a balanced scorecard which comprises Company financials, Company scorecard and personal objectives. For the financial year 2022-23, a sum of ₹5.52 million and ₹6.01 million has been provided in the accounts for this purpose payable to Mr. N Ananthaseshan and Mr. Sridharan Rangarajan respectively. The actual amount will be decided by the Nomination and Remuneration Committee in August 2023.

(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	43,672	111,528	-
Options cancelled	15,834	15,720	-	-	-
Options lapsed	-	-	-	-	-
Options exercised	105,966	62,880	56,948	-	-
Options outstanding	-	-	43,672	111,528	272,000
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	-	68,940	19,344	54,400

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 cancelled	31,680	-	-	-
Options lapsed	32,240	-	-	-
Options exercised	200,080	13,788	-	-
Options outstanding	-	55,152	19,344	272,000
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 6 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 expired as per terms of the scheme.

5. GENERAL BODY MEETINGS

5.1 Last three Annual General Meetings

Financial Year	Date	Time	Venue
2019-2020	29.07.2020	3.00 PM	AGM conducted through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')
2020-2021	02.08.2021		
2021-2022	01.08.2022		

5.2 Special Resolutions passed during the last three Annual General Meetings

Sl. No.	Item of business	Passed on
1.	Approval for payment of commission to Mr. M M Murugappan.	29.07.2020
2.	Approval for payment of commission to Mr. M M Murugappan.	02.08.2021
3.	Re-appointment of Mr. P S Raghavan as an Independent Director	01.08.2022
4.	Re-appointment of Mr. Sujjain S Talwar as an Independent Director	01.08.2022
5.	Approval for payment of commission to Mr. M M Murugappan.	01.08.2022

5.3 Postal Ballot

During the year, approval of the shareholders was obtained through Postal Ballot in respect of an Ordinary resolution for the re-appointment of Mr. N Ananthaseshan as Managing Director of the Company whose first term of office expired at closing hours on 22nd November 2022. The shareholders approval was sought for re-appointing him for second term of office until 31st December 2024.

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. KFin Technologies 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 8th November 2022 (9.00 a.m. IST) and closed on 7th December 2022 (5.00 p.m. IST). The resolution was passed with requisite majority on 7th December 2022 and results were declared on 8th December 2022. The voting results and the scrutiniser report is available at the Company's website at https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/agm-2022/Voting-Results-of-Postal-Ballot.pdf and on the website of KFin Technologies Limited at https://evoting.kfintech.com/ and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

Voting pattern of the Ordinary Resolution passed during the year 2022-23 through postal ballot:

Resolution	Voted cast in the favour of the resolution		Voted cast Against of the resolution		Invalid votes	
	No.	%	No.	%	No.	%
Re-appointment of Mr. N Ananthaseshan (DIN: 02402921) as Managing Director.	12,28,03,367	92.08	1,05,65,146	7.92	-	-

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.

6. 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 Chairman 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/wp-content/themes/CUMI/pdf/policies/Whistle-Blower-Policy.pdf It is affirmed that during the year, no employee was denied access to the Audit Committee.

7. 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, Audit Committee reviewed the 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, auto 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. During the financial year, the Company upgraded its Prevention of Insider Trading system by transitioning 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 sensitize the employees and Designated Persons on the significance of the regulatory requirements.

8. 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 many 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 2022-23 is as below:

Number of complaints filed during the financial year:	1
Number of complaints disposed off during the financial year:	1
Number of complaints pending as on end of the financial year:	0

8.1 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	6.25
	Tax Audit		0.9
	Other certification		0.6
	Statutory Audit including limited review	Pluss Advanced Technologies Limited (Subsidiary)	1.13
	Tax Audit		0.2
	Other certification		0.15

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.

8.2 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.

8.3 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 in respect of the borrowings of the Company forms part of the Board's Report.

8.4 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.

8.5 Details of Material Subsidiary :

JSC "Volzhsky Abrasive Works"
Date of Incorporation: 22nd April 1961
Place of Incorporation: Volzhsky city, Russia
Name of the Auditor: Audit-NB
Address: 400074, Volgograd, Kozlovskaya str.20
Date of appointment: 05th August 2022

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

9. MEANS OF COMMUNICATION

The 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.

10. 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.

11. 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 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 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.

12. CEO/CFO CERTIFICATION

Mr. N Ananthaseshan, 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.

13. 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.

14. 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.

15. GENERAL SHAREHOLDER INFORMATION

A separate section in this regard is annexed and forms part of this Report.

16. SHARE HOLDERS SATISFACTION SURVEY

An online survey is posted on the Company's website at the following link https://www.cumi-murugappa.com/survey/index.php.

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.

17. 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 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 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 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 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 is to 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

Freezing of Folios without PAN, KYC details and Nomination:

Folios wherein any one of PAN, Aadhar and Nomination are not available on or before 30th September 2023, shall be frozen and the shareholders will not be eligible to lodge grievance or avail service request from the RTA or be eligible for receipt of dividend in physical mode. After 31st December 2025, the frozen folios shall be referred by RTA/Company to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

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 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 8, 2023

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 2022-23)
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 2022-23)
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 2022-23)
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 2021-22 had been filed on 30th August 2022 through XBRL mode as mandated by the Ministry of Corporate Affairs within the due date.

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) 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 - 247667.

g) Plant 1 - PB No.1 Kalamassery, Development Plot P.O., Kalamassery 683109, Ernakulam District, Kerala.

h) Plant 2 - PB No.1 Kalamassery, Development Plot P.O., Kalamassery 683109, Ernakulam District, Kerala.

i) PB No.3 Nalukettu, Koratty- 680308, Trichur District, Kerala.

j) Bhatia Mines, Bhatia Western Railway, Jamnagar District, Gujarat - 361350.

k) P.B No.2 Okha Port P.O., Devbhumi Dwarka District, Gujarat 361350.

l) Plot No.7 & 18, Cochin Special Economic Zone (CSEZ), Kakkanad 682037, Kochi, Kerala.

m) Maniyar Hydroelectric Works, Maniyar P.O., Vadasserikara, Pathanamthitta District, Kerala 689662.

n) Plot No.8, Carborundum Universal SEZ, K.D.Plot, Kochi, Kerala.

o) Plot No.2 & 3, Carborundum Universal SEZ, K.D.Plot, Kochi, Kerala.

p) Plot No.4 & 5, Carborundum Universal SEZ, K.D. Plot, Kochi, Kerala.

q) Plot No.47, SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District, Tamil Nadu.

r) Plot No.102 & 103, SIPCOT Industrial Complex (Phase II), Ranipet 632403, Tamil Nadu.

s) Serkadu village, Vinnampalli Post, Katpadi Taluk, Vellore District - 632516, Tamil Nadu.

t) 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 & Plot No.501, 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

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) Volzhsky Abrasive Works, 404130 Volzhsky, Volgograd Region, 6th Autodoroge, 18, Russia.

i) Foskor Zirconia (Pty.) Ltd., 27 Selati Road, Phalaborwa, South Africa, 1389.

j) CUMI (Australia) Pty Ltd., 29 Gipps St, Carrington, NSW, 2294, Postal Address: PO Box 142, Carrington, NSW, 2294.

k) CUMI (Australia) Pty Ltd., 1/253 Beringarra Ave, Malaga, WA 6090, Postal Address: PO Box 2538, Malaga, WA 6944.

l) CUMI (Australia) Pty Ltd., 20 Waurn St, North Rockhampton, QLD 4701, Postal address: PO Box 6494, Central QLD Mail Centre, Rockhampton, QLD 4702.

m) CUMI (Australia) Pty Ltd., 8 Peace Street, 14 Corporation Avenue, Paget QLD 4740.

n) Wendt Grinding Technologies Ltd. 109/21 Moo 4, Eastern Seaboard Industrial Estate (Rayong), Tambol Pluakdaeng, Amphur Pluakdaeng, Rayong 21140, Thailand.

o) PLUSS Advanced Technologies Limited, Plot No.13,14 & 35, Section-14 G C Bawal, Rewari, Haryana - 123501

p) PLUSS Advanced Technologies Limited, Sy. No. 605, 8-122, Deveryamzal Village, Shameerpeth Mandal, Medchal - Malkajgiri, Telangana - 500078

q) PLUSS Advanced Technologies BV, Helftheuvelweg 11 - A2.125222 AV ‘s-Hertogenbosch, The Netherlands.

r) CUMI Awuko Abrasives GmbH, Hedemündener Str. 9 34346 Hann. Münden Germany.

s) Rhodius Abrasives GmbH, Brohltalstr. 2, 56659 Burgbrohl, Germany.

t) Rhodius Nederland B.V, Het Rietveld 55A, 7321 CT Apeldoorn, Nederland

u) Rhodius France S.A.R.L. 1 Allee Theodore Monod, 76160 Saint Martin du Vivier.

v) Rhodius Korea INC. Rm. 205 MEGA PLUS, Yeongil-ro, Yeongtong-dong, Schleifwerkzeuge, Yeongtong-gu GmbH & Co. KG, 443-470 Suwon, Seoul.

w) 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

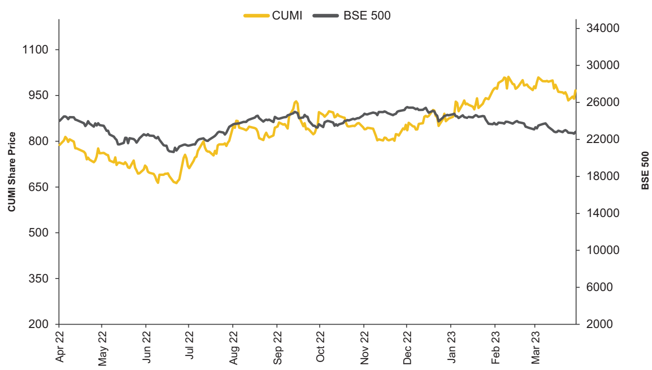
3. Share price information

a) Monthly market price data

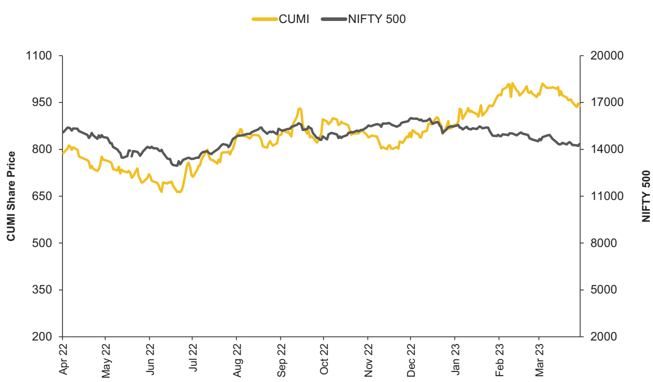
Month	BSE Limited			National Stock Exchange of India Limited		
	High ₹	Low ₹	Traded volume (No. of shares)	High ₹	Low ₹	Traded volume (No. of shares)
April 2022	824.85	723.00	1,48,508	824.70	726.75	37,55,165
May 2022	777.00	685.00	1,25,064	786.00	685.05	37,43,435
June 2022	784.15	651.05	1,57,660	788.00	652.00	30,92,418
July 2022	813.10	699.15	2,75,712	813.00	698.35	39,26,546
August 2022	885.10	765.60	5,10,372	884.50	792.00	41,28,301
September 2022	955.00	802.00	5,01,147	955.00	801.90	51,42,409
October 2022	923.00	837.05	9,08,232	923.90	837.45	17,15,691
November 2022	860.00	787.50	1,00,130	860.00	788.15	23,75,186
December 2022	908.95	800.00	1,27,055	909.35	829.90	24,02,848
January 2023	982.00	853.70	2,22,814	982.80	872.15	36,01,335
February 2023	1021.80	957.20	2,25,345	1,021.90	956.35	28,92,989
March 2023	1045.00	924.15	81,795	1045.70	923.35	16,33,938

b) Performance in comparison with BSE 500 and NSE 500

Stock market snapshot of CUMI Price v/s BSE 500 during 1st April 2022 to 31st March 2023 is given below:



Stock market snapshot of CUMI Price v/s NSE 500 during 1st April 2022 to 31st March 2023 is given below:



C. Other Information

1. Share Capital Details

(a) Outstanding shares

The total number of outstanding shares as on 31st March 2023 is 189,943,974. All the shares have been fully paid up. As on 31st March 2023, 188,460,909 equity shares constituting 99.22 per cent 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 2023

(i) Shareholding Pattern

Category	% to total paid up capital
Promoter/Promoter Group	41.52
Foreign Institutional Investors	9.36
Financial Institutions including Insurance Companies	2.10
Non-resident (NRI's/OCBs)	1.85
Mutual Funds	26.52
Banks	0.01
Indian Bodies Corporate, AIFs & QIBs	2.44
Individuals	15.74
Others - Trusts/Clearing Members/IEPF	0.46
Total	**100.00**

(ii) Distribution of Shareholding

Sl. No.	Category (Shares)	No. of holders	% to holders	No. of Shares	% to Equity
1.	1 -500	44,183	88.02	31,64,345	1.67
2.	501 -1000	2,120	4.22	16,82,947	0.89
3.	1001 -2000	1,366	2.72	21,61,543	1.14
4.	2001 -3000	587	1.17	15,23,305	0.80
5.	3001 -4000	718	1.43	27,03,820	1.42
6.	4001 - 5000	164	0.33	7,52,142	0.39
7.	5001 -10000	472	0.94	34,30,093	1.81
8.	10001 - 20000	197	0.39	28,31,785	1.49
9.	20001 -100000	225	0.45	1,01,83,726	5.36
10.	100001 and above	165	0.33	1,61,510,268	85.03
	TOTAL	**50197**	**100.00**	**189943974**	**100.00**

2. Outstanding GDR/ADR/Warrants etc.

Under the CUMI Employees Stock Option Scheme 2007, there are no Stock Options outstanding as at 31st March 2023:

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 2023 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	1,50,428	0.15	38.59
2.	14-Feb-18	367.20	19,344	0.02	7.08
3.	14-Feb-18	367.20	-	-	-
4.	03-Aug-18	369.85	36,940	0.04	13.63
5.	29-Oct-18	361.90	-	-	-
6.	31-Jul-19	317.7	60,630	0.06	19.20
7.	31-Jul-19	317.7	1,11,528	0.11	35.32
8.	30-Jan-20	343.8	72,096	0.07	24.71
9.	28-Apr-21	490.50	66,492	0.07	32.55
10.	02-Aug-21	672.95	6,46,100	0.65	434.15
11.	13-May-22	734.90	-	-	-
12.	28-Oct-22	858.80	1,30,800	0.13	112.20
13.	31-Jan-23	965.55	43,600	0.04	42.05
14.	29-Mar-23	940.00	43,600	0.04	40.94
Total			**13,81,558**	**800.43**	**1.38**

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 per cent on expiry of the first year from the date of grant and 30 per cent each on expiry of the second and third year 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 per cent each on expiry of the first and second year from the date of grant and 30 per cent 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 and 14 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 per cent each on expiry of the first and second year from the date of grant and 30 per cent 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 per cent each on expiry of the first year from the date of grant and 37.50 per cent each on expiry of second and third year from the date of grant.

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 per cent each on expiry of the first and second year from the date of grant.

Other than the above, there are no outstanding GDRs or ADRs or convertible instruments.

3. Investor servicing process:

The applications for investor servicing requests from shareholders holding shares in physical form are processed by M/s. 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 is prohibited effective 1st April 2019 pursuant to SEBI notification dated 8th June 2018. In respect of transmission of shares, all requests are considered for approval by the Stakeholders Relationship Committee.

Further, as an initiative to encourage mandatory updation of KYC details in the physical folios and to avoid freezing of 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 decrease the number of cases from unclaimed suspense, steps were taken to reach out to the shareholders at their last available contact details with the Company/Registrar and share transfer agent in form of emails, contact number and address. After verifying the KYC of the shareholder, the shareholders were informed on the procedure for claiming the shares from the unclaimed suspense account. Further, letters were sent to the shareholders at their last available address for claiming the unclaimed shares.

Further, the shareholders were assisted in filing the IEPF claims resulting in the approval of the majority of the claims filed by the claimant and ensuring a smooth transition in processing the claim. The said process resulted in minimising the discrepancies in filing 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	77	1,30,800
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*	6	5,080
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	2	2,190
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	2	2,190
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	69	1,23,530

*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**

Wednesday, the 2nd August 2023 at 3.00 P.M. IST through video conferencing/other audio visual means.

ii. **Dividend**

The Board at its meeting held on 31st January 2023 had approved payment of an interim dividend on the equity shares of the Company at 150 per cent i.e. ₹1.50/- per equity share which was paid on 28th February 2023. The Board at its meeting held on 8th May 2023 has further recommended a payment of final dividend at 200 per cent i.e. ₹2/- per equity share for the year ended 31st March 2023. The final dividend will be paid by Thursday, 24th August 2023 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 of transfer of the unclaimed/unencashed dividend to the IEPF Authority of the Central Government are as below:

Financial year to which dividend relates	Date of Declaration	Due date for transfer to IEPF
2015-16 (Interim - II)	11-03-2016	17-04-2023
2016-17 (Interim)	04-02-2017	13-03-2024
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

The Company has transferred unclaimed/unencashed dividends up to first interim dividend for FY 2015-16 to the IEPF during the year ended 31st March 2023. The Company has uploaded the details relating to unclaimed dividends on its website for the information of its shareholders 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 36,127 equity shares pertaining to 37 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 2023, 7,64,092 shares pertaining to 641 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 - Ms/. 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 8, 2023

M M Murugappan
Chairman

Declaration on Code of Conduct

To,

The Members of Carborundum Universal Limited

This is to confirm that 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 2023, as envisaged in regulation 34(3) read with Schedule V of the Listing Regulations.

On behalf of the Board

Chennai
May 8, 2023

N Ananthaseshan
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, 2023 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 - 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	P S Raghavan	Non-Executive - Independent Director	09/05/2017
5.	01756539	Sujjain S Talwar	Non-Executive - Independent Director	09/05/2017
6.	02402921	N Ananthaseshan	Managing Director	26/04/2019
7.	01974515	Soundara Kumar	Non-Executive - Independent Director	03/08/2019
8.	01814413	Sridharan Rangarajan	Whole Time 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: F004775E000269347

PLACE : CHENNAI
DATE : 08th MAY, 2023

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, 2023. 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 for the financial year ended 31st March, 2023.

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: F004775E000269347

PLACE : CHENNAI
DATE : 08th MAY, 2023

ANNEXURE F

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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, 2023. 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 authorized 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, 2023 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, 2023 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. In our opinion and to the best of our information and according to the explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws as mentioned above.

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. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director, Woman Independent Director and Independent Directors. The changes in the composition of the Board of Directors pertaining to re-appointment 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 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 properly convened and recorded in compliance with the provisions of Section173 (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 the review of compliance mechanism established by the Company and on the basis of our review and audit of the records and books, 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, rules, regulations and guidelines.

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.

For **R.SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR. NO.657/2020

PLACE : CHENNAI — UIN: S2003TN063400
DATE : 08th MAY, 2023 — UDIN: F004775E000269303

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: F004775E000269303

PLACE : CHENNAI
DATE : 08th MAY, 2023

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 along with its wholly owned subsidiaries ("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, 2023, 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 a summary of significant accounting policies 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, 2023, 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 9,239.52 million (including goodwill amounting to INR 1,421.72 million), which represents 23.54% 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/management expert 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. • Evaluating the independence, competence and objectivity of the Management's expert. • 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.

Independent Auditor's Report

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 consolidated 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.

Independent Auditor's Report

- 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 ₹36,992.38 million and net assets of ₹30,821.97 million as at March 31, 2023, total revenue of ₹24,320.62 million, total comprehensive income (comprising of profit and other comprehensive income) of ₹2,254.22 million and net cash flows amounting to ₹435.17 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 ₹69.40 million for the year ended March 31, 2023 as considered in the Consolidated Financial Statements, in respect of a Joint Venture whose financial statement has 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 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 Venture 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 Venture, 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 ₹ NIL and net assets of ₹ NIL as at March 31, 2023, total revenue of ₹ NIL, total comprehensive income (comprising of profit and other comprehensive income) of ₹0.75 million and net cash flows amounting to ₹ (3.16) 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 ₹150.52 million for the year ended March 31, 2023 as considered in the Consolidated Financial Statements, in respect of a Joint Venture whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and

Independent Auditor's Report

disclosures included in respect of this subsidiary and Joint Venture 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 and Joint Venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

16. The financial statements/financial information of seven subsidiaries located outside India, included in the Consolidated Financial Statements, which constitute total assets of ₹18,744.41 million and net assets of ₹14,073.32 million as at March 31, 2023, total revenue of ₹19,461.06 million, total comprehensive income (comprising of profit and other comprehensive income) of ₹1,255.48 million and net cash flows amounting to ₹699.71 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 insofar 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.

    The statutory audit report of Murugappa Morgan Thermal Ceramics Limited, a Joint Venture of the Parent has not been issued until the date of this report. Accordingly, no comments for the said Joint Venture have been included for the purpose of reporting under this clause.

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 that in relation to a subsidiary audited by us we were unable to verify that the backup of books and papers in electronic mode were maintained on a daily basis for the period August 11, 2022 to January 31, 2023.

    (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 as on March 31, 2023 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, Associate and Joint Venture incorporated in India, none of the directors of the Group companies, its Associate and Joint Venture incorporated in India is disqualified as on March 31, 2023 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, we draw reference to our comment in paragraph 18(b) above.

    (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditor's Report

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, its Associate and Joint Venture did not have any long-term contracts including derivative contracts as at March 31, 2023 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 Parent and its subsidiary companies, Associate and Joint Venture incorporated in India during the year.

iv. (a) The respective Managements of the Parent and its subsidiaries, Joint Venture and Associate 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, Joint Venture and Associate respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, 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 Venture and Associate 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 Venture and Associate ("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 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, Joint Venture and Associate respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries, Joint Venture and Associate 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 Venture and Associate 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, Joint Venture and Associate 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 Venture, is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, Associate and Joint Venture, is applicable to the Group, Associate and Joint Venture only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

19. The Group, its Associate and Joint Venture 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

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTQ6486

Place: Chennai
Date: May 08, 2023

Independent Auditor's Report

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, 2023

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, 2023, 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 venture, 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 venture 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 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

Independent Auditor's Report

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 venture, 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, 2023, 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 a joint venture, 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

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTQ6486

Place: Chennai
Date: May 08, 2023

Consolidated Balance Sheet

(in Indian Rupees million, unless otherwise stated)

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	9875.73	6806.48
(b) Right of use asset	4B	573.74	395.05
(c) Capital work-in-progress	4C	874.68	577.00
(d) Goodwill	5A	2443.83	1581.25
(e) Other Intangible assets	5B	2374.11	1278.55
(f) Investment accounted for using the equity method			
(i) Investments in Associate	6A	707.65	607.34
(ii) Investments in Joint Ventures	6B	729.46	582.46
(g) Financial assets			
(i) Investments	6C	175.17	188.38
(ii) Other financial assets	7A	192.86	157.55
(h) Deferred tax assets (net)	8A	762.15	269.20
(i) Other non-current assets	9A	275.54	4306.56
Total non-current assets		**18984.92**	**16749.82**
Current assets			
(a) Inventories	10	8989.25	6909.04
(b) Financial assets			
(i) Trade receivables	11	6273.80	4847.71
(ii) Cash and Cash equivalents	12A	3963.71	3475.04
(iii) Bank balances other than (ii) above	12B	37.42	40.66
(iv) Other Financial assets	7B	84.85	163.09
(c) Other current assets	9B	910.35	1042.92
Total current assets		**20259.38**	**16478.46**
Total Assets		**39244.30**	**33228.28**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	189.94	189.86
(b) Other equity	14	28015.72	23447.86
Equity attributable to owners of the Company		**28205.66**	**23637.72**
Non-controlling interests	15	1278.98	859.39
Total Equity		**29484.64**	**24497.11**
Non-Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	428.57	77.83
(ii) Lease liabilities	4B	386.75	231.99
(iii) Other financial liabilities	20A	395.84	17.01
(b) Provisions	17A	237.93	146.76
(c) Deferred tax liabilities (net)	8B	525.17	409.23
(d) Other Non-Current liabilities	21A	404.52	121.00
Total Non-current liabilities		**2378.78**	**1003.82**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1872.43	2044.19
(ii) Lease liabilities	4B	84.81	45.97
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	19	103.01	105.98
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	19	3256.05	3597.61
(iv) Other financial liabilities	20B	1032.00	1444.30
(b) Other current liabilities	21B	511.65	266.11
(c) Provisions	17B	504.82	223.19
(d) Current tax liabilities (net)	8C	16.11	-
Total Current liabilities		**7380.88**	**7727.35**
Total Liabilities		**9759.66**	**8731.17**
Total Equity and Liabilities		**39244.30**	**33228.28**
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

Subramanian Vivek
Partner
Membership Number: 100332
Chennai
May 08, 2023

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

N Ananthaseshan
Managing Director
DIN: 02402921

Sridharan Rangarajan
Director - Finance & Strategy
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	
			2022-23	2021-22
I	Revenue from Operations	22	46542.81	33247.58
II	Other Income	23	767.23	398.16
III	**Total Income**		**47310.04**	**33645.74**
IV	**Expenses**			
	Cost of material consumed		16103.44	11531.58
	Purchase of stock-in-trade		1661.15	981.57
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(623.64)	(935.56)
	Employee benefits expense	25	6923.13	4192.49
	Finance costs	26	235.33	56.44
	Depreciation and amortisation expense	27	1873.36	1145.65
	Other expenses	28	15960.14	12111.20
	Total expenses (IV)		**42132.91**	**29083.37**
V	**Profit from operations before exceptional items and share of profit of equity accounted investees and income tax [III] - [IV]**		**5177.13**	**4562.37**
VI	Share of profit of Associate (net of tax)	6A	150.34	101.50
VII	Share of profit of Joint Ventures (net of tax)	6B	222.47	101.58
VIII	**Profit before Exceptional items and tax [V] +[VI]+[VII]**		**5549.94**	**4765.45**
IX	**Exceptional item**	29	249.15	-
X	**Profit before tax [VIII]+[IX]**		**5799.09**	**4765.45**
XI	**Tax expense**			
	(1) Current tax	30A	1727.76	1375.47
	(2) Deferred tax	8	(345.65)	(110.22)
	Total tax [XI]		**1382.11**	**1265.25**
XII	**Profit for the year [X]-[XI]**		**4416.98**	**3500.20**
XIII	**Other Comprehensive Income [OCI]**			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(61.89)	(47.57)
	(b) Equity instruments through other comprehensive income		(14.30)	70.39
	(c) Share of OCI in Associate and Joint Ventures, to the extent not to be reclassified to profit or loss		(2.29)	(1.61)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30B	0.39	0.08
			(78.09)	21.29
B	(i) Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		1074.05	(157.67)
	(b) Net gain/(loss) on Cash flow hedge		(0.34)	(2.47)
	(c) Share of OCI in Associate and Joint Ventures, to the extent that may be reclassified to profit or loss		5.96	0.17
	(ii) Income tax relating to items that will be reclassified to profit or loss	30B	0.08	0.62
			1079.75	(159.35)
	Total Other Comprehensive Income [XIII]		**1001.66**	**(138.06)**
XIV	**Total Comprehensive Income [XII]+[XIII]**		**5418.64**	**3362.14**
	Profit for the year attributable to: [XII]		**4416.98**	**3500.20**
	- Owners of the Company		4139.86	3333.55
	- Non-Controlling Interest		277.12	166.65
	Other Comprehensive Income: [XIII]		**1001.66**	**(138.06)**
	- Owners of the Company		979.20	(145.76)
	- Non-Controlling Interest		22.46	7.70
	Total Comprehensive Income: [XIV]		**5418.64**	**3362.14**
	- Owners of the Company		5119.06	3187.79
	- Non-Controlling Interest		299.58	174.35
XV	**Earnings per share (₹1 each) on Profit for the year [XII]**	31		
	- Basic		21.80	17.57
	- Diluted		21.74	17.52

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

Subramanian Vivek
Partner
Membership Number: 100332
Chennai
May 08, 2023

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

N Ananthaseshan
Managing Director
DIN: 02402921

Sridharan Rangarajan
Director - Finance & Strategy
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, 2021	**189.59**
Changes in equity share capital during the year	
Shares issued against ESOP Scheme/Plan	0.27
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**

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, 2021	**6.03**	**27.68**	**20.56**	**320.24**	**8230.94**	**78.74**	**12772.61**	**-**	**21.73**	**0.84**	**(378.03)**	**23.74**	**21125.08**	**464.23**	**21589.31**
Profit for the year	-	-	-	-	-	-	3333.55						3333.55	166.65	3500.20
Other Comprehensive income for the year	-	-	-	-	-	-	(49.96)		62.78	(1.11)	(157.47)		(145.76)	7.70	(138.06)
Total Comprehensive income for the year	**-**	**-**	**-**		**-**		**3283.59**		**62.78**	**(1.11)**	**(157.47)**	**-**	**3187.79**	**174.35**	**3362.14**
Additions during the year	-	-	-	62.12	-	50.06							112.18		112.18
Final dividend paid during the year	-	-	-	-	-	-	(284.44)						(284.44)		(284.44)
Interim dividend paid during the year							(284.78)						(284.78)		(284.78)
Transfer to General reserve	-	-	-	-	500.00		(500.00)						-		-
Recognised during the year								(407.97)					(407.97)		(407.97)
Non-controlling interest on acquistion of subsidiary	-	-	-	-	-	-	-						-	309.60	309.60
Dividend paid to NCI and its relevant tax														(79.62)	(79.62)
Translation impact on foreign subsidiaries NCI portion	-	-	-	-	-	-	-						-	(9.17)	(9.17)
Balance at the end 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 the 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 NCI and its relevant tax							-						-	(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**
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

Subramanian Vivek
Partner
Membership Number: 100332
Chennai
May 08, 2023

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

N Ananthaseshan
Managing Director
DIN: 02402921

Sridharan Rangarajan
Director - Finance & Strategy
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

Consolidated Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars	For the year			
	2022-23		2021-22	
A. Cash flow from Operating activities				
Profit before tax		**5799.09**		**4765.45**
Adjustment for:				
Share of profit of associate	(150.34)		(101.50)	
Share of profit of Joint ventures	(222.47)		(101.58)	
Exceptional item - Refer Note: 29	(249.15)		-	
Fair value of Investments	(1.09)		(5.31)	
Depreciation and amortisation	1873.36		1145.65	
Finance costs	235.33		56.44	
Interest income	(142.09)		(200.62)	
Dividend income	(8.62)		(7.40)	
Expenses recognised in respect of equity-settled share-based payments	66.50		55.40	
Impairment loss on financial assets (net)	8.00		1.62	
Allowance for doubtful receivable and advances	431.51		267.96	
Reversal of allowance for doubtful receivables and advances	(189.50)		(74.92)	
Provision for expenses no longer required written back	(8.20)		(6.11)	
Loss/(profit) on sale of assets (net)	30.94		30.67	
Loss/(profit) on exchange fluctuation (net)	(15.43)	1658.75	10.64	1070.94
Operating profit before working capital changes		**7457.84**		**5836.39**
Movement in working capital				
(Increase)/decrease in trade receivables	(524.52)		(296.12)	
(Increase)/decrease in Inventories	(805.13)		(2187.98)	
(Increase)/decrease in Other financial asset	47.55		(63.92)	
(Increase)/decrease in Other assets	(32.54)		(327.10)	
Increase/(decrease) in Trade payables	(160.46)		466.41	
Increase/(decrease) in Provision & other current liabilities	254.52		170.19	
Increase/(decrease) in Other financial liabilities	(310.37)	(1530.95)	173.29	(2065.23)
Cash generated from Operations		**5926.89**		**3771.16**
Income tax paid		(1625.22)		(1325.87)
Net cash generated by operating activities [A]		**4301.67**		**2445.29**
B. Cash flow from Investing activities				
Payments to acquire Property, plant and equipment	(2928.55)		(1632.25)	
Payments for Intangible asset	(88.85)		(11.14)	
Proceeds from sale of Property, plant and equipment	11.07		12.35	
Payment for acquistion of subsidiary, net of cash acquired amounting to ₹210.84 million	-		(938.40)	
Prepayment on Financial Fixed assets	-		(3967.81)	
Payments towards acquistion of assets under Business combination	-		(509.15)	

Consolidated Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars		For the year	
		2022-23	2021-22
Amount received on adjustment of net working capital (including cash acquired of EUR 1.03 million) in relation to an acquisition - Refer Note: 40		159.83	-
Proceeds from sale of investments		-	0.03
Purchase of investments		-	(0.31)
(Investment)/Redemption in Bank deposits with original maturity beyond three months- net		(2.49)	2076.58
Interest income received		139.54	190.03
Dividend income from Associate		56.25	30.00
Dividend income from Joint ventures		72.92	139.96
Dividend income received - Others		8.62	7.40
Net cash (used in)/generated by investing activities	**[B]**	**(2571.66)**	**(4602.71)**
C. Cash flow from financing activities			
Proceeds from issue of equity shares		28.05	62.39
Proceeds from Non-current borrowings		255.59	-
(Repayment)/proceeds from current borrowings (net)		(568.66)	1575.61
Transactions with Non-Controlling interest		(11.64)	-
Principal portion of lease payments		(52.08)	(38.47)
Finance costs paid		(220.01)	(56.44)
Dividend paid to Shareholders		(664.62)	(569.22)
Dividend paid to Non Controlling interest and its related tax		(100.77)	(79.62)
Net cash (used in)/generated by financing activities	**[C]**	**(1334.14)**	**894.25**
Net increase/(decrease) in cash and cash equivalents [A]+[B]+[C]		**395.87**	**(1263.17)**
Add: Cash and Cash equivalents at the beginning of the year		**3475.04**	**4783.27**
Effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies		92.80	(45.06)
Cash and Cash equivalents at the end of the year		**3963.71**	**3475.04**
Non Cash Financing and Operating activities			
- Acquistion of right of use assets		112.87	81.66
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

Subramanian Vivek
Partner
Membership Number: 100332
Chennai
May 08, 2023

On behalf of the Board

M M Murugappan
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Managing Director
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Director - Finance & Strategy
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, 2023

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	3.16	10
7	Statement of Cash flows	3.15	12,36
8	Accounting Policies, Changes in Accounting Estimates and Errors	2,3	
10	Event after the reporting period		41
12	Income taxes	3.10	8,9A,30
16	Property, plant and equipment	3.11	4A,4C,27
19	Employee benefits	3.8	25,35
24	Related party disclosures		37
28	Investments in associates and joint ventures	3.1.2.2	6A,6B
33	Earnings per share	3.24	31
36	Impairment of assets	3.13	4A,4B,4C,5
37	Provisions, Contingent liabilities and Contingent assets	3.17,3.18	17,34
38	Intangible assets	3.12	5,27
102	Share based payment	3.9	13e,14f,25,
103	Business combinations	3.1.2.1.1, 3.12.3	5A,40
107 & 109	Financial instruments	3.19,3.20,3.21,3.26,3.27	6C,7,11,16,18,19,20,23,36
108	Operating segments	3.22	32
110	Consolidated Financial Statements	3.1.2	
112	Disclosure of interest in other entities		6A,6B,15
113	Fair value measurement		36
115	Revenue from Contracts with Customers	3.4	21,22,32
116	Leases	3.23	4B,26,27

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2023

1. General information

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

2.1 Application of Indian Accounting Standards (Ind AS)

The financial statements comply in all material aspects with 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.

2.2 New and Amended Standard adopted by the group:

The Ministry of Corporate Affairs had vide notification dated 23rd March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1st April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31st March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1st April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. 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.

3. Significant accounting policies

3.1.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies as stated below, except the following that are measured at fair values at the end of each reporting period:

- Certain financial asset and liabilities (including derivative instruments) and contingent consideration is measured at fair value
- Assets held for sale - measured at fair value less cost to sell
- Defined benefit plan - plan measured at fair value
- Share based payments

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March 2022. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

3.1.2 Basis of consolidation

3.1.2.1 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.

3.1.2.1.1 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.

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

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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.

3.1.2.1.2 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.

3.1.2.2 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.

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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.

3.1.2.3 Foreign currency translation

The consolidated financial statements are presented in Indian Rupee, which is CUMI'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.

3.2 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3.2.1 Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3.2.2 Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

3.2.3 Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

The areas involving critical estimates or judgements are:

S.No	Particulars	Note
I	Estimation of useful life of tangible and intangible asset	3.11 & 3.12
II	Impairment test of Goodwill: Key assumption underlying recoverable amounts	5A
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
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
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

3.3 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sales is highly probable.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.4 Revenue recognition

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.

The specific recognition criteria described below must also be met before revenue is recognised

3.4.1 Sale of goods

Revenue from the sale of goods is recognised 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.

Revenue from the sale of goods is recognised when the control of the product is transferred, the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

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- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group has a present right to payment for the asset;
- The Group has transferred physical possession of the asset, whereby the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

When the consideration is received, before the Group transfers a goods to the customer, the Group presents the consideration as a contract liability.

3.4.2 Rendering of services

Revenue from divisible service contracts

a) service contracts are recognised over a period of time determined using the percentage completion method, synchronised to the billing schedules agreed by the customers, identical with others in similar business and

b) the revenue relating to supplies are measured in line with policy set out in 3.4.1

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (a) above.

When the consideration is received, before the Group transfers a goods to the customer, the Group presents the consideration as a contract liability and when the services rendered by the Group exceed the payment, a contract asset is recognised excluding any amount presented as receivable.

3.4.3 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.

3.5 Foreign Currencies

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.

Refer Note: 3.26 and 3.27 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

3.6 Borrowing costs

The borrowing costs (other than those attributable to property, plant and equipment and Intangible assets - Refer Note: 4 and 5) are recognised in profit or loss in the period in which they are incurred.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.7 Government grants

Government grants are not recognised until there is 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 Group recognises as expenses the related cost for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group 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.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the differences between proceeds received and the fair value of the loan based on prevailing market interest rate.

3.8 Employee benefits

3.8.1. Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method,

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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);
- 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 at the earlier of which the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.8.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.8.3. Voluntary retirement compensation

Compensation to employees who have retired under voluntary retirement scheme is charged off to revenue.

3.9 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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 reflect the revised estimate, with a corresponding adjustment to the Share options outstanding account.

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.10.1 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). Current tax is calculated using tax rates that have been enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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.

3.10.2 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

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recognised if the temporary differences arises 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.

3.10.3 Indirect taxes

Goods and Service Tax (GST) credit on materials purchased/ services availed for production/Input services are taken into account at the time of purchase and availing services. GST Credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The GST credits so taken are utilised for payment of GST on supply and service. The unutilised GST credit is carried forward in the books.

3.11 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives as specified under Schedule II and applicable statutes of the relevant territories, using the straight-line method except in the case of a subsidiary where written down value method is adopted. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Individual asset costing less than ₹5000 are depreciated in full in the year of acquisition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3.12 Intangible assets

3.12.1 Intangible assets acquired separately

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

3.12.2 Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

3.12.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date, which is regarded as their cost. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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3.12.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.13 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amount of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generated unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.14 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. 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 and which are subject to insignificant risk of changes in value.

3.15 Cash Flow Statement

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.

3.16 Inventories

Inventories are stated at the lower of cost and net-realisable value. Cost includes freight, taxes and duties net of GST credit wherever applicable. Customs duty payable on material in bonded warehouse is added to the cost.

In respect of raw materials, stores and spare parts, traded stock cost is determined on weighted average basis, except in the case of a 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. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

3.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainty surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

3.18 Contingent liabilities

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

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3.19 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.

3.20 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 amortised cost or fair value, depending on the classification of the financial assets.

3.20.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, Refer Note: 3.20.4

3.20.2 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 three entities, which are not held for trading. The Group has elected the FVTOCI irrevocable option for 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'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.

3.20.3 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 (Refer Note: 3.20.2).

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's 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

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represent a recovery of part of cost of the investment and the amount can be measured reliably.

3.20.4 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, 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 twelve 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 shortfalls 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 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.

3.20.5 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 derecognition 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 derecognition of a financial asset other than its entirety (eg., 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

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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.

3.20.6 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.

3.21 Financial liabilities and equity instruments

3.21.1 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.

3.21.2 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.

3.21.3 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:

3.21.3.1 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'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 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 are recognised in profit or loss.

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Fair value is determined in the manner described in Note: 36.

3.21.3.2 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. An interest expense that is 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.

3.21.3.3 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 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.

3.21.3.4 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.

3.21.3.5 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a 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.

3.22 Segment reporting

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".

3.23 Leases: Right-of-use assets and Lease liabilities

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 standalone 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 fixed payments (including in-substance fixed payments), less any lease incentives receivable.

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 for leases in the Group, the lessee's incremental borrowing rate is used.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease tenure 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:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

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- any initial direct costs, and
- restoration costs.

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 of property, plant and office equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

3.24 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax attributable to the Parent shareholder 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 attributable to the Parent shareholder 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.

3.25 Research and Development

All revenue expenditure related to research and development 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 Group.

3.26 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair values at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.27 Hedge accounting

The Group designates certain hedging instruments, which includes derivatives and non-derivatives in respect of foreign currency risk, at either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm Commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note: 36 sets out details of the fair values of the derivatives instruments used for hedging purposes.

3.27.1 Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedging asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instruments expires or is sold, terminated, or exercised, or when it no longer qualify for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

3.27.2 Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amount previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affect profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of non-financial asset or a non-financial liability, such gain or loss are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

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In cases, where the designated hedging instruments are options and forward contracts, the Group has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the option and spot element of forward contract respectively as hedges. In such cases the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of option and forward elements of forward contract in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e. not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or non-financial liability. In other cases, the amount accumulated is reclassified to profit or loss as a reclassification adjustment in the same period in which the hedged expected future cash flow affects profit or loss.

In case of time period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationship is amortised on a systematic and rational basis over the period during which the options intrinsic value could affect profit or loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Group makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of option (as described above).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecasted transactions is ultimately recognised in profit or loss. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

3.28 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.

3.29 Operating cycle

Based on the nature of the products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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4A. Property, plant and equipment

Particulars	As at	
	31.03.2023	31.03.2022
Carrying amounts:		
Freehold land	797.84	354.30
Buildings	3080.66	2323.28
Leasehold Improvement	45.26	17.67
Plant and equipment	5407.54	3940.63
Furniture and fittings	379.83	44.79
Vehicles	164.60	125.81
	9875.73	**6806.48**

Cost	Freehold land	Buildings (a)	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2021	**215.30**	**2556.51**	**-**	**8421.11**	**134.91**	**172.94**	**11500.77**
Acquisition through Business Combination	136.78	197.17	11.54	149.15	1.59	0.33	496.56
Additions **(b)**	-	254.59	10.01	1039.62	8.72	60.89	1373.83
Disposals	(0.72)	(16.41)	(3.44)	(139.61)	(15.45)	(21.93)	(197.56)
Translation differences	2.94	(27.57)	-	(82.79)	0.79	(1.15)	(107.78)
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**

Accumulated depreciation and impairment	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2021	**-**	**530.06**	**-**	**4763.97**	**87.01**	**78.50**	**5459.54**
Depreciation expense	-	121.29	0.44	850.45	12.30	23.03	1007.51
Eliminated on disposals	-	(4.55)	-	(117.18)	(13.97)	(15.28)	(150.98)
Translation differences	-	(5.79)	-	(50.39)	0.43	(0.98)	(56.73)
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**

Carrying amounts	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2021	**215.30**	**2026.45**	**-**	**3657.14**	**47.90**	**94.44**	**6041.23**
Acquisition through Business Combination	136.78	197.17	11.54	149.15	1.59	0.33	496.56
Additions	-	254.59	10.01	1039.62	8.72	60.89	1373.83
Depreciation expense	-	(121.29)	(0.44)	(850.45)	(12.30)	(23.03)	(1007.51)
Disposals (net)	(0.72)	(11.86)	(3.44)	(22.43)	(1.48)	(6.65)	(46.58)

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Carrying amounts	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Translation differences	2.94	(21.78)	-	(32.40)	0.36	(0.17)	(51.05)
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**

(a) Includes ₹1057.77 million (Previous year: ₹1014.72 million) being cost of building on leasehold land.

(b) Includes Research and Development capital expenditure of ₹75.54 million (Previous year: ₹18.30 million) - Refer Note: 38(b) on Research & Development expenditure.

(c) Capitalised borrowing cost

Borrowing costs capitalised on property, plant and equipment during the year - ₹7.61 million(Previous year: ₹ Nil).

(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	
	31.03.2023	31.03.2022
Right of use Assets		
Land	127.28	130.01
Building	317.40	262.96
Plant and equipment	10.43	2.08
Vehicles	118.63	-
	573.74	**395.05**
Lease liabilities		
Non Current	386.75	231.99
Current	84.81	45.97
	471.56	**277.96**

Cost	Land	Building	Plant and equipment	Vehicles	Total
Balance at March 31, 2021	**138.21**	**273.14**	**-**	**5.07**	**416.42**
Acquisition through Business Combination	-	35.24	-	-	35.24
Additions	-	79.37	2.29	-	81.66
Disposals	-	(19.27)	-	(5.07)	(24.34)
Translation differences	-	7.52	(0.09)	-	7.43

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Cost	Land	Building	Plant and equipment	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**

Accumulated depreciation and impairment	Land	Building	Plant and equipment	Vehicles	Total
Balance at March 31, 2021	**5.47**	**67.44**	**-**	**4.98**	**77.89**
Depreciation expense	2.73	46.69	0.12	0.09	49.63
Disposals	-	(3.75)	-	(5.07)	(8.82)
Translation differences	-	2.66	-	-	2.66
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**

Carrying amount	Land	Building	Plant and equipment	Vehicles	Total
Balance at March 31, 2021	**132.74**	**205.70**	**-**	**0.09**	**338.53**
Acquisition through Business Combination	-	35.24	-	-	35.24
Additions	-	79.37	2.29	-	81.66
Depreciation expense	(2.73)	(46.69)	(0.12)	(0.09)	(49.63)
Disposals (net)	-	(15.52)	-	-	(15.52)
Translation differences	-	4.86	(0.09)	-	4.77
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**

ii) Amount recognised in profit and loss

Particulars	For the year	
	2022-23	2021-22
Depreciation charge of right of use assets - Refer Note: 27		
Land	2.73	2.73
Building	68.08	46.69
Plant and equipment	1.59	0.12
Vehicles	24.72	0.09
	97.12	**49.63**
Interest expenses (included in Finance cost) - Refer Note: 26	30.59	14.46
Expenses related to Short term leases (included in Rent: Other expenses) - Refer Note: 28	124.16	66.44

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

a) Addition to the right of use assets during the year: ₹112.87 million(Previous year: ₹81.66 million) and acquired through business combination during the year: ₹152.42 million (Previous year: ₹35.24 million)

b) The total cash outflow for leases for the year: ₹82.72 million(Previous year: ₹52.93 million)

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	
	31.03.2023	31.03.2022
Capital work-in-progress	874.68	577.00

Capital work-in-progress movement	Total
Balance at March 31, 2021	**280.24**
Addition during the year - (a)	1670.59
Capitalised during the year	(1373.83)
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 includes exchange translation impact

(a) Includes Research and Development capital expenditure of ₹4.25 million (Previous year: ₹8.81 million) - Refer Note: 38(b) on Research & Development expenditure.

(b) Capitalised borrowing cost:

Borrowing costs capitalised on Capital work-in-progress during the year - ₹0.16 million (Previous year: ₹0.35 million).

(c) Ageing of Capital work-in-progress:

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, 2023 (in Indian Rupees million, unless otherwise stated)

As at March 31, 2022

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	528.79	14.29	9.26	24.66	577.00
Projects temporarily suspended	-	-	-	-	-

(d) The expected completion of amounts lying in capital work-in-progress which are delayed is as below:

There are no delay in completion of amounts lying in Capital work-in-progress as at 31st March 2023.

As at March 31, 2022

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
Growth Projects	11.92	-	-	-	11.92
Utilities	3.10	-	-	-	3.10
Automation	-	3.01	-	-	3.01
Total	15.02	3.01	-	-	18.03

5A. Goodwill

Particulars	As at	
	31.03.2023	31.03.2022
Cost	2481.17	1618.59
Accumulated impairment losses	(37.34)	(37.34)
	2443.83	**1581.25**
Balance at beginning of the year	1581.25	1297.69
Add: Goodwill on acquisition of Awuko	-	11.59
Add: Goodwill on acquisition of PLUSS	-	231.82
Add: Goodwill on acquisition of Rhodius	703.63	-
Add: Exchange difference during the year on translation of goodwill of foreign subsidiaries	158.95	40.15
	2443.83	**1581.25**

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, 2023 majorly comprise of goodwill initially recognised at the time of acquisition of Volzhsky Abrasives Works [VAW], PLUSS Advanced Technologies Private 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 Abrasives 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 six years, approved by the Parent's management and extrapolating it beyond six years using a growth rate of 3% p.a. The cash flows have been discounted using a pre-tax rate of 21.51% p.a. This growth rate does not exceed the long term average growth rate. 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, 2023 amounts to ₹9239.52 million (including goodwill amounting to ₹1421.72 million), which represents 23.54% of the total assets of the Group.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

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.
- 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 Private Limited [PLUSS]

The value in use is arrived at by discounting the cash flow projections using the financial budgets covering a period of three years, approved by the Board of directors of PLUSS and extrapolating it beyond four years using a growth rate of 4% p.a. The cash flows have been discounted using a pre-tax rate of 19.53% p.a. This growth rate does not exceed the long term average growth rate. 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.

(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 four years, approved by the Board of directors of RHODIUS and extrapolating it beyond four years using a growth rate of 1% p.a. The cash flows have been discounted using a pre-tax rate of 13.84% p.a. This growth rate does not exceed the long term average growth rate. 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.

(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	
	31.03.2023	31.03.2022
Carrying amounts		
Software	91.77	66.98
Copyrights, Patents and Intellectual Property	1603.18	1114.88
Customer Relationship	642.62	49.95
Non-compete	24.71	31.77
Technical know-how	11.83	14.97
Total	**2374.11**	**1278.55**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (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, 2021	**141.57**	**-**	**-**	**-**	**143.98**	**285.55**
Acquisition through Business Combination	1.85	1168.99	55.50	35.30	-	1261.64
Additions **(a)**	11.58	0.27	-	-	0.38	12.23
Disposals	-	(1.77)	-	-	-	(1.77)
Translation differences	-	0.96	-	-	(0.06)	0.90
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
Balance at March 31, 2023	**213.69**	**1830.97**	**710.19**	**35.30**	**142.51**	**2932.66**

Accumulated amortisation and impairment	Software	Copyrights, Patents and Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2021	**66.94**	**-**	**-**	**-**	**124.75**	**191.69**
Amortisation expense	21.08	53.76	5.55	3.53	4.59	88.51
Disposals	-	(0.20)	-	-	-	(0.20)
Translation differences	-	0.01	-	-	(0.01)	-
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**

Carrying amounts	Software	Copyrights, Patents and Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2021	**74.63**	**-**	**-**	**-**	**19.23**	**93.86**
Additions	11.58	0.27	-	-	0.38	12.23
Acquisition through Business Combination	1.85	1168.99	55.50	35.30	-	1261.64
Amortisation expense	(21.08)	(53.76)	(5.55)	(3.53)	(4.59)	(88.51)
Disposals (net)	-	(1.57)	-	-	-	(1.57)
Translation differences	-	0.95	-	-	(0.05)	0.90
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**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

(a) Includes Research & Development capital expenditure of ₹0.16 million (Previous year: ₹0.38 million) - Refer Note: 38(b) on Research & Development expenditure

(b) Internally generated intangible assets - Nil.

6A. Investments in Associate

Particulars	As at			
	31.03.2023		31.03.2022	
	No. of shares	Amount	No. of shares	Amount
Wendt (India) Ltd. [WENDT]	750000	707.65	750000	607.34
Total Carrying value	**750000**	**707.65**	**750000**	**607.34**
Book value of Quoted Investment		707.65		607.34
Market value of Quoted Investment		6381.53		3795.15

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	
			31.03.2023	31.03.2022
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 37.5% (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	**31.03.2023**	**31.03.2022**
Non-current assets	603.58	597.90
Current assets	1682.41	1440.73
Non-current liabilities	(16.73)	(13.85)
Current liabilities	(382.19)	(405.21)

Particulars	For the year	
	2022-23	2021-22
Revenue	2102.36	1788.12
Profit for the year	400.88	270.67
Other Comprehensive Income	16.64	(4.92)
Total Comprehensive Income	417.51	265.75
Dividend received from WENDT	56.25	30.00

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:

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	As at	
	31.03.2023	31.03.2022
Net assets of WENDT	1887.07	1619.57
Proportion of the Group's ownership interest in WENDT	37.50%	37.50%
Carrying amount of the Group's interest in WENDT	707.65	607.34

Fair value of the Group's interest in Wendt (India) Ltd., which is listed in the Stock exchange of India as on 31st March 2023 was ₹6381.53 million (as at March 31, 2022 ₹3795.15 million)

Particulars	As at	
	31.03.2023	31.03.2022
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			
	31.03.2023		31.03.2022	
	No. of shares	Amount	No. of shares	Amount
Unquoted Investment - Equity shares				
Murugappa Morgan Thermal Ceramics Limited [MMTCL]	1430793	578.50	1430793	470.90
Ciria India Limited [CIRIA]	59998	150.96	59998	111.56
Total Carrying value		**729.46**		**582.46**
Aggregate value of unquoted investments		729.46		582.46

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	
			31.03.2023	31.03.2022
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.

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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Murugappa Morgan Thermal Ceramics Ltd.

Particulars	As at	
	31.03.2023	31.03.2022
Non-current assets	599.89	536.82
Current assets	981.16	695.71
Non-current liabilities	-	(2.98)
Current liabilities	(400.43)	(268.52)

The above amount of assets and liabilities includes the following:

Particulars	As at	
	31.03.2023	31.03.2022
Cash and cash equivalents	56.41	36.86
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	
	2022-23	2021-22
Revenue	1999.58	1486.51
Profit for the year	312.34	161.16
Other Comprehensive Income	(5.15)	0.84
Total Comprehensive Income	307.19	162.00
Dividend received from MMTCL	42.92	114.46
The above profit for the year includes the following:		
Depreciation and amortisation	76.35	79.18
Interest income	1.30	1.52
Interest expense	-	-
Income tax expense	104.87	56.82

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	
	31.03.2023	31.03.2022
Net assets of MMTCL	1180.62	961.03
Proportion of the Group's ownership interest in MMTCL	49%	49%
Carrying amount of the Group's interest in MMTCL	578.50	470.90

Ciria India Ltd.

Particulars	As at	
	31.03.2023	31.03.2022
Non-current assets	79.65	68.79
Current assets	626.54	502.05
Non-current liabilities	(14.31)	(12.39)
Current liabilities	(188.70)	(186.59)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

The above amount of assets and liabilities includes the following:

Particulars	As at	
	31.03.2023	31.03.2022
Cash and cash equivalents	72.63	28.85
Current financial liabilities (excluding trade payables and provisions)	-	-
Non-current financial liabilities (excluding trade payables and provisions)	-	-

Particulars	For the year	
	2022-23	2021-22
Revenue	1200.43	931.10
Profit for the year	231.43	75.38
Other Comprehensive Income	(0.10)	-
Total Comprehensive Income	231.33	75.38
Dividend received from CIRIA	30.00	25.50
The above profit for the year includes the following:		
Depreciation and amortisation	7.04	6.90
Interest income	1.67	1.02
Interest expense	0.02	0.01
Income tax expense	83.71	27.44

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	
	31.03.2023	31.03.2022
Net assets of CIRIA	503.18	371.86
Proportion of the Group's ownership interest in CIRIA	30.00%	30.00%
Carrying amount of the Group's interest in CIRIA	150.96	111.56

Unrecognised share of losses of Joint Ventures: MMTCL & CIRIA

Particulars	For the year	
	2022-23	2021-22
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 31.03.2023		As at 31.03.2022	
	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	1.42	1.63	3.58	0.65

Notes forming part of the Consolidated Financial Statements

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Particulars	As at 31.03.2023		As at 31.03.2022	
	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	27.12	-	26.25	-

6C. Other Investments

Particulars	As at	
	31.03.2023	31.03.2022
Non-current		
(a) Investment in Equity instruments at FVTOCI		
Quoted		
Coromandel Engineering Company Limited	88.25	102.55
Unquoted		
(i) Murugappa Management Services	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	12.26	11.17
(ii) Unquoted	0.56	0.56
Total (a+b)	**175.17**	**188.38**
Aggregate book value of quoted investments	100.51	113.72
Aggregate market value of quoted investments	100.51	113.72
Aggregate carrying value of unquoted investments	74.66	74.66
Aggregate amount of impairment in value of investments	-	-

Category wise other investments - as per Ind AS 109	As at	
	31.03.2023	31.03.2022
Financial asset measured at FVTPL - Equity instruments & Others	12.82	11.73
Financial asset measured at FVTOCI - Equity instruments	162.35	176.65
	175.17	**188.38**

7. Other financial assets

Particulars	As at	
	31.03.2023	31.03.2022
A. Non-current		
Bank deposit with remaining maturity more than 12 months.	3.56	-
Margin money deposit	3.50	10.24
Security deposit	185.80	147.31
	192.86	**157.55**
B. Current		
Deposits	3.75	1.83
Derivate financial Instruments	1.81	30.70
Contract assets	28.32	-

Notes forming part of the Consolidated Financial Statements

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Particulars	As at	
	31.03.2023	31.03.2022
Other receivables		
Considered good	50.97	130.56
Considered doubtful	0.59	0.41
Less: Allowance for doubtful receivables	(0.59)	(0.41)
	84.85	**163.09**

8. Income tax

Particulars	As at	
	31.03.2023	31.03.2022
8A. Deferred tax assets (net)	762.15	269.20
8B. Deferred tax liabilities (net)	525.17	409.23

Particulars	2022-23					
	Balance as at 31.03.2022	Acquisition through Business Combination	Recognised in Profit or Loss	Recognised in OCI	Translation adjustment	Balance as at 31.03.2023
A. Deferred tax assets (net)						
Allowance for doubtful receivables and advances	48.86	-	(88.82)	-	19.09	(20.87)
Expenses allowed on payment/realisation basis	24.73	-	(11.87)	-	(0.53)	12.33
Temporary difference attributtable to Property, Plant and Equipment & Intangible asset	23.71	-	351.21	-	(11.10)	363.82
Tax losses including unabsorbed depreciation	86.10	-	174.03	-	14.54	274.67
Others	46.97	-	4.90	0.39	8.84	61.10
Tax on Unrealised profit on stock	38.83	-	32.27	-	-	71.10
Total	**269.20**	**-**	**461.72**	**0.39**	**30.84**	**762.15**
B. Deferred tax liabilities (net)						
Allowance for doubtful receivables and advances	(18.68)	-	(10.19)	-	-	(28.87)
Voluntary retirement scheme payments	(0.36)	-	0.16	-	-	(0.20)
Expenses allowed on payment/realisation basis	(50.72)	-	(5.36)	-	(0.06)	(56.14)
Tax on Undistrubuted profit	-	-	195.99	-	-	195.99
Cash flow hedges	(0.15)	-	-	(0.08)	(0.01)	(0.24)
Fair value adjustment arising on Business combination	304.00	-	(34.52)	-	-	269.48
Accelerated depreciation for tax purposes	175.14	-	(30.01)	-	0.02	145.15
Total	**409.23**	**-**	**116.07**	**(0.08)**	**(0.05)**	**525.17**
Movement during the year (B - A)	**140.03**	**-**	**(345.65)**	**(0.47)**	**(30.89)**	**(236.98)**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	2021-22					
	Balance as at 31.03.2021	Acquisition through Business Combination	Recognised in Profit or Loss	Recognised in OCI	Translation adjustment	Balance as at 31.03.2022
A. Deferred tax assets (net)						
Allowance for doubtful receivables and advances	9.73	-	41.18	-	(2.05)	48.86
Expenses allowed on payment/realisation basis	16.11	5.47	2.76	-	0.39	24.73
Temporary difference attributable to Property, Plant and Equipment & Intangible asset	(0.11)	25.29	(2.99)	-	1.52	23.71
Tax losses including unabsorbed depreciation	14.78	4.33	65.48	-	1.51	86.10
Others	52.00	2.33	(5.15)	-	(2.21)	46.97
Tax on Unrealised profit on stock	36.60	-	2.23	-	-	38.83
Total	**129.11**	**37.42**	**103.51**	**-**	**(0.84)**	**269.20**
B. Deferred tax liabilities (net)						
Allowance for doubtful receivables and advances	(24.13)	-	5.53	(0.08)	(0.00)	(18.68)
Voluntary retirement scheme payments	(0.59)	-	0.23	-	-	(0.36)
Expenses allowed on payment/realisation basis	(54.22)	-	3.51	-	(0.01)	(50.72)
Cash flow hedges	0.47	-	-	(0.62)	-	(0.15)
Fair value adjustment arising on Business combination	-	320.25	(16.25)	-	-	304.00
Accelerated depreciation for tax purposes	174.87	-	0.27	-	-	175.14
Total	**96.40**	**320.25**	**(6.71)**	**(0.70)**	**(0.01)**	**409.23**
Movement during the year (B - A)	**(32.71)**	**282.83**	**(110.22)**	**(0.70)**	**0.83**	**140.03**

(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 losses as they may not be used to offset taxable profit elsewhere in the Group, also they have arisen in subsidiaries that have been loss-making for some time and there are no other tax planning opportunities or other evidence of recoverability in the near future.

8C. Current tax liabilities (net)

Particulars	As at	
	31.03.2023	31.03.2022
Current tax liabilities (net)	16.11	-

9. Other assets

Particulars	As at	
	31.03.2023	31.03.2022
A. Non-current		
Capital advances	176.90	172.56
Prepayments	30.88	4037.03

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Particulars	As at	
	31.03.2023	31.03.2022
Deposits paid under protest relating to Sales tax, Central excise and Service tax demands	16.30	16.93
Taxation (net of provisions)	51.46	80.04
	275.54	**4306.56**
B. Current		
Prepayments	259.55	177.59
Recoverable from Electricity Board - Banked power	-	19.52
Trade advance to Supplier	426.57	330.38
Balances with Statutory authorities	224.23	515.43
	910.35	**1042.92**

10. Inventories

Particulars	As at	
	31.03.2023	31.03.2022
Raw materials	3242.07	2754.66
Raw materials in transit	269.63	331.64
Work-in-progress	1793.19	1221.16
Stock-in-trade	349.10	182.94
Finished goods	2247.87	1616.55
Stores and spares	1087.39	802.09
	8989.25	**6909.04**

a) The mode of valuation of inventories has been stated in Note: 3.16.

b) The cost of inventories recognised as an expense (consumption) during the year was ₹19129.59 million (Previous year: ₹13109.49 million).

c) All the above inventories are expected to be recovered within twelve months.

11. Trade receivables (Unsecured)

Particulars	As at	
	31.03.2023	31.03.2022
Current		
a. Considered good	6273.80	4847.71
b. Which have significant increase in Credit risk	599.86	321.19
c. credit impaired		
Allowance for doubtful receivables (expected credit loss allowance)	(599.86)	(321.19)
	6273.80	**4847.71**

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.

Notes forming part of the Consolidated Financial Statements

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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.

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 ₹48.15 million (Previous year: ₹50.63 million).

g. Movement in the expected credit loss allowance	As at	
	31.03.2023	31.03.2022
Balance at the beginning of the year	321.19	139.09
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses including translation impact	278.67	182.10
	599.86	**321.19**

11A Receivables

Particulars	As at 31 March 2023							
	Unbilled due	Not due	Less than 6 months	6 months to 1 year	1- 2 years	2-3 rears	More than 3 years	Total
(i) Undisputed Trade receivable-Considered good	-	4196.90	1909.42	151.55	12.42	0.08	2.56	6272.93
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	0.03	417.98	82.59	31.06	11.30	54.58	597.54
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivable-Considered good	-	-	-	-	-	0.55	0.32	0.87
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	1.79	-	0.53	2.32
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-

Particulars	As at 31 March 2022							
	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	-	2854.82	1859.23	68.89	62.60	-	0.03	4845.57
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	239.61	0.01	26.78	38.41	16.38	321.19
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivable-Considered good	-	-	-	-	-	0.48	1.66	2.14
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-

12A. Cash and cash equivalents

Particulars	As at	
	31.03.2023	31.03.2022
Balances with banks	3929.21	3387.67
Deposit account	32.74	86.05
Cash on hand	1.76	1.32
	3963.71	**3475.04**

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

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12B. Bank balances other than above

Particulars	As at	
	31.03.2023	31.03.2022
Earmarked funds	21.25	18.22
Bank Deposit more than 3 months but less than 12 months	16.17	22.44
	37.42	**40.66**

13. Equity Share Capital

Particulars	As at	
	31.03.2023	31.03.2022
Authorised share capital:		
387,250,000 (as at March 31, 2022: 387,250,000) equity shares of ₹1 each	387.25	387.25
Issued, Subscribed and Paid-up:		
189,943,974 (as at March 31, 2022: 189,856,703) equity shares of ₹1 each fully paid	189.94	189.86

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2023		As at 31.03.2022	
Equity shares with voting rights	No. of Shares	Value of Shares	No. of Shares	Value of Shares
At the beginning of the year	189856703	189.86	189590839	189.59
Add: Shares issued against Employee Stock Option Scheme/ Plan	87271	0.08	265864	0.27
At the end of the year	189943974	189.94	189856703	189.86

b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of ₹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/- per share was proposed for the year ended March 31, 2023 at the meeting of the Board of Directors held on May 08, 2023 (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, 2023 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 February 10, 2022 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			
	31.03.2023		31.03.2022	
	No. of Shares held*	% of holding	No. of Shares held*	% of holding
Ambadi Investments Limited	56054244	29.51%	56054244	29.52%
SBI Mutual Fund	18607487	9.80%	17050012	8.98%

*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 Standalone Financial statements.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (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 during the year
		March 31, 2023		March 31, 2022		
		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	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	1008600	0.53%	1008600	0.53%	-
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 HUF	81600	0.04%	81600	0.04%	-
14	A Venkatachalam	598900	0.32%	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%	384700	0.20%	-
19	E.I.D.Parry (India) Limited	2000	0.00%	2000	0.00%	-
20	Ambadi Investments Limited	56054244	29.51%	56054244	29.52%	-
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	0.52%	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	412000	0.22%	412000	0.22%	-
30	Lalitha Vellayan	116500	0.06%	116500	0.06%	-
31	Meyyammai Venkatachalam	100000	0.05%	100000	0.05%	-
32	A M Meyyammai	213000	0.11%	213000	0.11%	-
33	Meenakshi Murugappan	479900	0.25%	479900	0.25%	-
34	Valli Alagappan	15151	0.01%	15151	0.01%	-
35	Valli Muthiah	-	-	686620	0.36%	-100.00%
36	Solachi Ramanathan	2000	0.00%	2000	0.00%	-

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S.No	Particulars	No of shares held as at				% Change during the year
		March 31, 2023		March 31, 2022		
		Nos.	%	Nos.	%	
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	236020	0.12%	236020	0.12%	-
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	0.21%	400000	0.21%	-2.50%
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	2.01%	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%	795068	0.42%	-9.56%
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%	-	-	100.00%

14. Other equity

Particulars	As at	
	31.03.2023	31.03.2022
A. Reserves and Surplus:		
a. Profit on Forfeiture of Shares/Warrants	6.03	6.03
b. Capital redemption reserve	27.68	27.68
c. Capital reserve on consolidation	20.56	20.56
d. Securities premium	410.33	382.36
e. General reserve	9230.94	8730.94

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Particulars	As at	
	31.03.2023	31.03.2022
f. Share options outstanding account	186.70	128.80
g. Retained earnings	17900.79	14986.98
h. Non-Controlling interest put option reserve	(382.67)	(407.97)
B. Items of Other Comprehensive Income		
i. Reserve for equity instruments	70.21	84.51
j. Effective portion of Cash flow Hedge	(0.42)	(0.27)
k. Foreign currency translation reserve	521.83	(535.50)
l. Revaluation surplus	23.74	23.74
Total Other equity	**28015.72**	**23447.86**

a. Profit on forfeiture of shares/warrants

Particulars	As at	
	31.03.2023	31.03.2022
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	
	31.03.2023	31.03.2022
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	
	31.03.2023	31.03.2022
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.

d. Securities premium

Particulars	As at	
	31.03.2023	31.03.2022
Balance at the beginning of the year	382.36	320.24
Movements	27.97	62.12
Balance at end of the year	**410.33**	**382.36**

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The Securities premium received during the year represents the premium received towards allotment of 87,271 shares. Cumulatively 3,235,974 equity shares were allotted during the period FY 2009-10 to FY 2022-23 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	
	31.03.2023	31.03.2022
Balance at the beginning of the year	8730.94	8230.94
Movements: Transfer from retained earning	500.00	500.00
Balance at end of the year	**9230.94**	**8730.94**

The general reserve is a free reserve, retained from Group's profits and can be utilised upon fulfilling certain conditions in accordance with statute of the relevant Act.

f. Share options outstanding account

Particulars	As at	
	31.03.2023	31.03.2022
Balance at the beginning of the year	128.80	78.74
Movements	57.90	50.06
Balance at end of the year	**186.70**	**128.80**

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	
	31.03.2023	31.03.2022
Opening Balance	14986.98	12772.61
Add: Profits for the year	4139.86	3333.55
Add: Transfer from Non Controlling interest on account of increase in shareholding	2.25	-
Less: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of tax	(63.68)	(49.96)
Less: Transfer to General reserve	(500.00)	(500.00)
Less: Final dividend paid	(379.76)	(284.44)
Less: Interim dividend	(284.86)	(284.78)
	17900.79	**14986.98**

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.

h. Non-Controlling interest put option reserve

Particulars	As at	
	31.03.2023	31.03.2022
Balance at the beginning of the year	(407.97)	-
Movements: Change in Fair value	25.30	(407.97)
Balance at end of the year	**(382.67)**	**(407.97)**

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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 has provided the existing 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, there fair value of the option is NIL and accordingly no accounting is performed.

i. Reserve for equity instruments

Particulars	As at	
	31.03.2023	31.03.2022
Balance at the beginning of the year	84.51	21.73
Movements	(14.30)	62.78
Balance at end of the year	**70.21**	**84.51**

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 reclassified to retained earnings when those assets are disposed off.

j. Effective portion of Cash flow Hedge

Particulars	As at	
	31.03.2023	31.03.2022
Balance at the beginning of the year	(0.27)	0.84
Movements	(0.15)	(1.11)
Balance at end of the year	**(0.42)**	**(0.27)**

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	
	31.03.2023	31.03.2022
Balance at the beginning of the year	(535.50)	(378.03)
Movements	1057.33	(157.47)
Balance at end of the year	**521.83**	**(535.50)**

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.

l. Revaluation surplus

Particulars	As at	
	31.03.2023	31.03.2022
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

Notes forming part of the Consolidated Financial Statements

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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	As at	
	31.03.2023	31.03.2022
Balance at beginning of the year	859.39	464.23
Share of Profit	277.12	166.65
Share of Other Comprehensive Income	22.46	7.70
Dividend paid to Non-Controlling Interest and its related tax	(100.77)	(79.62)
Non-Controlling interest raise on acquisition of subsidiary	-	309.60
Translation impact on Non-Controlling Interest of foreign subsidiaries	-	(9.17)
Non-Controlling interest share of additional equity raised by the subsidiary	223.03	-
Transaction with Non-Controlling interest arising from change in shareholding of subsidiary	(2.25)	-
Balance as at the end of the year	**1278.98**	**859.39**

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	
		31.03.2023	31.03.2022
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	24.59%	24.78%

*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	
	31.03.2023	31.03.2022	2022-23	2021-22	2022-23	2021-22
Southern Energy Development Corporation Limited	33.56	40.25	(6.69)	10.43	0.00	7.61
Sterling Abrasives Limited	357.22	311.13	65.90	48.43	(0.38)	0.34
CUMI (Australia) Pty Limited	348.91	330.10	96.19	67.22	-	-
Volzhsky Abrasives Works	179.14	138.87	38.97	27.25	-	-
Foskor Zirconia (Pty) Ltd.	132.06	(246.75)	137.90	37.08	0.24	(0.18)
PLUSS Advanced Technologies Limited	249.37	285.79	(33.87)	(23.76)	(0.65)	(0.07)
Consolidation adjustment	(21.28)	-	(21.28)	-	23.25	-
Total	**1278.98**	**859.39**	**277.12**	**166.65**	**22.46**	**7.70**

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The information below represents amounts before intragroup eliminations.

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Particulars	Southern Energy Development Corporation Limited		Sterling Abrasives Limited		CUMI (Australia) Pty Limited	
	As at		As at		As at	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Non-Current assets*	206.75	192.22	888.33	534.31	283.51	231.96
Current assets	38.26	88.50	560.99	509.48	744.53	706.76
Non-Current liabilities	(3.15)	(3.10)	(256.99)	(20.14)	(127.68)	(77.76)
Current liabilities	(21.63)	(13.46)	(299.28)	(245.83)	(170.33)	(169.48)
Equity attributable to owners of the Company	**186.67**	**223.91**	**535.83**	**466.69**	**381.12**	**361.38**
Non-Controlling Interest	**33.56**	**40.25**	**357.22**	**311.13**	**348.91**	**330.10**

*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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	261.25	245.42	1398.33	1131.69	1665.05	1216.16
Expenses #	(305.14)	(176.94)	(1233.55)	(1010.60)	(1467.86)	(1078.36)
Profit/(Loss) for the year	**(43.89)**	**68.48**	**164.78**	**121.09**	**197.19**	**137.80**
Profit/(Loss) attributable to owners of the Company	(37.20)	58.05	98.88	72.66	101.00	70.58
Profit/(Loss) attributable to the Non-Controlling Interest of the Company	(6.69)	10.43	65.90	48.43	96.19	67.22
Profit/(Loss) for the year	**(43.89)**	**68.48**	**164.78**	**121.09**	**197.19**	**137.80**
Other Comprehensive Income attributable to owners of the Company*	(0.03)	42.33	(0.58)	0.52	-	-
Other Comprehensive Income attributable to Non-Controlling Interest of the Company	0.00	7.61	(0.38)	0.34	-	-
Other Comprehensive Income for the year	**(0.03)**	**49.94**	**(0.96)**	**0.86**	**-**	**-**
Total Comprehensive Income attributable to owners of the Company	(37.23)	100.38	98.30	73.18	101.00	70.58
Total Comprehensive Income attributable to Non-Controlling Interest of the Company	(6.69)	18.04	65.52	48.77	96.19	67.22
Total Comprehensive Income for the year	**(43.92)**	**118.42**	**163.82**	**121.95**	**197.19**	**137.80**
Dividend paid to Non-Controlling Interests (including relevant tax thereon)	**-**	**(3.51)**	**(19.44)**	**(12.24)**	**(67.11)**	**(52.74)**
Net cash inflow/(outflow) from Operating activities	(35.50)	73.55	165.85	125.80	253.52	76.36
Net cash inflow/(outflow) from Investing activities	(4.30)	(57.29)	(369.17)	(129.54)	(6.36)	(20.54)
Net cash inflow/(outflow) from Financing activities	-	(23.00)	202.70	(0.03)	(162.78)	(120.63)
Net cash inflow/(outflow)	**(39.80)**	**(6.74)**	**(0.62)**	**(3.77)**	**84.38**	**(64.81)**

*Southern Energy Development Corporation Limited: Other comprehensive income excludes fair valuation of the Parent company's shares held by it.

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Particulars	Volzhsky Abrasives Works		Foskor Zirconia (Pty) Ltd.		PLUSS	
	As at		As at		As at	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Non-Current assets	2257.64	1772.10	331.84	165.40	1298.56	1435.61
Current assets	5774.78	4117.95	834.03	792.73	273.54	240.49
Non-Current liabilities	(12.24)	(3.14)	(213.61)	(258.10)	(372.36)	(409.88)
Current liabilities	(1033.40)	(470.85)	(538.50)	(1203.61)	(185.69)	(112.85)
Equity attributable to owners of the Company	**6807.64**	**5277.19**	**281.70**	**(256.83)**	**764.68**	**867.58**
Non-Controlling Interest	**179.14**	**138.87**	**132.06**	**(246.75)**	**249.37**	**285.79**

Particulars	Volzhsky Abrasives Works		Foskor Zirconia (Pty) Ltd.		PLUSS	
	For the year		For the year		For the year	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22*
Revenue	9960.26	7093.60	2124.49	1789.59	558.83	218.00
Expenses #	(8440.39)	(6031.04)	(1843.06)	(1713.92)	(695.52)	(313.89)
Profit/(Loss) for the year	**1519.87**	**1062.56**	**281.43**	**75.67**	**(136.69)**	**(95.89)**
Profit/(Loss) attributable to owners of the Company	1480.90	1035.31	143.53	38.59	(102.82)	(72.13)
Profit/(Loss) attributable to the Non-Controlling Interest of the Company	38.97	27.25	137.90	37.08	(33.87)	(23.76)
Profit/(Loss) for the year	**1519.87**	**1062.56**	**281.43**	**75.67**	**(136.69)**	**(95.89)**
Other Comprehensive Income attributable to owners of the Company	-	-	0.24	(0.19)	(1.97)	(0.25)
Other Comprehensive Income attributable to Non-Controlling Interest of the Company	-	-	0.24	(0.18)	(0.65)	(0.07)
Other Comprehensive Income for the year	**-**	**-**	**0.48**	**(0.37)**	**(2.62)**	**(0.32)**
Total Comprehensive Income attributable to owners of the Company	1480.90	1035.31	143.77	38.40	(104.79)	(72.38)
Total Comprehensive Income attributable to Non-Controlling Interest of the Company	38.97	27.25	138.14	36.90	(34.52)	(23.83)
Total Comprehensive Income for the year	**1519.87**	**1062.56**	**281.91**	**75.30**	**(139.31)**	**(96.21)**
Dividend paid to Non-Controlling Interests (including relevant tax thereon)	**(14.22)**	**(11.13)**	-	-	-	-
Net cash inflow/(outflow) from Operating activities	1970.17	792.30	149.91	46.98	(26.99)	(51.46)
Net cash inflow/(outflow) from Investing activities	(577.52)	(444.14)	(19.80)	(29.01)	(33.49)	(18.87)
Net cash inflow/(outflow) from Financing activities	(562.94)	(430.25)	(15.52)	(29.84)	21.28	(93.01)
Net cash inflow/(outflow)	**829.71**	**(82.09)**	**114.59**	**(11.87)**	**(39.20)**	**(163.34)**

*for Post acquistion period w.e.f 6th October 2021

Expenses after netting off other income

During the year, the parent acquired 3724 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 ₹2.25 million.

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16. Borrowings - Non Current:

Particulars	Maturity date	Repayment terms	Interest rate	As at	
				31.03.2023	31.03.2022
Secured - at amortised cost (a)					
Term loan from Bank	Jul-27	43 equal monthly installment starting from Jan 2024	Euribor + 2% Spread	255.59	-
Unsecured - at Amortised cost					
Redeemable Preference Share obligations	Year 2025	On or before maturity date	12.7%	-	77.83
Long term borrowing - Others	Mar-26	On or before maturity date	SA Prime rate + 3%	190.82	-
				446.41	**77.83**
Less: Current maturities of: (Refer Note: 18)					
- Term loan from Bank				17.84	-
Total Non - Current Borrowings				**428.57**	**77.83**

17. Provision

Particulars	As at	
	31.03.2023	31.03.2022
A. Non-Current		
Employee benefits	**237.93**	**146.76**
B. Current		
Employee benefits	486.82	223.19
Provision for Warranties	18.00	-
Total	**504.82**	**223.19**

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.

Movement for Warranties	31.03.2023	31.03.2022
Acquired on Business Combination	16.35	-
Created during the year	0.54	-
Exchange difference	1.11	-
Closing balance	**18.00**	**-**

18. Borrowings-Current

Particulars	As at	
	31.03.2023	31.03.2022
Unsecured - at amortised cost		
Cash credit (repayable on demand)	69.89	321.74
Short term working capital loan	660.00	1630.00
Short term loan	67.03	-
Loan from Other parties	-	13.74

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Particulars	As at	
	31.03.2023	31.03.2022
Secured - at amortised cost		
Short term working capital loan - **(a)**	380.00	-
Short term money market loan - **(b)**	536.22	-
Current maturities of Non-current borrowings (b) - Refer Note: 16	17.84	-
Loan from Other parties	-	5.90
Cash credit (repayable on demand) - **(b)**	141.45	72.81
	1872.43	**2044.19**

(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.

(b) The funding facility availed by the subsidiaries is secured by its current assets.

Particulars	31.03.2023	31.03.2022
Unsecured - at amortised cost		
Cash credit (repayable on demand)	SOFR + 0.65%	LIBOR daily floating rate plus 0.65%
Short term working capital loan	1 to 3 months T bill + Margin ranging from 105 bps to 165 bps	3 months T bill + 105 bps margin
Short term loan	0.67% annual rate	
Loan from Other parties		5.75% p.a. on USD & 8.4% p.a. on EUR
Secured - at amortised cost		
Short term working capital loan	3 months T bill + Margin ranging from 120 bps to 165 bps	
Short term money market loan	3.75% to 4.18% per annum	
Loan from Other parties	Repo rate + spread ranging from 150 bps to 200 bps	Repo rate + spread 200 bps

19. Trade payables

Particulars	As at	
	31.03.2023	31.03.2022
Total outstanding dues to Micro and Small enterprises (c)	103.01	105.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	3256.05	3597.61
	3359.06	**3703.59**

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.

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19A Ageing schedule for Trade Payables:

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	-	-	-	-	-	-

As at 31st March 2022

Particulars	Not due	0-1 years	1- 2 years	2-3 years	More than 3 years	Total
(i) MSME	98.15	7.83	-	-	-	105.98
(ii) Others	1968.44	1237.96	50.11	178.14	162.55	3597.20
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	0.41	0.41

20. Other financial liabilities

Particulars	As at	
	31.03.2023	31.03.2022
A. Non-Current		
Payable for purchase of PLUSS ESOP shares (a)	13.17	17.01
Fair value of non-controlling interest put option	382.67	-
	395.84	**17.01**
B. Current		
Unclaimed and Unpaid dividends	85.33	25.92
Remuneration payable to directors	27.03	24.39
Derivative Financial instruments	-	31.94
Deposits	55.86	51.42
Payable for purchase of PLUSS ESOP shares (a)	11.65	10.85
Payable relating to Capital expenditure	163.23	111.47
Fair value of non-controlling interest put option	-	407.97
Other payables	688.90	780.34
	1032.00	**1444.30**

(a) Refer Note: 18 of the standalone financial statement. Since all the shares of PLUSS ESOP Trust have been vested on the acquistion 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 liabilities

Particulars	As at	
	31.03.2023	31.03.2022
A. Non-Current		
Contract liabilities (a)	13.56	121.00
Statutory liabilities	390.96	-
	404.52	**121.00**

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Particulars	As at	
	31.03.2023	31.03.2022
B. Current		
Contract liabilities (a)	261.64	84.87
Statutory liabilities	250.01	181.24
	511.65	**266.11**

(a) Details about Contract Liabilities:

(i) The outstanding balances in Contract liabilities have increased from last year mainly on account of increase in receipt of advances during current year.

(ii) Revenue recognised in relation to Contract liabilities.

The following summary shows how much of the revenue recognised 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	
	2022-23	2021-22
Revenue recognised that was included in the Contract liabilities balance at the beginning of the period	84.87	135.01
Revenue recognised 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 have an original expected duration of more than one year are not material.

22. Revenue from operations

Particulars	For the year	
	2022-23	2021-22
a. Sales/Income from Operations - Refer Note: 32 "Segmental Disclosure" for breakup of sales.		
Sale of products	44667.36	31654.88
Sale of services	1343.00	1241.26
	46010.36	**32896.14**
b. Other operating income		
Service income	52.38	39.46
Scrap Sales	197.11	136.22
Miscellaneous income	282.96	175.76
	532.45	**351.44**
Total Revenue from operations (a + b)	**46542.81**	**33247.58**

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	2022-23	2021-22
Gross sales/income from operations	**46570.36**	**33200.48**
Service income	52.38	39.46
Scrap sales	197.11	136.22
Contract price	**46819.85**	**33376.16**
Less: Discount - Variable Consideration	560.00	304.34
Revenue recognised under Ind AS 115	**46259.85**	**33071.82**
Add: Miscellanous income	282.96	175.76
Revenue from operations	**46542.81**	**33247.58**

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23. Other Income

Particulars	For the year	
	2022-23	2021-22
a) Dividend Income		
Dividend Income from Long term Investments	8.62	7.40
b) Interest Income earned on financial assets that are not designated as at fair value through profit or loss [FVTPL]		
Interest Income		
from banks	52.01	102.71
from others	90.08	97.91
	142.09	**200.62**
c) Net gain/(loss) arising on financial assets mandatorily measured at FVTPL		
(Refer Note: 6C(b)(i))	**1.09**	**5.31**
d) Other non-operating income		
Profit on sale of assets	1.72	7.06
Profit on exchange fluctuation (net)	324.97	40.68
Provision for expenses no longer required written back	8.20	6.11
Reversal of allowance for doubtful receivables and advances	189.50	74.92
Rental income	2.73	2.43
Miscellaneous income	88.31	53.63
	615.43	**184.83**
Total Other Income (a + b + c + d)	**767.23**	**398.16**

24. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars		For the year	
		2022-23	2021-22
Opening stock			
Work-in-progress		1221.16	1000.36
Stock-in-trade		182.94	268.20
Finished goods		1616.55	750.64
	(A)	**3020.65**	**2019.20**
Add: Acquistion under Business combination	**(B)**	**745.87**	**65.89**
Less: Closing stock			
Work-in-progress		1793.19	1221.16
Stock-in-trade		349.10	182.94
Finished goods		2247.87	1616.55
	(C)	**4390.16**	**3020.65**
(Accretion)/Decretion to stock (A) +(B) - (C)		**(623.64)**	**(935.56)**

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25. Employee benefit expense

Particulars	For the year	
	2022-23	2021-22
Salaries, wages and bonus	5512.24	3193.62
Contribution to provident and other funds	419.23	250.74
Share based payments to employees (ESOPs)*	66.50	55.40
Remuneration to Managing Director - Refer Note: 23 of Standalone financial statements	22.12	19.13
Remuneration to Executive Director - Refer Note: 23 of Standalone financial statements	24.12	15.53
Welfare expenses	878.92	658.07
	6923.13	**4192.49**

*includes expenses related to PLUSS ESOP scheme amounting ₹8.60 million(Previous year: ₹5.34 million) - Refer Note: 20

26. Finance costs

Particulars	For the year	
	2022-23	2021-22
Interest costs		
- on Loans from Banks and others	200.24	36.07
- on Lease liabilities - Refer Note: 4B	30.59	14.46
Other borrowing costs	4.50	5.91
	235.33	**56.44**

27. Depreciation and amortisation expenses

Particulars	For the year	
	2022-23	2021-22
Depreciation of property, plant and equipment - Refer 4A	1502.75	1007.51
Depreciation of Right to use asset - Refer 4B	97.12	49.63
Amortisation of intangible assets - Refer 5B	273.49	88.51
	1873.36	**1145.65**

28. Other expenses

Particulars	For the year	
	2022-23	2021-22
Consumption of stores and spares **(a)**	1353.20	1219.96
Power and fuel **(b)**	5084.58	4032.46
Rent	166.50	105.38
Rates and taxes	321.09	131.70
Insurance	161.18	70.76
Repairs to: **(c)**		
- Buildings	196.00	117.28
- Plant and Equipment	1345.58	977.19
- Others	55.85	13.06
Data Processing Charges	175.51	141.56
Technical Fee/Royalty	173.66	101.67
Directors' Sitting fees	4.49	4.88
Commission to Non-wholetime Directors	15.50	15.50
Auditors' remuneration (Refer Note: 40 of Standalone financials)	8.00	8.31

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year	
	2022-23	2021-22
Travel and Conveyance	271.03	108.81
Freight, delivery and shipping charges	1840.14	1285.60
Selling commission	231.84	105.09
Advertisement and publicity	239.30	77.70
Printing, stationery and communication	61.00	43.38
Professional fees	853.66	503.21
Impairment loss on financial assets	19.52	11.62
Less: Provision adjusted	(11.52)	(10.00)
	8.00	1.62
Allowance for doubtful receivables and advances	431.51	267.96
Services outsourced	2361.51	1968.79
Loss on sale of assets	32.66	37.73
Miscellaneous expenses	568.35	771.60
	15960.14	**12111.20**

(a) Includes consumption of packing materials amounting ₹666.55 million (Previous year: ₹586.44 million)

(b) Net of own power generation, which includes energy banked with Kerala State Electricity Board - ₹ Nil million(Previous year: ₹ 19.52 million)

(c) Repairs includes consumption of stores and spares amounting to ₹635.44 million (Previous year: ₹311.94 million)

29. Exceptional items

Particulars	For the year	
	2022-23	2021-22
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	**-**

30. Income tax expense

Particulars	For the year	
	2022-23	2021-22
A. Income tax expense recognised in Profit and loss:		
a. Current tax		
In respect of the current year	1727.76	1375.47
	1727.76	**1375.47**
b. Deferred tax	(345.65)	(110.22)
Total Income tax expense recognised during the year (net)	**1382.11**	**1265.25**

Particulars		For the year	
		2022-23	2021-22
Income tax reconciliation:			
Profit before tax	A	**5799.09**	**4765.45**
Less: Share of Profit from Associate and Joint ventures	B	372.81	203.08
Profit from operations before share of profit of equity accounted investees and income tax	C= (A-B)	**5426.28**	**4562.37**
Applied tax rate as per Parent jurisdiction	D	25.168%	25.168%

Notes forming part of the Consolidated Financial Statements

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Particulars		For the year	
		2022-23	2021-22
Income tax expense calculated at the tax rate of 25.168%, applicable to the Parent Company	E = C x D	1365.69	1148.26
Total Tax expenses charged in Profit and Loss for the year	F	1382.11	1265.25
Differential tax impact	G = (F-E)	**16.42**	**116.99**
Differential tax impact due to the following (tax benefit)/tax expenses			
Effect of Income that is exempt from taxation net of disallowances		(0.27)	(7.33)
Effect of expenses that are not deductible in determining taxable profit		243.21	135.30
Tax on Undistrubuted profit		195.99	-
Payable towards release of water and royalty for Hydel Electric works		14.81	76.34
Fair value changes of a Financial instrument		(62.71)	-
(Tax benefit on utilisation of unrecognised losses)/Deferred tax benefit recognised on previously unrecognised losses of Subsidiaries - net		(250.81)	(17.96)
Effect of tax rate differentials in respect of subsidiaries operating in other jurisdictions		(123.80)	(69.36)
Total	G	**16.42**	**116.99**

B. Income tax recognised in Other Comprehensive Income:

Particulars	For the year	
	2022-23	2021-22
Remeasurement of the defined benefit plans	0.39	0.08
Net gain/(loss) on Cash flow hedge	0.08	0.62
Total income tax recognised in Other Comprehensive Income	**0.47**	**0.70**
Bifurcation of the income tax recognised in Other Comprehensive Income into:		
Items that will not be reclassified to profit or loss	0.39	0.08
Items that will be reclassified to profit or loss	0.08	0.62

31. Earnings per share

Particulars	For the year	
	2022-23	2021-22
Basic earnings per share (₹)	21.80	17.57
Diluted earnings per share (₹)	21.74	17.52
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	4139.86	3333.55
Weighted average number of equity shares outstanding during the year		
- Basic	189888066	189724609
- Dilutive	190391112	190271889

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:

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year	
	2022-23	2021-22
Weighted average number of equity shares used in the calculation of basic earnings per share	189888066	189724609
Shares deemed to be issued for no consideration in respect of:		
- Employee Stock Option Scheme/Plan	503046	547280
Weighted average number of equity shares used in the calculation of diluted earnings per share	190391112	190271889

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 is 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, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Power		IT Services		Others		Eliminations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue																
External Sales	19869.91	12385.20	9928.78	7648.57	14158.26	11317.61	79.88	51.42	105.08	61.83	525.45	190.25			44667.36	31654.88
Sale of Services	443.13	415.35	315.87	290.81	124.56	170.03			442.51	365.07	16.93				1343.00	1241.26
Inter segment sales	39.66	29.49	29.05	40.20	2054.76	1631.93	178.81	193.73	37.53	26.52	0.01		(2339.82)	(1921.87)	-	-
Sales/Income from Operations	**20352.70**	**12830.04**	**10273.70**	**7979.58**	**16337.58**	**13119.57**	**258.69**	**245.15**	**585.12**	**453.42**	**542.39**	**190.25**	**(2339.82)**	**(1921.87)**	**46010.36**	**32896.14**
Results																
Segment result - EBITDA	1826.11	1871.77	2838.38	1906.06	3311.57	2356.97	(50.61)	85.52	49.10	31.83	8.97	(38.25)			7983.52	6213.90
Depreciation/amortisation	(778.63)	(308.49)	(331.70)	(313.24)	(558.55)	(415.17)	(4.77)	(1.30)	(6.10)	(11.10)	(171.37)	(79.17)			(1851.12)	(1128.47)
Unallocated corporate expenses (Net)															(871.74)	(679.95)
Interest expense															(235.33)	(56.44)
Profit from Associate															150.34	101.50
Profit from Joint ventures															222.47	101.58
Interest and dividend income															150.71	208.02
Fair valuation of Investment															1.09	5.31
Exceptional item															249.15	-
Profit before tax	**1047.48**	**1563.28**	**2506.68**	**1592.82**	**2753.02**	**1941.80**	**(55.38)**	**84.22**	**43.00**	**20.73**	**(162.40)**	**(117.42)**	**-**	**-**	**5799.09**	**4765.45**
Less: Income taxes															1382.11	1265.25
Net profit after taxes															**4416.98**	**3500.20**
Less: Non controlling interest															277.12	166.65
Profit for the year attributable to Owners of the Company															**4139.86**	**3333.55**
Other information:																
Segment assets	15736.06	12835.17	7174.14	6121.79	10807.53	9300.68	119.73	155.52	270.46	198.00	1742.78	1853.25			35850.70	30464.41
Unallocated corporate assets*															3393.60	2763.87
Total assets	**15736.06**	**12835.17**	**7174.14**	**6121.79**	**10807.53**	**9300.68**	**119.73**	**155.52**	**270.46**	**198.00**	**1742.78**	**1853.25**			**39244.30**	**33228.28**
Segment liabilities	2232.60	1396.37	1256.54	1092.49	1598.37	2263.66	24.54	16.28	156.97	115.70	225.39	199.10			5494.41	5083.60
Unallocated corporate liabilities															4265.25	3647.57
Total liabilities	**2232.60**	**1396.37**	**1256.54**	**1092.49**	**1598.37**	**2263.66**	**24.54**	**16.28**	**156.97**	**115.70**	**225.39**	**199.10**			**9759.66**	**8731.17**
Addition to Non - current assets #	1174.62	607.90	822.12	452.58	557.68	571.31	15.58	51.19	16.16	0.63	36.66	38.10				
Depreciation & Amortisation	778.63	308.49	331.70	313.24	558.55	415.17	4.77	1.30	6.10	11.10	171.37	79.17				
Non-cash items other than depreciation and amortisation	25.27	2.65	20.48	33.36	388.43	233.57	-	-	0.38	-	1.37					

*includes Investment in Associate and Joint Ventures under equity method - ₹1437.11 million (Previous year: ₹1189.80 million)

excludes business combination effect

During the current year, CODM as part of their review, considered the goodwill as part of the segment asset. Consequently the previous year figures has been restated in accordance with the requirements of para 29 of Ind AS 108.

Notes forming part of the Consolidated Financial Statements

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Particulars	Abrasives		Ceramics		Electrominerals		Power		IT Services		Others		Eliminations/ (Unallocable)		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue recognised under Ind AS 115																
Sales/Income from Operations	20352.70	12830.04	10273.70	7979.58	16337.58	13119.57	258.69	245.15	585.12	453.42	542.39	190.25	(2339.82)	(1921.87)	46010.36	32896.14
Service income	0.66	0.42	-	-	8.14	5.04	-	-	-	-	-		43.58	34.00	52.38	39.46
Scrap sales	99.38	74.79	33.36	16.71	62.36	46.82	2.56	0.26	-	-	-		(0.55)	(2.36)	197.11	136.22
Total	**20452.74**	**12905.25**	**10307.06**	**7996.29**	**16408.08**	**13171.43**	**261.25**	**245.41**	**585.12**	**453.42**	**542.39**	**190.25**	**(2296.79)**	**(1890.23)**	**46259.85**	**33071.82**
Revenue recognised under Ind AS 115																
- At the point in time	20008.95	12489.48	9264.85	7705.48	16275.38	12996.36	261.25	245.41	116.30	88.35	525.46	190.25	(2340.37)	(1924.23)	44111.82	31791.10
- Over the period	443.79	415.77	1042.21	290.81	132.70	175.07	-	-	468.82	365.07	16.93		43.58	34.00	2148.03	1280.72
Total	**20452.74**	**12905.25**	**10307.06**	**7996.29**	**16408.08**	**13171.43**	**261.25**	**245.41**	**585.12**	**453.42**	**542.39**	**190.25**	**(2296.79)**	**(1890.23)**	**46259.85**	**33071.82**

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: 3.22. 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:

	Revenue from external customer		Non-current assets	
	For the year		As at	
	2022-23	2021-22	31.03.2023	31.03.2022
India	20321.24	18231.98	7971.32	6916.51
Rest of the world	25689.12	14664.16	8446.31	8028.38
	46010.36	32896.14	16417.63	14944.89

Information about major customers

No single customer contributed 10% or more to the Group's revenue during the years 2022-23 and 2021-22.

Notes forming part of the Consolidated Financial Statements

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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	
			31.03.2023	31.03.2022
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	72.73%	71.99%
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%	-
RHODIUS S.A.R.L., France	Trading of Abrasives product	France	100%	-
Rhodius Korea INC.	Trading of Abrasives product	Korea	100%	-
Rhodius South America Assessoria Técnica e Commercial em Abrasivos Ltda.	Trading of Abrasives product	South America	100%	-
PLUSS Advanced Technologies B.V*	Trading of Speciality Polymer additives and Phase change materials	Netherland	72.73%	71.99%
CUMI Europe s.r.o	Trading of Electromineral products	Czech Republic	100%	100%

*Effective ownership after excluding share held by PLUSS trust is 75.41% (Previous year: 75.22%)

In addition to the above RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft mbH (investment company), a subsidiary of Rhodius Abrasives GmbH.

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Composition of the Group:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries As at	
		31.03.2023	31.03.2022
Manufacture & Trading of Abrasive products	China, America, UAE, Germany, Netherland, France, Korea, South America	9	5
Manufacture & Trading of Electromineral products	Czech Republic	1	1
IT services	India	1	1
Investment company	Cyprus	1	1
		12	8

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries As at	
		31.03.2023	31.03.2022
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 to 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	
		31.03.2023	31.03.2022
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.	461.23	561.02
(b)	Claims against the companies in the Group not acknowledged as debts:		
	i. Disputed demands by Electricity Board	41.96	41.96
	ii. Others	72.46	66.28
(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	358.93	479.30
	In respect of joint ventures refer note 6B.		
C.	**Others**		
(a)	Outstanding guarantees/letter of comfort given on behalf of Joint venture	90.00	90.00
(b)	Outstanding letters of credit	303.66	460.81

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	
	2022-23	2021-22
Contribution to Provident fund and Other funds recognised in Profit and Loss	377.58	212.78
Amounts outstanding as at the end of the respective year and paid subsequently	19.87	18.06

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, 2023 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, 2023, the interest yield is adequate to meet the guaranteed interest.

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for the year ended March 31, 2023 (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	
	31.03.2023	31.03.2022
Discount rate	6.84% to 7.45%	5.49% to 7.25%
Expected salary escalation	5% to 12%	5% to 14%
Mortality table used	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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	
		31.03.2023	31.03.2022
i.	Projected benefit obligation as at beginning of the year	461.73	415.28
	Acquisition through Business Combination	-	15.47
	Service cost	43.10	38.26
	Interest cost	31.17	27.41
	Remeasurement (gain)/loss:		
	Actuarial (gain)/loss arising from experience and financial adjustments	31.06	3.24
	Benefits paid	(50.84)	(37.93)
	Projected benefit obligation as at end of the year	**516.22**	**461.73**
ii.	Fair value of plan assets as at beginning of the year	343.89	323.60
	Expected return on plan assets	25.95	22.70
	Contributions	41.53	37.68
	Benefits paid	(50.26)	(37.23)
	Remeasurement gain/(loss):		
	Actuarial Gain/(losses) on plan assets	15.05	(2.86)
	Fair value of plan assets as at end of the year	**376.16**	**343.89**
iii.	Amount recognised in the balance sheet:		
	Projected benefit obligation at the end of the year	516.22	461.73
	Fair value of the plan assets at the end of the year	376.16	343.89
	(Liability)/Asset recognised in the Balance sheet - net	**(140.06)**	**(117.84)**
iv.	Cost of the defined benefit plan for the year:		
	Current service cost	43.10	38.26
	Interest on obligation	31.17	27.41
	Expected return on plan assets	(25.95)	(22.70)
	Components of defined benefit cost recognised in the Statement of Profit and Loss	**48.32**	**42.97**
	(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	31.06	3.24
	Actuarial (gain)/loss on plan assets	(15.05)	2.86
	Components of defined benefit costs recognised in Other Comprehensive Income	**16.01**	**6.10**
	Total cost of the defined benefit plan for the year	**64.33**	**49.07**

Notes forming part of the Consolidated Financial Statements

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v. Particulars	As at	
	31.03.2023	31.03.2022
Present value of defined benefit obligation	516.22	461.73
Fair value of plan assets	376.16	343.89
Balance sheet (Liability)/Asset	(140.06)	(117.84)

Particulars	For the year	
	2022-23	2021-22
Profit and Loss	48.32	42.97
Experience adjustment on plan liabilities (gain)/loss	31.06	3.24
Experience adjustment on plan assets (gain)/loss	(15.05)	2.86

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 ₹41.00 million (for the year ended March 31, 2022: ₹19.84 million).

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below

Particulars	As at	
	31.03.2023	31.03.2022
Discount rate - 100 basis point higher	(34.90)	(29.68)
Discount rate - 100 basis point lower	39.73	34.23
Salary escalation rate - 100 basis point higher	35.37	31.21
Salary escalation rate - 100 basis point lower	(32.04)	(27.59)
Attrition rate - 100 basis point higher	4.20	2.79
Attrition rate - 100 basis point lower	(5.44)	(2.47)

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, 2023 ranges from 3 to 15 years (as at March 31, 2022: 3 to 14 years).

The Group expects to make a contribution of ₹122.08 million (as at March 31, 2022: ₹101.51 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	
	31.03.2023	31.03.2022
Plan asset at the end of the year	1222.36	1185.23
Present value of benefit obligation at the end of the year	1350.26	1266.73
Surplus/(Deficit) available	(127.90)	(81.50)
Asset recognised in the Balance Sheet	Not applicable since a separate trust is maintained.	

The plan assets are primarily invested in Government securities.

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Assumptions for present value of interest rate guarantee are as follows:

Particulars	As at	
	31.03.2023	31.03.2022
Discount rate	7.22%	7.25%
Remaining term to maturity of portfolio (years)	5.91 years	5.7 years
Expected guaranteed rate (%)	8.15%	8.10%
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	
	31.03.2023	31.03.2022
Discount rate - 100 basis point higher	(12.71)	(1.04)
Discount rate - 100 basis point lower	12.71	0.59
Guaranteed interest rate - 100 basis point higher	53.85	22.47
Guaranteed interest rate - 100 basis point lower	-	-
Current yield - 100 basis point higher	(21.26)	(5.74)
Current yield - 100 basis point lower	20.90	3.77

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	
	31.03.2023	31.03.2022
In respect of Gratuity	(16.01)	(6.10)
In respect of Provident Fund	(46.40)	(41.47)
In respect of other plan of subsidiaries that are not material	0.52	-
Total Credited/(debited) to Other Comprehensive Income	**(61.89)**	**(47.57)**

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	
	31.03.2023	31.03.2022
Debt	2301.00	2122.02
Equity	28205.66	23637.72
Debt to Equity ratio	0.08	0.09

Lease liability amounting to ₹471.56 million (Previous year: ₹277.96 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, 2023, 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:	31.03.2023	31.03.2022
Cash and Cash equivalents	3963.71	3475.04
Borrowings	(2301.00)	(2122.02)
Net Cash/(Net debt)	**1662.71**	**1353.02**

Particulars	Other assets	Liabilities from Financing activities	Total
	Cash and Cash equivalents	Borrowings	
Net Cash/(Net debt) as at 31st March 2021	**4783.27**	**(430.17)**	**4353.10**
Acquired through Business Combination	-	(101.01)	(101.01)
Cash flows (net)*	(1263.17)	(1575.61)	(2838.78)
The effect of changes in foreign exchange rates	(45.06)	(15.23)	(60.29)
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 flow represents outflows net of cash amounting to ₹86.66 million (Previous year: ₹210.84 million) acquired on business combination.

Categories of financial instruments

Particulars	As at	
	31.03.2023	31.03.2022
A. Financial assets		
Measured at fair value through profit or loss (FVTPL): Mandatorily measured:		
- Equity and other investments	12.82	11.73
- Derivate financial Instruments	1.81	30.70
Measured at amortised cost		
- Cash and bank balances	4001.13	3515.70
- Other financial assets (including trade receivable balances)	6549.70	5137.65
Measured at fair value through Other Comprehensive Income (FVTOCI)		
- Investments in equity instruments designated upon initial recognition	162.35	176.65
B. Financial liabilities		
Measured at fair value through profit or loss (FVTPL): Mandatorily measured:		
- Derivate financial Instruments	-	31.94
Measured at amortised cost (including trade payable balances)*	7176.79	7124.97

*The above excludes fair value of non-controlling interest put option amounting ₹382.67 million (Previous year: ₹407.97 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.

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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.

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.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note: 6 & 12.

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

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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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
US Dollar (USD)	470.30	394.92	2787.73	1404.27
Euro (EUR)	415.16	41.95	1557.00	721.95
Great British Pound (GBP)		-	11.15	17.76
United Arab Emirates Dirham (AED)		4.27	-	30.92
Australian Dollar (AUD)	3.75	6.95	5.08	-
Swedish Kronar(SEK)	0.03	-	-	-
Japanese Yen (JPY)		14.06	6.97	5.40
Chinese Yuan (CNY)	3.16	-	3.57	-
Czech Kroner (CZK)	-	-	23.31	

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
USD	82.22	30.32	135.66	125.09

As at 31st March 2023, the outstanding forward exchange contracts were USD 1.65 million taken for receivable position.

The value of the contracts outstanding currency wise is given below in the table:

Contracts booked for	Currency	As at 31.03.2023		As at 31.03.2022	
		Number of contracts	Notional value in ₹ in million	Number of contracts	Notional value in ₹ in million
Export receivable*	USD	11	135.66	11	125.09
Import payment	USD	10	82.22	4	30.32

*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 31.03.2023		As at 31.03.2022	
	Profit or loss	Equity	Profit or loss	Equity
US Dollar (USD)	169.42	169.42	68.44	68.44
Euro (EUR)	85.45	85.45	50.89	50.89
Great British Pound (GBP)	0.83	0.83	1.33	1.33
United Arab Emirates Dirham (AED)	-	-	1.99	1.99
Japanese Yen (JPY)	0.52	0.52	(0.65)	(0.65)

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Currency impact in (₹ million) relating to the foreign currencies of:	As at 31.03.2023		As at 31.03.2022	
	Profit or loss	Equity	Profit or loss	Equity
Swedish Kronar(SEK)	-	-	-	-
Chinese Yuan (CNY)	0.03	0.03	-	-
Czech Kroner (CZK)	1.74	1.74	-	-
Australian Dollar (AUD)	0.10	0.10	(0.52)	(0.52)
Total	**258.09**	**258.09**	**121.48**	**121.48**

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 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.

Classification of borrowings by nature of interest rate	As at	
	31.03.2023	31.03.2022
Borrowings at variable interest rate		
- Non - Current	428.57	-
- Current*	1805.40	2044.19
Borrowings at fixed interest rate		
- Non - Current	-	77.83
- Current*	67.03	-
Total Borrowings	**2301.00**	**2122.02**

*including non-current maturities.

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 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 2023 is ₹70.21 million (31st March 2022: ₹84.51 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 31.03.2023	As at 31.03.2022
Increase by 5%	7.55	8.27
Decrease by 5%	(7.55)	(8.27)

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.

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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 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 liabilities	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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2022:

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*	77.83	-	107.37	-	-	107.37
Lease liabilities	231.99	-	150.79	39.88	96.11	286.78
Other financial liabilities	17.01		30.17			30.17
Current financial liabilities						
Borrowings*	2044.19	2121.92	-	-	-	2121.92
Lease liability	45.97	45.97	-	-	-	45.97
Trade payables	3703.59	3703.59	-	-	-	3703.59
Other financial liabilities	1444.30	1446.38	-	-	-	1446.38
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.

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Contractual maturities of financial assets

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts 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

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 31st March 2022:

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	157.55		77.79		79.76	157.55
Current financial assets						
Trade receivables	4847.71	4847.71				4847.71
Other receivables	163.09	163.09				163.09

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. A positive amount represents an anticipated cash inflow and a negative amount represents an anticipated cash outflow.

Currency	Contracts booked for	As at 31.03.2023			As at 31.03.2022		
		Carrying amount	Less than 1 year	1-3 years	Carrying amount	Less than 1 year	1-3 years
USD	Export receivable	135.66	135.66	-	125.09	125.09	-
USD	Import payment	82.22	82.22	-	(30.32)	(30.32)	-

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 31.03.2023	As at 31.03.2022
Unsecured term loan from bank:		
Amount used	-	-
Amount unused.	-	-
	-	**-**
Unsecured cash credit and other borrowings facility:		
Amount used	796.91	1965.48
Amount unused.	4216.66	833.81
	5013.57	**2799.29**

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Particulars	As at	
	31.03.2023	31.03.2022
Secured term loan from bank:		
Amount used	255.59	-
Amount unused.	212.25	450.00
	467.84	**450.00**
Secured cash credit and other borrowings facility:		
Amount used	1057.68	78.71
Amount unused	898.54	1311.29
	1956.22	**1390.00**
Total		
Amount used	2110.18	2044.19
Amount unused	5327.45	2595.11
	7437.63	**4639.29**

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):

Financial assets/financial liabilities	Fair Value as at		Fair value hierarchy	Valuation techniques & key inputs used
	31.03.2023	31.03.2022		
Investments in quoted equity instruments at FVTOCI	88.25	102.55	Level 1	Quoted bid price in an active market (a)
Investments in quoted instruments at FVTPL	12.26	11.17	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	30.70	Level 2	Basis bank forex rates
Other Financial liabilities - Derivative financial Instruments	-	31.94	Level 2	Basis bank forex rates
Other Financials liabilities - Put option payables	382.67	407.97	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.

(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:

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Change in assumptions	Increase/(Decrease) in liability as at March 31, 2023
Discount rate - 50 basis point higher	(17.63)
Discount rate - 50 basis point lower	19.08
Terminal growth rate - 50 basis point higher	13.10
Terminal growth rate - 50 basis point lower	(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 31.03.2023		As at 31.03.2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost:					
Non-current financial assets					
Other financial assets	Level 3	192.86	182.35	157.55	149.64
Current financial assets					
Trade receivable	Level 3	6273.80	6273.80	4847.71	4847.71
Other receivables	Level 3	83.04	83.04	132.39	132.39
Financial liabilities held at amortised cost:					
Non-current financial liabilities					
Borrowings	Level 2	428.57	428.57	77.83	77.83
Lease Liabilities	Level 3	386.75	386.75	231.99	231.99
Others financial liabilities	Level 3	13.17	13.17	17.01	17.01
Current financial liabilities					
Borrowings	Level 2	1872.43	1872.43	2044.19	2044.19
Lease Liabilities	Level 3	84.81	84.81	45.97	45.97
Trade payables	Level 3	3359.06	3359.06	3703.59	3703.59
Others financial liabilities	Level 3	1032.00	1032.00	1004.39	1004.39

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

	31.03.2023			31.03.2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non-Current						
Investments	12.82	162.35	-	11.73	176.65	-
Other Financial Assets	-	-	192.86	-	-	157.55
Current						
Trade receivables	-	-	6273.80	-	-	4847.71
Cash and Cash equivalents	-	-	3963.71	-	-	3475.04
Bank balances Other than above	-	-	37.42	-	-	40.66

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	31.03.2023			31.03.2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Other financial assets	1.81		83.04	30.70	-	132.39
	14.63	**162.35**	**10550.83**	**42.43**	**176.65**	**8653.35**
Financial Liabilities						
Non Current						
Borrowings	-	-	428.57	-	-	77.83
Lease Liabilities	-	-	386.75	-	-	231.99
Other financial liabilities*	-	-	13.17	-	-	17.01
Current						
Borrowings	-	-	1872.43	-	-	2044.19
Lease Liabilities	-	-	84.81	-	-	45.97
Trade payables	-	-	3359.06	-	-	3703.59
Other financial liabilities*	-	-	1032.00	31.94	-	1004.39
	-	**-**	**7176.79**	**31.94**	**-**	**7124.97**

*excludes fair value of non-controlling interest put option amounting to ₹382.67 million (Previous year: ₹407.97 million) measured at fair value with subsequent changes in fair value recognised in equity

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	[AN]
Mr. Sridharan Rangarajan, Director - Finance & Strategy (Effective from July 01, 2021)	[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]

Retiral funds of Subsidiaries, Joint ventures, Associate and Other Related parties

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Related Party	A. 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
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	-	-	-	-	-
PAL	3.60	-	-	-	-	-	-	-	-
CUEPF	-	-	-	-	-	-	-	157.56	-
Total	**4.50**	**-**	**-**	**30.47**	**-**	**-**	**-**	**157.56**	**-**
KMP - Remuneration									
AN	-	-	-	-	-	22.25	-	-	-
SR	-	-	-	-	-	24.25	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**46.50**	**-**	**-**	**-**
Grand Total	**201.31**	**129.17**	**122.75**	**30.47**	**4.48**	**46.50**	**40.28**	**157.56**	**90.00**

Related Party	B. Transactions during FY 2021-22								
	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
Joint Ventures									
MMTCL	18.30	114.46	15.78	-	-	-	5.01	-	-
Ciria	45.17	25.50	-	-	-	-	-	-	90.00
Total	**63.47**	**139.96**	**15.78**	**-**	**-**	**-**	**5.01**	**-**	**90.00**
Associate & its subsidiaries									
Wendt	37.55	30.00	58.24	-	5.52	-	2.64	-	-
WGTL	62.54		10.82	-	-	-		-	-
Total	**100.09**	**30.00**	**69.06**	**-**	**5.52**	**-**	**2.64**	**-**	**-**
Other related parties									-
PEIL	-	-	-	10.05	-	-	-	-	-
CUEPF	-	-	-		-	-	-	145.61	-
Total	**-**	**-**	**-**	**10.05**	**-**	**-**	**-**	**145.61**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Related Party	B. Transactions during FY 2021-22								
	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
KMP - Remuneration									
AN	-	-	-	-	-	19.17	-	-	-
SR	-	-	-	-	-	15.55	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**34.72**	**-**	**-**	**-**
Grand Total	**163.56**	**169.96**	**84.84**	**10.05**	**5.52**	**34.72**	**7.65**	**145.61**	**90.00**

Related Party	C. Outstandings							
	As at 31.03.2023				As at 31.03.2022			
	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	12.68	-	3.54		5.51	-	1.13	
Ciria	3.64	-	-	90.00	11.83	-	-	90.00
Total	**16.32**	**-**	**3.54**	**90.00**	**17.34**	**-**	**1.13**	**90.00**
Associate & its subsidiaries								
Wendt	25.33	1.00	15.96	-	29.20	1.00	12.83	-
WGTL	6.10	-	2.52	-	4.09	-	-	-
Total	**31.43**	**1.00**	**18.48**	**-**	**33.29**	**1.00**	**12.83**	**-**
Other related parties								
PEIL	0.40	-	2.33	-	-	-	2.54	-
CUEPF	-	-	13.23	-	-	-	12.43	-
Total	**0.40**	**-**	**15.56**	**-**	**-**	**-**	**14.97**	**-**
KMP@								
AN	-	-	5.52	-	-	-	4.83	-
SR	-	-	6.01	-	-	-	4.05	-
Total	**-**	**-**	**11.53**	**-**	**-**	**-**	**8.88**	**-**
Grand Total	**48.15**	**1.00**	**49.11**	**90.00**	**50.63**	**1.00**	**37.81**	**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.

Compensation to Key Management Personnel

The remuneration to Key Management Personnel for the years is given below:

Particulars	31.03.2023			31.03.2022		
	AN	SR	Total	AN	SR	Total
Short term benefits	18.79	20.78	39.57	16.28	13.37	29.65
Post employment benefits	3.33	3.34	6.67	2.85	2.16	5.01
Other benefits	0.13	0.13	0.26	0.04	0.02	0.06
Total	**22.25**	**24.25**	**46.50**	**19.17**	**15.55**	**34.72**

The Remuneration to Key Management Personnel is determined by the Nomination and Remuneration Committee having regard to the performance of individual and market trends.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

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	
	2022-23	2021-22
Direct Material, Supplies and Consumables	77.35	46.52
Employee Benefit Expenses	89.89	100.15
Repair & Maintenance	5.61	8.29
Other Expenses	27.18	33.23
Depreciation	16.16	12.26
Total Revenue Expenditure	**216.19**	**200.45**

b) Capital Expenditure

Particulars	For the year	
	2022-23	2021-22
Property, plant and equipment		
Buildings	1.10	0.22
Plant and equipment	71.05	17.00
Furniture and Fittings & Others	3.39	1.08
	75.54	**18.30**
Intangibles	0.16	0.38
Total	**75.70**	**18.68**
Capital Work-in-Progress	4.25	8.81
Total Capital Expenditure (including CWIP)	**79.95**	**27.49**

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	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)
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)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (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)
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 Abrasives Works	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)	0.00%	0.00	(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, 2023 (in Indian Rupees million, unless otherwise stated)

Name of the entity	2021-22							
	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	73.64%	17407.47	76.34%	2544.77	19.37%	(28.23)	78.94%	2516.54
II. Subsidiaries (including Step down subsidiaries)								
a) Indian								
1. Net Access India Limited	0.63%	148.95	0.75%	25.06	0.62%	(0.91)	0.76%	24.15
2. Southern Energy Development Corporation Limited	1.12%	264.16	2.05%	68.48	(34.26%)	49.94	3.71%	118.42
3. Sterling Abrasives Limited	3.29%	777.82	3.63%	121.09	(0.59%)	0.86	3.83%	121.95
4. Pluss Advanced Technologies Limited*	4.88%	1153.37	(2.88%)	(95.89)	0.22%	(0.32)	(3.02%)	(96.21)
b) Foreign								
1. CUMI (Australia) Pty Limited	2.93%	691.48	4.13%	137.80	-	-	4.32%	137.80
2. CUMI International Ltd.	45.87%	10842.70	7.39%	246.39	-	-	7.73%	246.39
3. Volzhsky Abrasives Works	22.91%	5416.06	31.87%	1062.56	-	-	33.33%	1062.56
4. Foskor Zirconia (Pty) Ltd.	(2.13%)	(503.58)	2.27%	75.67	0.25%	(0.37)	2.36%	75.30
5. CUMI America Inc	1.43%	339.76	0.08%	2.75	-	-	0.09%	2.75
6. CUMI Middle East FZE	0.10%	24.69	0.02%	1.15	-	-	0.04%	1.15
7. CUMI Abrasives & Ceramics Co., Limited	0.07%	17.15	(0.45%)	(14.86)	-	-	(0.47%)	(14.86)
8. CUMI Europe s.r.o	0.01%	2.41	-	-	-	-	-	-
9. CUMI AWUKO Abrasives GmbH	2.97%	702.52	(4.12%)	(137.42)	-	-	(4.31%)	(137.42)
10. Rhodius Abrasives Gmbh	19.99%	4724.27	(0.10%)	(3.27)	-	-	(0.10%)	(3.27)
Non controlling interest in all subsidiaries	(3.64%)	(859.39)	(5.00%)	(166.65)	5.28%	(7.70)	(5.47%)	(174.35)
III. Associates (Investment as per equity method)								
1. Wendt (India) Limited	2.57%	607.34	3.04%	101.50	1.28%	(1.85)	3.13%	99.65
IV. Joint ventures (Investment as per equity method)								

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Name of the entity	2021-22							
	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)
Indian								
1. Murugappa Morgan Thermal Ceramics Limited	1.99%	470.90	2.37%	78.97	(0.28%)	0.41	2.49%	79.38
2. Ciria India Limited	0.46%	111.56	0.68%	22.61	0.01%	0.00	0.71%	22.61
Inter-company Elimination & Consolidation Adjustments	(79.09%)	(18701.92)	(22.07%)	(737.16)	108.10%	(157.59)	(28.07%)	(894.75)
Total	**100.00%**	**23637.72**	**100.00%**	**3333.55**	**100.00%**	**(145.76)**	**100.00%**	**3187.79**

*After considering the effect of acquisition accounting

40. Business Combination - RHODIUS

Summary of acquisition

The Group through, RHODIUS Abrasives GmbH (RAG), a wholly owned stepdown subsidiary in Germany acquired RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft GmbH (RQS GmbH) and RHODIUS Schleifwerkzeuge GmbH & Co. KG (RQS KG) (together called RHODIUS Abrasives) from M/s. Gebrüder Rhodius GmbH & Co. KG (Seller) at Germany effective from 01st April 2022.

The products of CUMI and RHODIUS will complement and significantly aid expansion in global market. The key rationale for acquisition are:

a) RHODIUS's super thin disks and various proprietary technology will help create a unique selling opportunity. Furthermore, the innovative products of both entities could strengthen and complement each other's product offering.

b) CUMI is a backward integrated player and has access to critical raw-material and would help RHODIUS Abrasives achieve a competitive edge in both local and international markets leading to synergy potential.

c) CUMI has a strong and established presence in India and Russia. A RHODIUS-CUMI alliance will strengthen CUMI's presence in the European market and open market for RHODIUS products in India and Russia

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

a. Purchase consideration:

Particulars	Amounts in ₹ million
Cash paid	3845.50

There are no elements of consideration other than the cash consideration paid.

b. Net identifiable assets acquired:

Assets taken over	Fair value recognised on acquisition in ₹ million
Non Current assets	
Property, plant and equipment	1635.70
Right of use asset	152.42
Other Intangible assets	1217.15
Other Non-current asset	8.73

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Assets taken over	Fair value recognised on acquisition in ₹ million
Current assets	
Inventories	1058.75
Trade receivables	930.17
Cash and Cash equivalents	86.66
Other Current assets	19.52
Liabilities	
Borrowings	(357.94)
Lease liabilities	(152.42)
Trade payables	(232.16)
Other Financial Liabilities	(627.27)
Provision	(230.63)
Other current liabilities	(366.81)
Net identifiable assets acquired	**3141.87**

c. Calculation of goodwill:

Particulars	Amounts in ₹ million
Consideration transferred	3845.50
Less: Net identifiable assets acquired	(3141.87)
Goodwill	**703.63**

The goodwill is attributable to assembled workforce of the acquired business and other intangible assets that do not qualify for separate recognition. It will not be deductible for tax purposes.

Acquired receivables

The fair value of acquired trade receivables is ₹930.17 million. The gross contractual amount for trade receivables due is ₹937.77 million, with a loss allowance of ₹7.60 million.

Accounting policy choice for non-controlling interests

There were no non-controlling interest arising as a result of the acquistion.

Revenue and profit contribution

The acquired business contributed revenues and profits to the Group for the period March 31, 2023 as follows:

- Revenue of ₹5462.10 million and Loss after tax of ₹305.94 million for the period April 01, 2022 to March 31, 2023.

Purchase consideration - cash outflow

Purchase consideration	Amounts in ₹ million
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	3845.50
Less: cash acquired	86.66
Net outflow of cash - investing activities	**3758.84**

Acquisition related costs

Acquisition-related costs of ₹43.89 million are included in other expenses in the statement of profit and loss and in operating cash flows in the consolidated cash flow statement.

Notes forming part of the Consolidated Financial Statements

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41. Events after the reporting period:

No significant event is to be reported between the closing date and that of the meeting of Board of directors.

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 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 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 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 has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Group 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 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) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group 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 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 Group 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 has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

43. Ratios*

Particulars	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance in % Favourable/ (Adverse)	Remarks
(a) Current ratio,	Current asset	Current liabilities	2.7	2.1	29%	Increase in current asset is majorly on account of the acquistion of new entities
(b) Debt-equity ratio,	Borrowings	Equity attributable to owner	0.08	0.09	9%	Increase in equity
(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.	22.8	31.7	(28%)	This is due to the increase in Finance costs consequent to utilisation of borrowings during the current year.
(d) Return on equity ratio	Net profit after tax and Non Controlling interest	Average shareholder equity	16.0%	14.8%	8%	Increase due to higher profits
(e) Inventory turnover ratio	Sales	Average Inventory	5.8	5.7	1%	Effective inventory management.
(f) Trade receivables turnover ratio	Sales	Average Receivable	8.3	6.8	21%	Supported by effective collection efforts.
(g) Trade payables turnover ratio	Total purchase and Service received	Average Trade payables	11.6	8.8	31%	Majorly on account of the acquistion of new entities
(h) Net capital turnover ratio	Net sales	Working capital	3.6	3.8	(5%)	In line with business growth
(i) Net profit ratio,	Net profit after tax	Net Sales	9.6%	10.6%	(10%)	Net margin reduction is due to product mix
(j) Return on capital employed	Earning before interest and taxes	Capital employed = Tangible networth+Total debts+Deferred tax liability	22.6%	20.2%	12%	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.

*Ratios are not comparable with the previous year due to impact of acquisition (Refer Note: 45)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

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. During the current year, the Group acquired control over RHODIUS Abrasives effective April 1, 2022 as mentioned in Note 40 above. During last year ended March 31, 2022, the Group had acquired 71.99% equity stake in PLUSS Advanced Technologies Private Limited on October 6, 2021 and through a stepdown subsidiary in Germany acquired all the main assets of Abrasives Wandmacher GmbH & Co. KG (AWUKO) on February 1, 2022 . Consequent to the above business combinations, the figures for the previous year are not comparable.

46. 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 08, 2023.

In terms of our report attached		**On behalf of the Board**	
For Price Waterhouse Chartered Accountants LLP	**M M Murugappan**	**N Ananthaseshan**	**Sridharan Rangarajan**
Firm Registration Number: 012754N/N500016	Chairman	Managing Director	Director - Finance & Strategy
	DIN: 00170478	DIN: 02402921	DIN: 01814413
Subramanian Vivek		**P. Padmanabhan**	**Rekha Surendhiran**
Partner		Chief Financial Officer	Company Secretary
Membership Number: 100332			
Chennai			
May 08, 2023			

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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	1.15	1.15	4.63	4.63	55.01	55.01	NA	NA	82.79	82.79
Particulars	Volzhsky Abrasive Works		Foskor Zirconia Pty Ltd		CUMI Australia Pty. Ltd		Sterling Abrasives Limited		CUMI International Ltd	
Financial year ended	2022	2021	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022	2021
Date of becoming subsidiary	7th September 2007		4th August 2008		1st September 2003		31st March 2003		7th July 2007	
1. Share capital	4.14	4.14	0.00	0.00	27.55	27.55	9.00	9.00	3215.35	2130.80
2. Reserves & Surplus	7414.40	6537.72	414.26	(449.34)	505.25	505.25	884.05	768.82	9545.46	4079.72
3. Total Liabilities [a]	1313.15	576.91	753.06	1304.27	584.33	384.95	556.27	265.97	40.35	32.75
4. Total Assets [b]	8731.69	7118.77	1167.32	854.93	1117.13	917.75	1449.32	1043.79	12801.16	6243.27
5. Investments	0.07	0.10	-	-	-	-	-	-	11421.72	5032.04
6. Turnover	9572.96	8278.57	2124.90	1649.60	1698.59	1227.47	1398.99	1134.94	505.08	495.79
7. Profit before Tax	1876.62	1541.92	102.08	69.73	281.63	191.17	220.08	163.97	120.08	428.29
8. Provision for Taxation	480.22	347.20	(173.50)	-	84.41	53.57	55.30	42.88	77.09	74.38
9. Profit after Tax	1396.40	1194.72	275.58	69.73	197.22	137.60	164.78	121.09	42.99	353.91
10. Proposed dividend [c]	529.50	522.79	-	-	197.22	137.60	54.00	42.30	-	-
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	12.00	12.00	3.67	3.67	NA	NA	NA	NA	82.22	82.22
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	2022	2021	2022	2021	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Date of becoming subsidiary	31st December 2009		9th December 2014		31st March 2003		1st December 2001		11th December 2005	
1. Share capital	1207.79	1207.79	30.39	30.39	4.60	4.60	50.00	50.00	2.24	2.24
2. Reserves & Surplus	(1238.33)	(1167.58)	(30.39)	(27.82)	2611.00	2194.60	122.10	98.95	14.05	24.54
3. Total Liabilities [a]	69.09	105.16	-	0.80	24.70	16.60	157.10	115.80	59.22	90.88
4. Total Assets [b]	38.55	145.37	-	3.37	2640.30	2215.80	329.20	264.75	75.51	117.66
5. Investments	-	-	-	-	2477.00	2016.70	0.00	0.00	-	-
6. Turnover	74.24	230.04	0.80	-	271.30	256.90	587.70	465.80	82.36	185.72
7. Profit before Tax	(71.44)	4.30	0.80	-	(46.60)	92.08	44.72	32.66	(10.49)	1.27
8. Provision for Taxation	-	-	-	-	(2.71)	23.60	10.00	7.60	-	-
9. Profit after Tax	(71.44)	4.30	0.80	-	(43.89)	68.48	34.72	25.06	(10.49)	1.27
10. Proposed dividend [c]	-	-	-	-	-	23.00	15.00	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	82.22	82.22	NA	NA	89.61	89.61	89.61	89.61	89.61	89.61
Particulars	CUMI America Inc		PLUSS Advanced Technologies Limited		CUMI Awuko Abrasives GmbH		Rhodius Abrasives GmbH		Pluss Advanced Technologies B.V	
Financial year ended	2022-23	2021-22	2022-23	2021-22	2022	2021	2022-23	2021-22	2022-23	2021-22
Date of becoming subsidiary	4th June 1999		6th October 2021		9th December 2021		28th January 2022		6th October 2021	
1. Share capital	707.09	707.09	5.10	5.10	2.24	2.24	2.24	2.24	34.05	8.96
2. Reserves & Surplus	(160.68)	(338.61)	279.01	298.23	1184.15	28.92	4690.98	5023.58	(35.88)	(13.21)
3. Total Liabilities [a]	303.94	440.98	275.17	212.77	539.42	2.91	1947.17	2.46	22.73	24.38
4. Total Assets [b]	850.35	809.46	559.28	516.10	1725.81	34.07	6640.39	5028.28	20.90	20.13
5. Investments	-	-	32.99	8.10	-	-	-	-	-	-
6. Turnover	1486.05	974.41	583.23	507.52	717.70	-	5868.08	-	26.32	28.41
7. Profit before Tax	177.93	3.03	(25.76)	(69.61)	(388.33)	(0.65)	(425.93)	(5.05)	(22.67)	(13.42)
8. Provision for Taxation	-	-	(7.59)	(16.01)	(121.45)	-	(98.50)	(1.51)	-	-
9. Profit after Tax	177.93	3.03	(18.17)	(53.60)	(266.88)	(0.65)	(327.43)	(3.54)	(22.67)	(13.42)
10. Proposed dividend [c]	-	-	-	-	-	-	-	-	-	-
11. % of Shareholding	100.00	100.00	72.73	71.99	100.00	100.00	100.00	100.00	72.73	71.99

Reporting currency	Brasilian reais		Korean Won		Euro		Euro		Euro	
Exchange Rate	16.23	16.23	0.06	0.06	89.61	89.61	89.61	89.61	89.61	89.61
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	2022-23	2021-22	Jan-Mar 2023	Jan-Dec 2022	Jan-Mar 2023	Jan-Dec 2022	Jan-Mar 2023	Jan-Dec 2022	Apr 2022-Mar 2023	Jan-Mar 2022
Date of becoming subsidiary	1st April 2022		1st April 2022		1st April 2022		1st April 2022		1st April 2022	
1. Share capital	2.43	2.43	4.50	4.50	1.70	1.70	54.63	54.63	2.33	2.33
2. Reserves & Surplus	(6.89)	(10.22)	106.44	105.70	45.49	42.78	64.61	60.30	0.23	0.28
3. Total Liabilities [a]	26.11	36.19	27.79	5.96	7.05	6.25	73.22	98.68	-	0.04
4. Total Assets [b]	21.65	28.40	138.73	116.16	54.24	50.73	192.46	213.61	2.56	2.65
5. Investments	-	-	-	-	-	-	-	-	0.05	0.05
6. Turnover	31.67	5.19	26.73	121.24	14.84	46.83	64.50	215.33	-	-
7. Profit before Tax	4.94	5.26	0.83	12.79	3.35	2.54	5.79	9.04	(0.06)	(0.04)
8. Provision for Taxation	1.60	2.91	0.09	1.41	0.64	0.38	1.48	1.89	-	-
9. Profit after Tax	3.34	2.35	0.74	11.38	2.71	2.16	4.31	7.15	(0.06)	(0.04)
10. Proposed dividend [c]	-	-	-	-	-	-	-	-	-	-
11. % of Shareholding	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 2022 is due for consideration by the shareholders in June 2023.

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 31.3.2023/31.12.2022, 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, RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft mbH are held by RHODIUS Abrasives GmbH.

g. During the FY 2022-23, the financial year for RHODIUS Nederland B.V, RHODIUS SARL, RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft mbH were changed from January to December to April to March. Hence the previous year and current year figures are not comparable.

h. 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	31.03.2023	31.03.2023	31.03.2022*
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	707.65	150.96	578.50
7	Profit/Loss for the year	400.88	231.43	312.34
	Considered in Consolidation	150.34	69.43	153.04
	Not Considered in Consolidation	250.54	162.00	159.30

**Financials for the year ended 31st March 2023 is yet to be audited, the figures are given based on the management financials.*

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

N Ananthaseshan
Managing Director
DIN: 02402921

Sridharan Rangarajan
Director-Finance and Strategy
DIN: 01814413

Chennai
May 08, 2023

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, 2023, 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 a summary of significant accounting policies 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, 2023, 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 judgement, 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 3.20 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 10,363.23 million as at March 31, 2023. 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/ management certified 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.

Independent Auditor's Report

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 judgement 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

Independent Auditor's Report

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.

(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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(f) 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".

(g) 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 was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.

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 notes to the accounts, 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 persons or entityies, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary

Independent Auditor's Report

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 (Refer Note 46 to the Standalone Financial Statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 46 to the Standalone Financial Statements); 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. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTP1691

Place: Chennai
Date: May 08, 2023

Independent Auditor's Report

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) 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, 2023

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, 2023 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 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.

Independent Auditor's Report

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, 2023, 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

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTP1691

Place: Chennai
Date: May 08, 2023

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, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(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, except for the following:

Description of property	Gross carrying value (in ₹ million)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company*
Freehold Land	406.7	M/s.Easun Reyrolle Limited	No	From October 2022	During the year, the Company acquired the property from M/s. Easun Reyrolle limited through liquidator. The Company has applied for registration of title deed and is under progress.
Buildings	17.79				

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 its 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 ₹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

Independent Auditor's Report

books of account (Also refer Note 46 to the Standalone Financial Statements)

iii. (a) The Company has made investments in a company and a body corporate, and stood guarantee to a company and a body corporate. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries and joint venture are as per the table given below:

	Guarantees (in ₹ million)	Security (in ₹ million)	Loans (in ₹ million)	Advances in nature of loans (in ₹ million)
Aggregate amount granted/ provided during the year				
- Subsidiaries	205.55	-	-	-
- Joint Ventures	90.00	-	-	-
- Associates		-	-	-
- Others		-	-	-
Balance outstanding as at balance sheet date in respect of the above case				
- Subsidiaries	205.55	-	-	-
- Joint Ventures	90.00	-	-	-
- Associates		-	-	-
- Others		-	-	-

(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 fell 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 to the extent notified.

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) According to the information and explanations given to us and the records of the Company examined by us, 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, 2023 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

Independent Auditor's Report

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	6.77	2015-2017	Commissioner (Appeals), Chennai
Finance Act, 1994	Service Tax	0.11	2015-2016	Commissioner (Appeals), Chennai
Finance Act, 1994	Service Tax	3.26	2015-2017	Commissioner (Appeals), Chennai
The Central Sales Tax Act, 1956	Central Sales Tax	0.47	1989-1990	High Court of Madras
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	0.23	2002-2003	Sales Tax Appellate Tribunal, Chennai
The Central Sales Tax Act, 1956	Central Sales Tax	0.06	2004-2005	Commissioner Appeals, Uttar Pradesh
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.66	2005-2006	Deputy Commissioner Appeals, Chennai
The Central Sales Tax Act, 1956	Central Sales Tax	4.48	2005-2007, 2012-2013 and 2015- 2016	Deputy Commissioner Appeals
The Central Sales Tax Act, 1956	Central Sales Tax	1.43	2011-2012	Commercial Tax Appellate Board, Madhya Pradesh
The Central Sales Tax Act, 1956	Central Sales Tax	2.78	2013-2015	Assistant Commissioner Appeals, Madhya Pradesh
Kerala Value Added Tax Act, 2003	Value Added tax	15.04	2013-2014	Assistant 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	3.09	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	2021-2022	Commissioner (Appeals), Chennai
Income Tax Act, 1961	Income Tax	116.76	2013-2019	Commissioner of Income Tax (Appeals)

*Amount considered above is net of ₹345.96 million paid under protest/adjusted.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, 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) According to the information and explanations given to us and 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) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an

Independent Auditor's Report

overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and 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, and according to the information and explanations given to us, 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, and according to the information and explanations given to us, 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 according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

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 such 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 and according to the information and explanation given to us, 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. 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 clause 3(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 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 (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 47 to the Standalone Financial Statements), 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

Independent Auditor’s Report

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 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

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTP1691

Place: Chennai
Date: May 08, 2023

Balance Sheet

(in Indian Rupees million, unless otherwise stated)

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	4709.27	4195.42
(b) Right of use assets	4B	73.64	75.24
(c) Capital work-in-progress	4C	465.04	180.24
(d) Intangible assets	5	74.11	76.57
(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	10307.77	9504.20
(d) Other investments	6D	111.99	125.20
(ii) Other financial assets	7A	167.25	134.76
(f) Other non-current assets	8A	112.18	84.68
Total Non-current assets		**16076.71**	**14431.77**
Current assets			
(a) Inventories	9	3795.36	4002.02
(b) Financial assets			
(i) Trade receivables	10	3897.19	3309.24
(ii) Cash and cash equivalents	11A	99.19	158.43
(iii) Bank balances other than (ii) above	11B	25.39	23.92
(iv) Other financial assets	7B	46.34	87.23
(c) Other current assets	8B	443.48	685.74
Total Current assets		**8306.95**	**8266.58**
Total Assets		**24383.66**	**22698.35**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	189.94	189.86
(b) Other equity	13	19875.22	17217.61
Total Equity		**20065.16**	**17407.47**
LIABILITIES			
Non-Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4B	0.16	0.95
(ii) Other financial liabilities	18A	13.17	17.01
(b) Provisions	14A	115.18	89.23
(c) Deferred tax liabilities (net)	15A	52.36	95.26
Total Non-Current liabilities		**180.87**	**202.45**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	1040.00	1630.00
(ii) Lease liabilities	4B	0.79	0.79
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	17	43.72	35.19
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	2342.93	2345.02
(iv) Other financial liabilities	18B	457.60	902.49
(b) Other current liabilities	19	210.00	123.02
(c) Provisions	14B	33.58	51.92
(d) Current tax liabilities (net)	15B	9.01	-
Total Current liabilities		**4137.63**	**5088.43**
Total Liabilities		**4318.50**	**5290.88**
Total Equity and Liabilities		**24383.66**	**22698.35**
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

Subramanian Vivek
Partner
Membership Number: 100332
Chennai
May 08, 2023

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

N Ananthaseshan
Managing Director
DIN: 02402921

Sridharan Rangarajan
Director - Finance & Strategy
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 2022-23	For the year 2021-22
I	Revenue from Operations	20	25098.59	22152.32
II	Other income	21	318.95	419.47
III	**Total Income (I+II)**		**25417.54**	**22571.79**
IV	**Expenses**			
	Cost of material consumed		9990.56	8925.10
	Purchases of stock-in-trade		718.19	735.61
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(27.47)	(346.37)
	Employee benefits expense	23	2369.04	2148.60
	Finance costs	24	150.35	9.74
	Depreciation and amortisation expense	25	744.94	650.39
	Other expenses	26	7404.62	6993.45
	Total expenses (IV)		**21350.23**	**19116.52**
V	**Profit before exceptional items and tax (III-IV)**		**4067.31**	**3455.27**
VI	Exceptional item	27	249.15	-
VII	**Profit before tax (V+VI)**		**4316.46**	**3455.27**
VIII	**Tax expense**			
	(1) Current tax	28A	1050.00	899.30
	(2) Deferred tax	15A	(42.90)	11.20
	Total tax (VIII)		**1007.10**	**910.50**
IX	**Profit for the year (VII-VIII)**		**3309.36**	**2544.77**
X	**Other Comprehensive Income (OCI)**			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans	34C	(58.70)	(48.62)
	(b) Equity instruments through OCI		(14.30)	20.39
	(ii) Income tax relating to items that will not be reclassified to profit or loss	28B	-	-
	Total Other Comprehensive Income (X)		**(73.00)**	**(28.23)**
XI	**Total Comprehensive Income for the year (IX+X)**		**3236.36**	**2516.54**
XII	**Earnings per equity share (Re.1 each) on profit for the year (IX)**	29		
	- Basic		17.43	13.41
	- Diluted		17.38	13.37

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

Subramanian Vivek
Partner
Membership Number: 100332
Chennai
May 08, 2023

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

N Ananthaseshan
Managing Director
DIN: 02402921

Sridharan Rangarajan
Director - Finance & Strategy
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, 2021	**189.59**
Changes in equity share capital during the year	
Shares issued against Employee Stock Options Scheme/Plan	0.27
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**

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, 2021	**6.03**	**27.68**	**320.24**	**8175.43**	**78.74**	**6504.52**	**21.73**	**23.74**	**15158.11**
Profit for the year	-	-	-	-	-	2544.77	-	-	2544.77
Other Comprehensive income for the year	-	-	-	-	-	(48.62)	20.39	-	(28.23)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2496.15**	**20.39**	**-**	**2516.54**
Share premium received on allotment of equity shares under ESOP	-	-	62.12	-	-	-	-	-	62.12
Recognition of share-based payments	-	-	-	-	50.06	-	-	-	50.06
Final dividend paid during the year						(284.44)			(284.44)
Interim dividend paid during the year	-	-	-	-	-	(284.78)	-	-	(284.78)
Transfer to General Reserve	-	-	-	500.00	-	(500.00)	-	-	-
Balance at the end 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**

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

Subramanian Vivek
Partner
Membership Number: 100332
Chennai
May 08, 2023

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

N Ananthaseshan
Managing Director
DIN: 02402921

Sridharan Rangarajan
Director - Finance & Strategy
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			
		2022-23		2021-22	
A. Cash flow from Operating activities					
Profit before tax			**4316.46**		**3455.27**
Adjustment for:					
Depreciation and amortisation expense		744.94		650.39	
Exceptional item - Refer Note:27		(249.15)		-	
Fair valuation of investments		(1.09)		(5.31)	
Finance costs		150.35		9.74	
Interest income		(12.41)		(105.99)	
Dividend income		(237.65)		(274.19)	
Expenses recognised in respect of equity-settled share-based payments		57.90		50.06	
Allowance for doubtful receivable and advances		57.04		9.74	
Reversal of allowance for doubtful receivables and advances		(13.07)		(21.06)	
Provision for expenses no longer required written back		(2.33)		(6.11)	
(Profit)/Loss on sale of assets (net)		9.46		(1.02)	
Unrealised exchange (gain)/loss - net		9.87	513.86	(2.70)	303.55
Operating profit before working capital changes			**4830.32**		**3758.82**
Movement in working capital					
(Increase)/decrease in trade receivables		(634.41)		(116.79)	
(Increase)/decrease in inventories		206.66		(1051.07)	
(Increase)/decrease in other financial assets		8.21		(18.24)	
(Increase)/decrease in other assets		167.30		(147.57)	
Increase/(decrease) in trade payables		(10.74)		228.38	
Increase/(decrease) in provision and other current liabilities		94.60		24.52	
Increase/(decrease) in other financial liabilities		(266.57)	(434.95)	143.26	(937.51)
Cash generated from Operations			**4395.37**		**2821.31**
Income tax paid			(955.00)		(840.00)
Net cash generated by Operating activities	**[A]**		**3440.37**		**1981.31**
B. Cash flow from Investing activities					
Payments to acquire property, plant and equipment		(1547.63)		(806.69)	
Payments for intangible assets		(22.20)		(11.10)	
Proceeds from sale of property, plant and equipment		5.96		6.14	
Investment in Subsidiaries		(806.61)		(7123.99)	
Redemption of/(Investment) in Bank deposits with original maturity beyond three months (net)		(0.24)		2082.29	
Interest income received		11.17		95.39	
Dividend income received		237.65		274.19	
Net cash (used in) Investing activities	**[B]**		**(2121.90)**		**(5483.77)**
C. Cash flow from Financing activities					
Proceeds from issue of equity shares		28.05		62.39	
Proceed/(Repayment) of short term borrowings - net		(590.00)		1630.00	
Principal portion of lease payments		(0.79)		(0.79)	
Finance costs paid		(150.35)		(9.74)	
Dividends paid		(664.62)		(569.22)	
Net cash from/(used in) Financing activities	**[C]**		**(1377.71)**		**1112.64**
Net increase/(decrease) in cash and cash equivalents [A]+[B]+[C]	**[D]**		**(59.24)**		**(2389.82)**
Add: Cash and Cash equivalents at the beginning of the year			158.43		2548.25
Cash and Cash equivalents at the end of the year			**99.19**		**158.43**
See accompanying notes forming part of the financial statements					

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Company Secretary

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

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	3.16	9
7	Statement of Cash flows	3.15	11,35
8	Accounting Policies, Changes in Accounting Estimates and Errors	2,3	
10	Event after the reporting period		45
12	Income taxes	3.10	8A,15,28
16	Property, plant and equipment	3.11	4A,4C,25
19	Employee benefits	3.8	23,34
24	Related party disclosures		36
28	Investments in associates and joint ventures		6A,6B
33	Earnings per share	3.24	29
36	Impairment of assets	3.13	4A,4B,4C,5
37	Provisions, Contingent liabilities and Contingent assets	3.17,3.18	14,31
38	Intangible assets	3.12	5,25
102	Share based payment	3.9	37
107 & 109	Financial instruments	3.19,3.20,3.21, 3.26,3.27	6D,10,7,16, 17,18,21,35
108	Operating segments	3.22	30
113	Fair value measurement		35
115	Revenue from Contracts with Customers	3.4	19,20,30
116	Leases	3.23	4B,24,25

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

1. General information

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

2.1 Application of Indian Accounting Standards (Ind AS)

The financial statements comply in all material aspects with 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.

2.2 New and Amended Standard adopted by the Company:

The Ministry of Corporate Affairs had vide notification dated 23rd March, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1st April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31st March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1st April, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. 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.

3. Significant accounting policies

3.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies as stated below, except the following that are measured at fair values at the end of each reporting period:

- Certain financial asset and liabilities (including derivative instruments) and contingent consideration is measured at fair value
- Assets held for sale - measured at fair value less cost to sell
- Defined benefit plan - plan measured at fair value
- Share based payments

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.2 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3.2.1 Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3.2.2 Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

3.2.3 Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

The areas involving critical estimates or judgements are:

S.No	Particulars	Notes
I	Estimation of useful life of tangible and intangible asset	3.11 & 3.12
II	Estimation of fair value of unlisted securities	6D
III	Impairment of Trade receivables: Expected credit loss	10
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

3.3 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sales is highly probable.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.4 Revenue recognition

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.

The specific recognition criteria described below must also be met before revenue is recognised.

3.4.1 Sale of goods

Revenue from the sale of goods is recognised 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.

Revenue from the sale of goods is recognised when the control of the product is transferred, the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company has a present right to payment for the asset;
- The Company has transferred physical possession of the asset, whereby the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

When the consideration is received, before the Company transfers a goods to the customer, the Company presents the consideration as a contract liability.

3.4.2 Rendering of services

Revenue from divisible service contracts

a) Service contracts are recognised over a period of time determined using the percentage completion method, synchronised to the billing schedules agreed by the customers, identical with others in similar business and

b) The revenue relating to supplies are measured in line with policy set out in 3.4.1

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (a) above.

When the consideration is received, before the Company transfers a goods to the customer, the Company presents the consideration as a contract liability and when the services rendered by the Company exceed the payment, a contract asset is recognised excluding any amount presented as receivable.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

3.4.3 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.

3.5 Foreign Currencies

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 Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement/restatement of short term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Refer Note: 3.26 and 3.27 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

3.6 Borrowing costs

The borrowing costs (other than those attributable to property, plant and equipment and Intangible assets - Refer Note: 4 and 5) are recognised in profit or loss in the period in which they are incurred.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.7 Government grants

Government grants are not recognised until there is 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.

The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the differences between proceeds received and the fair value of the loan based on prevailing market interest rate.

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.

3.8 Employee benefits

3.8.1. Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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. 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. Remeasurement 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

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.

3.8.2. Short term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.8.3. Voluntary retirement compensation

Compensation to employees who have retired under voluntary retirement scheme is charged off to revenue.

3.9 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 reflect the revised estimate, with a corresponding adjustment to the share options outstanding account.

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.10.1 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.

3.10.2 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

3.10.3 Indirect taxes

Goods and Service Tax (GST) credit on materials purchased/ services availed for production/Input services are taken into account at the time of purchase and availing services. GST Credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The GST credits so taken are utilised for payment of GST on supply and service. The unutilised GST credit is carried forward in the books.

3.11 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives as specified under Schedule II using the straight-line method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Individual asset costing less than ₹5000 are depreciated in full in the year of acquisition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3.12 Intangible assets

3.12.1 Intangible assets acquired separately

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

3.12.2 Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

3.12.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date, which is regarded as their cost.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.12.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

3.13 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amount of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generated unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.14 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. 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 and which are subject to insignificant risk of changes in value.

3.15 Cash Flow Statement

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.

3.16 Inventories

Inventories are stated at the lower of cost and net-realisable value. Cost includes freight, taxes and duties net of GST credit wherever applicable. Customs duty payable on material in bonded warehouse is added to the cost.

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. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

3.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainty surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

3.18 Contingent liabilities

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

3.19 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

3.20 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 amortised cost or fair value, depending on the classification of the financial assets.

3.20.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, Refer Note: 3.20.4

3.20.2 Investment in equity instruments at Fair value through Other Comprehensive Income [FVTOCI]

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 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.

3.20.3 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 (Refer Note: 3.20.2).

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 remeasurement 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.

3.20.4 Impairment of financial assets

The Company applied the expected credit loss model for recognising impairment loss on financial assets measured at

Notes forming part of the Standalone Financial Statements

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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 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 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 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.

3.20.5 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 derecognition 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 derecognition of a financial asset other than its entirety (eg., 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.

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3.20.6 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.

3.21 Financial liabilities and equity instruments

3.21.1 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.

3.21.2 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.

3.21.3 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:

3.21.3.1 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 remeasurement 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 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.

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3.21.3.2 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.

3.21.3.3 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.

3.21.3.4 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.

3.21.3.5 Derecognition of financial liabilities

The Company derecognises 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 derecognised and the consideration paid and payable is recognised in profit or loss.

3.22 Segment reporting

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".

3.23 Leases: Right-of-use assets and Lease liabilities

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 standalone 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 fixed payments (including in-substance fixed payments), less any lease incentives receivable.

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 for leases in the company, the lessee's incremental borrowing rate is used.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease tenure 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:

- the amount of the initial measurement of lease liability

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- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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 of property, plant and office equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

3.24 Earnings per share

Basic earnings per share is 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.

3.25 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.

3.26 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair values at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.27 Hedge accounting

The Company designates certain hedging instruments, which includes derivatives and non-derivatives in respect of foreign currency risk, at either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm.

Commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

3.27.1 Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedging asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instruments expires or is sold, terminated, or exercised, or when it no longer qualify for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

3.27.2 Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amount previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affect profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of non-financial asset or a non-financial liability, such gain or loss are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

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In cases, where the designated hedging instruments are options and forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the option and spot element of forward contract respectively as hedges. In such cases the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contract in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e. not as a reclassification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or non-financial liability. In other cases, the amount accumulated is reclassified to profit or loss as a reclassification adjustment in the same period in which the hedged expected future cash flow affects profit or loss.

In case of time period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationship is amortised on a systematic and rational basis over the period during which the options intrinsic value could affect profit or loss. This is done as a reclassification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of option (as described above).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecasted transactions is ultimately recognised in profit or loss. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

3.28 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.

3.29 Operating cycle

Based on the nature of the products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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4A. Property, plant and equipment

Particulars	As at	
	31.03.2023	31.03.2022
Carrying amounts		
Freehold land	444.56	37.86
Buildings	1439.05	1385.31
Plant and equipment	2733.48	2698.68
Furniture and fittings	29.51	26.16
Vehicles	62.67	47.41
Total	**4709.27**	**4195.42**

Cost	Freehold land	Buildings (a)	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2021	**37.86**	**1683.58**	**5915.08**	**83.49**	**39.72**	**7759.73**
Additions - (b)	-	157.27	619.70	4.61	28.92	810.50
Disposals	-	(0.01)	(47.64)	(3.63)	(7.89)	(59.17)
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**

Accumulated depreciation and impairment	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2021	**-**	**378.63**	**3297.57**	**54.27**	**11.68**	**3742.15**
Depreciation expense	-	76.90	536.84	7.66	6.14	627.54
Eliminated on disposals	-	-	(45.95)	(3.62)	(4.48)	(54.05)
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**

Carrying amounts	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2021	**37.86**	**1304.95**	**2617.51**	**29.22**	**28.04**	**4017.58**
Additions	-	157.27	619.70	4.61	28.92	810.50
Depreciation expense	-	(76.90)	(536.84)	(7.66)	(6.14)	(627.54)
Disposals (net)	-	(0.01)	(1.69)	(0.01)	(3.41)	(5.12)
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**

(a) Includes ₹930.11 million (Previous year: ₹887.06 million) being cost of building on leasehold land.

(b) Includes Research and Development capital expenditure of ₹72.27 million (Previous year: ₹14.36 million) - Refer Note: 41(b) on Research & Development expenditure

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(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, other than those recently acquired listed below are held in the name of the Company:

Relevant line item in the Balance sheet	Description of the property	Gross carrying value	Title deeds in the name of	Whether title deed holder is a Promoter, Director or relative of Promoter/Director or employee of Promoter/Director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold land	406.70	M/s.Easun Reyrolle limited	No	from October 2022	During the year, the Company acquired the property from M/s.Easun Reyrolle limited through liquidator. The Company has applied for registration of title deed and is under progress.
Property, plant and equipment	Buildings	17.79				

4B. Leases

i) Amount recognised in balance sheet

Particulars	As at 31.03.2023	As at 31.03.2022
Right of use Assets		
Land	73.64	75.24
	73.64	**75.24**
Lease liabilities		
Non-Current	0.16	0.95
Current	0.79	0.79
	0.95	**1.74**

Cost	Land	Vehicles	Total
Balance at March 31, 2021	**80.06**	**4.34**	**84.40**
Disposals	-	(4.34)	(4.34)
Balance at March 31, 2022	**80.06**	**-**	**80.06**
Disposals	-	-	-
Balance at March 31, 2023	**80.06**	**-**	**80.06**

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Accumulated depreciation and impairment	**Land**	**Vehicles**	**Total**
Balance at March 31, 2021	**3.22**	**4.34**	**7.56**
Depreciation expense	1.60	-	1.60
Disposals	-	(4.34)	(4.34)
Balance at March 31, 2022	**4.82**	**-**	**4.82**
Depreciation expense	1.60	-	1.60
Balance at March 31, 2023	**6.42**	**-**	**6.42**

Carrying amount	**Land**	**Vehicles**	**Total**
Balance at March 31, 2021	**76.84**	**-**	**76.84**
Depreciation expense	(1.60)	-	(1.60)
Disposals(net)	-	-	-
Balance at March 31, 2022	**75.24**	**-**	**75.24**
Depreciation expense	(1.60)	-	(1.60)
Balance at March 31, 2023	**73.64**	**-**	**73.64**

ii) Amount recognised in profit and loss

Particulars	**For the year 2022-23**	**For the year 2021-22**
Depreciation charge of right of use assets - Refer Note: 25		
Land	1.60	1.60
Vehicles	-	-
	1.60	**1.60**
Interest expenses (included in Finance cost) - Refer Note: 24	0.10	0.16
Expenses related to Short term leases (included in Rent: Other expenses) - Refer Note: 26	50.46	49.23

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: ₹0.95 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**	
	31.03.2023	**31.03.2022**
Capital work-in-progress(a)	465.04	180.24

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Capital work-in-progress movement	**Total**
Balance at March 31, 2021	**111.52**
Addition during the year	879.22
Capitalised during the year	(810.50)
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**

(a) Includes Research and Development capital expenditure of ₹4.25 million (Previous year: ₹8.81 million) - Refer Note: 41(b) on Research & Development expenditure.

(b) Ageing of Capital work-in-progress:

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	-	-	-	-	-

As at March 31, 2022

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	165.63	6.62	6.27	1.72	180.24
Projects temporarily suspended	-	-	-	-	-

(c) The expected completion of amounts lying in capital work-in-progress which are delayed is as below:

There are no delay in completion of amounts lying in Capital work-in-progress as at 31st March 2023.

As at March 31, 2022

Particulars	Amount of CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Growth projects	11.92	-	-	-	11.92
Automation	3.10	-	-	-	3.10
Total	**15.02**	**-**	**-**	**-**	**15.02**

5. Intangible assets

Particulars	As at	
	31.03.2023	31.03.2022
<u>**Carrying amounts**</u>		
Software	63.18	62.40
Technical know-how	10.93	14.17
Total	**74.11**	**76.57**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Cost	Software	Technical know-how	Total
Balance at March 31, 2021	**103.67**	**142.64**	**246.31**
Additions - (a)	10.72	0.38	11.10
Disposals	-	-	-
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**

Accumulated amortisation and impairment	Software	Technical know-how	Total
Balance at March 31, 2021	**35.24**	**124.35**	**159.59**
Amortisation expense	16.75	4.50	21.25
Disposals	-	-	-
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**

Carrying amounts	Software	Technical know-how	Total
Balance at March 31, 2021	**68.43**	**18.29**	**86.72**
Additions	10.72	0.38	11.10
Amortisation expense	(16.75)	(4.50)	(21.25)
Disposals	-	-	-
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**

(a) Includes Research and Development capital expenditure of ₹0.16 million (Previous year: ₹0.38 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 (h)	Notes	Value	
	As at 31.03.2023	As at 31.03.2022			As at 31.03.2023	As at 31.03.2022
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						

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	Quantity in numbers		Nominal value (₹)	Notes	Value	
	As at 31.03.2023	As at 31.03.2022			As at 31.03.2023	As at 31.03.2022
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 (a)	40437406	38837406	USD 1		8965.52	8170.55
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 (b) & (d)	371229	367505	10		1160.88	1149.24
PLUSS Advanced Technologies Limited (c) & (d)					24.82	27.86
				6C	**10307.77**	**9504.20**
(D) Other Investments						
Instruments at Fair Value Through Other Comprehensive Income [FVTOCI]						
Investments in equity instruments - Equity Shares (fully paid)						
Quoted (Trade)						
Coromandel Engineering Co. Limited	3042900	3042900	10		88.25	102.55
Unquoted (Non - Trade)						
Murugappa Management Services Limited	44704	44704	100		11.30	11.30
				6D(i)	**99.55**	**113.85**
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		1.50	1.44
Orient Abrasives Limited	10000	10000	1		0.23	0.30
RHI Magnesita India Limited	10000	10000	1		6.31	6.12
EID Parry (India) Limited	1000	1000	1		0.47	0.45
Cholamandalam Investment and Finance Co Limited	500	500	2		0.36	0.36
Cholamandalam Financial Holdings Limited	1000	1000	1		0.54	0.62
Tube Investments of India Limited	1000	1000	1		2.56	1.62
Coromandel International Limited	330	330	1		0.29	0.26
				6D(ii)	**12.26**	**11.17**
Un Quoted (Non-Trade)						
Investments in equity instruments - Equity Shares (fully paid)						
Chennai Willingdon Corporate Foundation (₹50 only) - **(e)**	5	5	10		0.00	0.00
John Oakey Mohan Limited	1900	1900	10		0.05	0.05

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	Quantity in numbers		Nominal value (h)	Notes	Value	
	As at 31.03.2023	As at 31.03.2022			As at 31.03.2023	As at 31.03.2022
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	**111.99**	**125.20**
Investment - Non-Current Grand Total [6A]+ [6B] + [6C] +[6D]					**10475.22**	**9684.86**

(a) During the year, the Company invested in 1600000 equity shares of USD 1 each at the premium of USD 5.0 per share in CUMI International Ltd.

(b) During the year, the Company invested in 3724 equity shares of ₹3127 per share in PLUSS Advanced Technologies Limited [PLUSS].

(c) On October 06, 2021 the Company acquired 71.99% of equity shares of PLUSS. Before acquisition, 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.

(d) The Company has performed a detailed impairment assessment on the recently acquired subsidiary PLUSS and based on the assessment performed no impairment is deemed necessary.

(e) Shares allotted against corporate membership contribution.

(f)

Particulars	As at	
	31.03.2023	**31.03.2022**
Aggregate book value of quoted investments	110.25	123.46
Aggregate market value of quoted investments	6482.04	3908.87
Aggregate carrying value of unquoted investments	10364.97	9561.40

(g)

Category wise other investments as per Ind AS 109	As at	
	31.03.2023	**31.03.2022**
Mandatorily measured at FVTPL - 6D(ii)+6D(iii)	12.44	11.35
Financial assets designated at FVTOCI (equity instruments) - 6D(i)	99.55	113.85
Investments at cost (represent investment in associate, joint ventures and subsidiaries) - 6A+6B+6C	10363.23	9559.66
	10475.22	**9684.86**

(h) Nominal value per share is given in Indian rupees or in respective foreign currency where stated.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

7. Other financial assets

Particulars	As at	
	31.03.2023	31.03.2022
A. Non-current		
Security deposits	167.25	134.76
	167.25	**134.76**
B. Current		
Other receivables:		
Considered good	46.34	87.23
Considered doubtful	0.59	0.41
Less: Allowance for doubtful receivables	(0.59)	(0.41)
	46.34	**87.23**

8. Other assets

Particulars	As at	
	31.03.2023	31.03.2022
A. Non-current		
Capital advances	95.89	58.60
Deposits paid under protest relating to Sales tax, Value added tax, Central excise and Service tax demands	16.29	16.93
Taxation (net of provisions)	-	9.15
	112.18	**84.68**
B. Current		
Prepayments	53.59	49.62
Recoverable from Electricity Board - Banked power	-	19.52
Trade advance to Suppliers	256.40	269.40
Balances with/amount receivable from Statutory Authorities	133.49	347.20
	443.48	**685.74**

9. Inventories

Particulars	As at	
	31.03.2023	31.03.2022
Raw materials	1602.13	1758.47
Raw materials in transit	225.45	331.64
Work-in-progress	882.38	803.65
Stock-in-trade	77.10	120.82
Finished goods	626.23	633.77
Stores and spares	382.07	353.67
	3795.36	**4002.02**

a) The method of valuation of inventories are stated in Note: 3.16.

b) The cost of inventories recognised as an expense (consumption) during the year was ₹12115.49 million (previous year: ₹10627.89 million)

c) All the above inventories are expected to be recovered/utilised within twelve months.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

10. Trade receivables (Unsecured)

Particulars	As at	
	31.03.2023	**31.03.2022**
Current		
a. Considered good	3897.19	3309.24
b. Which have significant increase in Credit Risk	106.84	66.91
c. Credit impaired	-	-
Allowance for doubtful receivables (expected credit loss allowance)	(106.84)	(66.91)
	3897.19	**3309.24**

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 ₹536.10 million (Previous year: ₹529.41 million).

g) Movement in expected credit loss allowance:

Particulars	As at	
	31.03.2023	**31.03.2022**
Balance at the beginning of the year	66.91	87.71
Add: Allowance made during the year	56.86	10.10
Less: Reversal/Utilisation of allowance during the year	(16.93)	(30.90)
Balance at the end of the year	**106.84**	**66.91**

10A. Ageing of Trade receivables

As at 31 March 2023								
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	-	3228.53	597.76	62.90	8.00	-	-	3897.19
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	50.85	9.35	46.64	106.84
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivable-Considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

As at 31 March 2022								
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	-	2845.64	430.67	31.37	1.56	-	-	3309.24
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	23.50	35.15	8.26	66.91
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-
(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	
	31.03.2023	31.03.2022
Balances with banks - Current account	98.26	157.74
Cash on hand	0.93	0.69
	99.19	**158.43**

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	
	31.03.2023	31.03.2022
Earmarked funds - Unclaimed and unpaid dividend - Refer Note: 18	19.45	18.22
Bank Deposit maturity more than three months but less than 12 months	5.94	5.70
	25.39	**23.92**

12. Equity Share Capital

Particulars	As at	
	31.03.2023	31.03.2022
Authorised share capital:		
387,250,000 (as at March 31, 2022: 387,250,000) equity shares of ₹1 each	387.25	387.25
Issued, Subscribed and Paid-up		
189,943,974 (as at March 31, 2022: 189,856,703) equity shares of ₹1 each fully paid	**189.94**	**189.86**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2023		As at 31.03.2022	
Equity shares with voting rights	No. of Shares	Value of Shares	No. of Shares	Value of Shares
At the beginning of the year	189856703	189.86	189590839	189.59
Add: Shares issued against Employee Stock Option Scheme/Plan	87271	0.08	265864	0.27
At the end of the year	189943974	189.94	189856703	189.86

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

b) Terms/Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of ₹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/- per share was proposed for the year ended March 31, 2023 at the meeting of the Board of Directors held on May 08, 2023 (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, 2023 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 February 10, 2022 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			
	31.03.2023		31.03.2022	
	No. of Shares held*	% of holding	No. of Shares held*	% of holding
Ambadi Investments Limited	56054244	29.51%	56054244	29.52%
SBI Mutual Fund	18607487	9.80%	17050012	8.98%

*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.

(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, 2023		March 31, 2022		
		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	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	1008600	0.53%	1008600	0.53%	-
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 HUF	81600	0.04%	81600	0.04%	-
14	A Venkatachalam	598900	0.32%	598900	0.32%	-
15	V Narayanan	205900	0.11%	205900	0.11%	-
16	V Arunachalam	183740	0.10%	183740	0.10%	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (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, 2023		March 31, 2022		
		Nos.	%	Nos.	%	
17	Arun Venkatachalam	186840	0.10%	186840	0.10%	-
18	Ambadi Enterprises Limited	384700	0.20%	384700	0.20%	-
19	E.I.D.Parry (India) Limited	2000	0.00%	2000	0.00%	-
20	Ambadi Investments Limited	56054244	29.51%	56054244	29.52%	-
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	0.52%	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 Chockalingam	412000	0.22%	412000	0.22%	-
30	Lalitha Vellayan	116500	0.06%	116500	0.06%	-
31	Meyyammai Venkatachalam	100000	0.05%	100000	0.05%	-
32	A M Meyyammai	213000	0.11%	213000	0.11%	-
33	Meenakshi Murugappan	479900	0.25%	479900	0.25%	-
34	Valli Alagappan	15151	0.01%	15151	0.01%	-
35	Valli Muthiah	-	0.0%	686620	0.36%	-100.00%
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	236020	0.12%	236020	0.12%	-
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	0.21%	400000	0.21%	-2.50%
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%	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (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, 2023		March 31, 2022		
		Nos.	%	Nos.	%	
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	2.01%	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%	795068	0.42%	-9.56%
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%	-	-	100.00%

13. Other equity

Particulars	As at	
	31.03.2023	31.03.2022
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	410.33	382.36
d. General reserve	9175.43	8675.43
e. Share options outstanding account	186.70	128.80
f. Retained earnings	10017.49	7931.45
B. Items of Other Comprehensive Income		
g. Reserve for equity instruments	27.82	42.12
h. Revaluation Surplus	23.74	23.74
Total Other Equity	**19875.22**	**17217.61**

a. Profit on Forfeiture of shares/warrants

Particulars	As at	
	31.03.2023	31.03.2022
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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

b. Capital redemption reserve

Particulars	As at	
	31.03.2023	31.03.2022
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	
	31.03.2023	31.03.2022
Balance at the beginning of the year	382.36	320.24
Movements	27.97	62.12
Balance at end of the year	**410.33**	**382.36**

The Securities premium received during the year represents the premium received towards allotment of 87,271 shares. Cumulatively 3,235,974 equity shares were allotted during the period FY 2009-10 to FY 2022-23 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.

d. General reserve

Particulars	As at	
	31.03.2023	31.03.2022
Balance at the beginning of the year	8675.43	8175.43
Transfer from retained earnings	500.00	500.00
Balance at end of the year	**9175.43**	**8675.43**

The general reserve is a free reserve, retained from Company's profits and can be utilised upon fulfilling certain conditions in accordance with the Companies Act.

e. Share options outstanding account

Particulars	As at	
	31.03.2023	31.03.2022
Balance at the beginning of the year	128.80	78.74
Movements	57.90	50.06
Balance at end of the year	**186.70**	**128.80**

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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

f. Retained earnings:

Particulars	As at	
	31.03.2023	**31.03.2022**
Balance at the beginning of the year	7931.45	6504.52
Add: Profits for the year	3309.36	2544.77
Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of tax	(58.70)	(48.62)
Less: Transfer to General reserve	(500.00)	(500.00)
Less: Final dividend paid	(379.76)	(284.44)
Less: Interim dividend paid	(284.86)	(284.78)
Balance at end of the year	**10017.49**	**7931.45**

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	
	31.03.2023	**31.03.2022**
Balance at the beginning of the year	42.12	21.73
Movements	(14.30)	20.39
Balance at end of the year	**27.82**	**42.12**

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 reclassified to retained earnings when those assets are disposed off.

h. Revaluation Surplus

Particulars	As at	
	31.03.2023	**31.03.2022**
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	
	31.03.2023	**31.03.2022**
A. Non-Current		
Employee benefits - Compensated absences	115.18	89.23
B. Current		
Employee benefits - Compensated absences	33.58	51.92

The movement represents the provision created for the year arising out of the actuarial valuation after considering the actual settlements made during the year.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

15A. Deferred tax liabilities (net)

Particulars	As at	
	31.03.2023	31.03.2022
Deferred tax liabilities (net)	52.36	95.26

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	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)
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**

Particulars	2021-22			
	Balance as at 31.03.2021	Recognised in Profit & loss	Recognised in Other Comprehensive Income	Balance as at 31.03.2022
Breakup of deferred tax liabilities (net):				
Allowance for doubtful receivables and advances	(22.31)	5.36	-	(16.95)
Voluntary retirement scheme payments	(0.59)	0.23	-	(0.36)
Expenses allowed on payment basis	(51.01)	3.64	-	(47.37)
Accelerated depreciation for tax purposes	157.97	1.97	-	159.94
	84.06	**11.20**	**-**	**95.26**

15B. Current tax liabilities (net)

Particulars	As at	
	31.03.2023	31.03.2022
Curent tax liabilites (net)	9.01	-

16. Current borrowings

Particulars	As at	
	31.03.2023	31.03.2022
Secured - at amortised Cost (a)		
Short term working capital loan - 3 months T bill + Margin ranging from 120 bps to 165 bps	380.00	-
Unsecured - at amortised cost		
Short term working capital loan - 1 to 3 months T bill + Margin ranging from 105 bps to 165 bps [Previous year - 3 months T bill + 105 bps margin]	660.00	1630.00
	1040.00	**1630.00**

(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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

17. Trade payables

Particulars	As at	
	31.03.2023	31.03.2022
Total outstanding due to Micro and Small enterprises [MSME] (c) - Refer Note: 33	43.72	35.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	2342.93	2345.02
	2386.65	2380.21

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 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	-	-	-	-	-	-

Particulars	As at 31 March 2022					
	Not due	0-1 Years	1- 2 years	2-3 years	More than 3 years	Total
(i) MSME	35.19	-	-	-	-	35.19
(ii) Others	1781.19	490.47	50.59	12.75	10.02	2345.02
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

18. Other financial liabilities

Particulars	As at	
	31.03.2023	31.03.2022
A. Non Current		
Payable for purchase of PLUSS ESOP shares - Refer Note: 6(c)	13.17	17.01
	13.17	**17.01**
B. Current		
Unsecured		
Unclaimed and Unpaid dividends (a)	19.45	18.22
Remuneration payable to directors	27.03	24.39
Deposits	52.32	48.15
Payable relating to Capital expenditure	126.01	103.57
Payable for purchase of PLUSS ESOP shares - Refer Note: 6C	11.65	10.85
Other payables	221.14	697.31
	457.60	**902.49**

(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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

19. Other current liabilities

Particulars	As at	
	31.03.2023	31.03.2022
Contract Liabilities **(a)**	187.04	100.75
Statutory liabilities	22.96	22.27
	210.00	**123.02**

(a) Details about Contract Liabilities:

i) The outstanding balances in Contract liabilities have increased from last year mainly on account of increase in receipt of advances during current year.

ii) Revenue recognised in relation to Contract liabilities:

The following summary shows how much of the revenue recognised 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	
	2022-23	2021-22
Revenue recognised that was included in the Contract liability balance at the beginning of the year	100.75	74.37
Revenue recognised 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.

20. Revenue from operations

Particulars	For the year	
	2022-23	2021-22
a. Sales/Income from Operations Refer Note: 30 "Segment Disclosure" for breakup of Sales		
Sale of products	24033.26	21152.88
Sale of services	698.58	762.82
	24731.84	**21915.70**
b. Other operating income:		
Service income	100.14	84.01
Scrap Sales	142.89	90.33
Miscellaneous income		
- Export benefits	115.95	53.60
- Others	7.77	8.68
	366.75	**236.62**
Total Revenue from operations (a + b)	**25098.59**	**22152.32**

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	2022-23	2021-22
Gross Sales/Income from operations	25075.43	22208.88
Service income	100.14	84.01
Scrap Sales	142.89	90.33
Contract price	**25318.46**	**22383.22**
Less: Discount - Variable Consideration	343.59	293.18

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	2022-23	2021-22
Revenue recognised under Ind AS 115	**24974.87**	**22090.04**
Add: Miscellaneous income	123.72	62.28
Revenue from operations	**25098.59**	**22152.32**

21. Other Income

Particulars	For the year	
	2022-23	2021-22
(a) Dividend Income		
Dividend Income from Non-Current Investments		
Dividend from Subsidiaries	108.43	104.18
Dividend from Joint ventures	72.92	139.96
Dividend from Associate	56.25	30.00
Dividend from Others	0.05	0.05
	237.65	**274.19**
(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)	1.44	98.97
from other financial assets carried (at amortised cost)	10.97	7.02
	12.41	**105.99**
(c) Net gain arising on financial assets mandatorily measured at fair value through profit or loss [FVTPL] - (Refer Note: 6D(ii) & 6D(iii))	**1.09**	**5.31**
(d) Other Non operating income		
Profit on sale of assets	0.67	4.58
Profit on exchange fluctuation (net)	49.28	-
Reversal of allowance for doubtful receivables and advances	13.07	21.06
Provision for expenses no longer required written back	2.33	6.11
Rental income	2.45	2.23
	67.80	**33.98**
Total Other Income (a + b + c + d)	**318.95**	**419.47**

22. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year	
	2022-23	2021-22
Opening stock		
Work-in-progress	803.65	719.18
Stock-in-trade	120.82	79.07
Finished goods	633.77	413.62
(A)	**1558.24**	**1211.87**
Less: Closing stock		
Work-in-progress	882.38	803.65
Stock-in-trade	77.10	120.82
Finished goods	626.23	633.77
(B)	**1585.71**	**1558.24**
(Accretion)/Decretion to stock (A) - (B)	**(27.47)**	**(346.37)**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

23. Employee benefits expense

Particulars	For the year	
	2022-23	2021-22
Salaries, wages and bonus	1709.10	1556.66
Contribution to provident and other funds	193.16	172.72
Share based payments to employees (ESOPs) - Refer Note: 37	57.90	50.06
Remuneration to Managing Director	22.12	19.13
Remuneration to Director - Finance & Strategy	24.12	15.53
Welfare expenses	362.64	334.50
	2369.04	**2148.60**
Remuneration to Managing Director includes:		
Salaries & Allowances	13.27	11.45
Incentive*	5.52	4.83
Contribution to provident and other funds	3.33	2.85
(excludes gratuity, compensated absences and share based compensation expenses since employee-wise valuation is not available)		
	22.12	**19.13**
Value of perquisites (included under appropriate heads of accounts)	0.13	0.04
Remuneration to Director - Finance & Strategy includes:		
Salaries & Allowances	14.77	9.32
Incentive*	6.01	4.05
Contribution to provident and other funds	3.34	2.16
(excludes gratuity, compensated absences and share based compensation expenses since employee-wise valuation is not available)		
	24.12	**15.53**
Value of perquisites (included under appropriate heads of accounts)	0.13	0.02

*Incentive to Managing Director and Director - Finance & Strategy is provisional and subject to determination by the Nomination and Remuneration Committee.

24. Finance costs

Particulars	For the year	
	2022-23	2021-22
Interest costs		
- on loans from bank	148.21	7.50
- on lease liabilities	0.10	0.16
Other borrowing costs	2.04	2.08
	150.35	**9.74**

25. Depreciation and amortisation expense

Particulars	For the year	
	2022-23	2021-22
Depreciation of property, plant and equipment - Refer Note: 4A	718.68	627.54
Depreciation of Right of use assets - Refer Note: 4B	1.60	1.60
Amortisation of intangible assets - Refer Note: 5	24.66	21.25
	744.94	**650.39**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

26. Other expenses

Particulars	For the year	
	2022-23	2021-22
Consumption of stores and spares **(a)**	1085.69	1001.61
Power and fuel **(b)**	2295.05	2104.34
Rent	92.80	88.17
Rates and taxes	71.78	38.03
Insurance	41.82	35.98
Repairs to: **(c)**		
- Buildings	34.61	21.81
- Plant and equipment	618.41	552.52
Directors' Sitting fees (refer Corporate Governance report)	4.49	4.88
Commission to Non-wholetime Directors (refer Corporate Governance report)	15.50	15.50
Auditors' remuneration (Refer Note: 40)	8.00	8.31
Travel and conveyance	154.74	68.76
Freight, delivery and shipping charges	732.40	780.38
Impairment loss on financial assets	3.86	10.00
Less: Provision adjusted	(3.86)	(10.00)
Allowance for doubtful receivables and advances	57.04	9.74
Selling commission	43.98	41.90
Advertisement and publicity	125.96	58.44
Printing, stationery and communication	35.46	29.59
Loss on exchange fluctuation (net)	-	20.53
Professional fees	284.79	140.53
Services outsourced	1466.93	1506.17
Loss on sale of assets	10.13	3.56
Miscellaneous expenses	225.04	462.70
	7404.62	**6993.45**

(a) Includes consumption of packing materials amounting ₹580.58 million (previous year ₹540.31 million)

(b) Net of own power generation, which includes energy banked with Kerala State Electricity Board - ₹ Nil million (Previous year: ₹19.52 million)

(c) Repairs includes consumption of stores and spares amounting to ₹348.52 million (Previous year: ₹311.94 million)

27. Exceptional item

Particulars	For the year	
	2022-23	2021-22
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 Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

28. Income tax expense

Particulars	For the year	
	2022-23	2021-22
A. Income tax expense recognised in Profit and loss:		
a. Current tax		
In respect of the current year	1050.00	899.30
	1050.00	**899.30**
b. Deferred tax		
In respect of the current year	(42.90)	11.20
	(42.90)	**11.20**
Total Income tax expense recognised during the year (net)	**1007.10**	**910.50**
Income tax reconciliation		
Profit before tax	**4316.46**	**3455.27**
Income tax expense calculated at the applicable tax rate of 25.168% on Profit before tax	1086.37	869.62
Tax expenses recognised during the year	1007.10	910.50
Differential tax impact	**(79.27)**	**40.88**
Differential tax impact due to the following (tax benefit)/tax expenses		
Dividend income eligible for section 80M deduction	(59.80)	(69.01)
Expenditure on Corporate Social Responsibility	3.18	3.80
Movement in the fair valuation of the quoted Investment	(0.27)	(1.34)
Donations paid	6.34	7.92
Enhanced depreciation allowed earlier	-	7.00
Payable towards release of water and royalty for Hydel Electric works	14.81	76.34
Share based payments - ESOP	14.57	12.60
Reversal of liability on fair value changes of a Financial instrument	(62.71)	-
Others	4.61	3.57
	(79.27)	**40.88**
B. Income tax expense recognised in Other Comprehensive Income:	**-**	**-**

29. Earnings per share

Particulars	For the year	
	2022-23	2021-22
Basic earnings per share (₹)	17.43	13.41
Diluted earnings per share (₹)	17.38	13.37
The calculation of Basic and Diluted Earnings per share is based on the following data:		
Profits for the year after tax	3309.36	2544.77
Weighted average number of equity shares outstanding during the year:		
- Basic	189888066	189724609
- Dilutive	190391112	190271889

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:

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year	
	2022-23	2021-22
Weighted average number of equity shares used in the calculation of basic earnings per share	189888066	189724609
Shares deemed to be issued for no consideration in respect of:		
- Employee Stock Option Scheme/Plan	503046	547280
Weighted average number of equity shares used in the calculation of diluted earnings per share	190391112	190271889

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, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Eliminations		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Sales										
External Sales	10715.05	10158.64	8020.33	6292.22	5297.88	4702.02			24033.26	21152.88
Sale of services	320.12	334.32	301.07	283.07	77.39	145.43			698.58	762.82
Inter segment sales	33.61	22.73	20.10	36.49	1644.94	1359.74	(1698.65)	(1418.96)	-	-
Sales/Income from Operations	**11068.78**	**10515.69**	**8341.50**	**6611.78**	**7020.21**	**6207.19**	**(1698.65)**	**(1418.96)**	**24731.84**	**21915.70**
Results										
Segment result - EBITDA	1754.55	1858.93	2292.09	1535.42	1221.10	792.70			5267.74	4187.05
Depreciation/amortisation	(242.59)	(232.38)	(244.12)	(219.94)	(235.62)	(180.88)			(722.33)	(633.20)
Unallocated corporate expenses/ (Income)									(578.90)	(474.33)
Interest expense									(150.35)	(9.74)
Interest and dividend income									250.06	380.18
Fair valuation of Investment									1.09	5.31
Exceptional item									249.15	-
Profit before tax	**1511.96**	**1626.55**	**2047.97**	**1315.48**	**985.48**	**611.82**	-	-	**4316.46**	**3455.27**
Income taxes									(1007.10)	(910.50)
Net profit after taxes									**3309.36**	**2544.77**
Other information:										
Segment assets	4599.28	4767.46	5180.47	4465.01	3370.19	3267.74			13149.94	12500.21
Unallocated corporate assets									11233.72	10198.14
Total assets	**4599.28**	**4767.46**	**5180.47**	**4465.01**	**3370.19**	**3267.74**			**24383.66**	**22698.35**
Segment liabilities	902.61	980.88	944.40	798.73	834.58	1115.91			2681.59	2895.52
Unallocated corporate liabilities									1636.91	2395.36
Total liabilities	**902.61**	**980.88**	**944.40**	**798.73**	**834.58**	**1115.91**	-		**4318.50**	**5290.88**
Addition to Non - Current assets	363.17	362.42	518.97	331.06	253.79	172.65				
Depreciation & Amortisation	242.59	232.38	244.12	219.94	235.62	180.88				
Impairment losses	42.70	1.42	10.34	4.91	0.42	3.41				

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for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Eliminations/ Unallocable		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue recognised under Ind AS 115										
Sales/Income from Operations	11068.78	10515.69	8341.50	6611.78	7020.21	6207.19	(1698.65)	(1418.96)	24731.84	21915.70
Service income	-	-	-	-	-	-	100.14	84.01	100.14	84.01
Scrap sales	87.72	65.13	33.36	16.72	23.06	10.85	(1.25)	(2.37)	142.89	90.33
Total	**11156.50**	**10580.82**	**8374.86**	**6628.50**	**7043.27**	**6218.04**	**(1599.76)**	**(1337.32)**	**24974.87**	**22090.04**
Revenue recognised under Ind AS 115 comprise of:										
- At the point in time	10836.38	10246.50	8073.79	6345.43	6965.88	6072.61	(1699.90)	(1421.33)	24176.15	21243.21
- Over the period	320.12	334.32	301.07	283.07	77.39	145.43	100.14	84.01	798.72	846.83
Total	**11156.50**	**10580.82**	**8374.86**	**6628.50**	**7043.27**	**6218.04**	**(1599.76)**	**(1337.32)**	**24974.87**	**22090.04**

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: 3.22; 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.

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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	
	2022-23	2021-22	31.03.2023	31.03.2022
India	18399.89	16772.71	5434.24	4612.15
Rest of the world	6331.95	5142.99	-	-
	24731.84	**21915.70**	**5434.24**	**4612.15**

Information about major customers:

No single customer contributed 10% or more to the Company's revenue during the years 2022-23 and 2021-22.

31. Contingent Liabilities and commitments:

Particulars	As at 31.03.2023	As at 31.03.2022
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	388.97	388.97
ii. Central Sales Tax Act, 1956 & Local Sales Tax laws of various states	35.36	152.19
iii. Central Excise Act, 1944	11.18	7.44
iv. Service Tax	3.55	0.11
v. Goods and Services Tax	7.80	1.16
vi. Customs Act, 1962	0.99	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	14.00
iv. Claim filed before Consumer Dispute Redressal Forum/Civil Court	20.57	14.39
v. Additional Electricity Deposit Demand - Tamil Nadu Electricity Board	3.00	3.00
vi. Contribution to District Mineral Foundation under Mines and Minerals (Development and Regulation) Act, 1957	22.76	22.76
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	295.40	191.39
C. Others		
a. Outstanding guarantees/letter of comfort given on behalf of subsidiaries and Joint ventures	295.55	5195.33
b. Outstanding letters of credit	303.66	460.81

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	
	2022-23	2021-22
Account Head:		
Cost of materials consumed	-	0.95
Consumption of Stores and Spares	-	0.44
Freight, Delivery and Shipping charges	1.34	-
Professional Fees	3.19	0.75
Others	1.65	0.02
	6.18	**2.16**

33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at	
	31.03.2023	31.03.2022
Principal amount remaining unpaid to suppliers (Refer Note: 17)	43.72	35.19
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	2022-23	2021-22
Contribution to Provident fund and Other funds recognised in Profit and Loss for the year	160.52	141.61
Amounts outstanding as at the end of the respective year and paid subsequently	18.10	16.64

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.

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by a certified actuary of the Institute of Actuaries of India. The present value of the defined benefit obligation, and

Notes forming part of the Standalone Financial Statements

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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, 2023, 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	
	31.03.2023	**31.03.2022**
Discount rate	7.22%	7.25%
Expected salary increment	5%	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	31.03.2023	31.03.2022
i. Projected benefit obligation as at beginning of the year	403.61	377.12
Service cost	35.45	32.13
Interest cost	27.60	24.78
Remeasurement (gain)/loss:		
Actuarial (gain)/loss arising from experience and financial adjustments	27.34	2.32
Benefits paid	(45.88)	(32.74)
Projected benefit obligation as at end of the year	**448.12**	**403.61**
ii. Fair value of plan assets as at beginning of the year	310.90	294.47
Expected return on plan assets	23.74	20.80
Contributions	36.18	33.20
Benefits paid	(45.88)	(32.74)
Remeasurement gain/(loss):		
Actuarial gain/(losses) on plan assets	15.04	(4.83)
Fair value of plan assets as at end of the year	**339.98**	**310.90**
iii. Amount recognised in the balance sheet:		
Projected benefit obligation at the end of the year	448.12	403.61
Fair value of the plan assets at the end of the year	339.98	310.90
(Liability)/Asset recognised in the Balance sheet - net	**(108.14)**	**(92.71)**
iv. Cost of the defined benefit plan for the year:		
Current service cost	35.45	32.13
Interest on obligation	27.60	24.78
Expected return on plan assets	(23.74)	(20.80)

Notes forming part of the Standalone Financial Statements

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Particulars	31.03.2023	31.03.2022
Components of defined benefit cost recognised in the Statement of Profit and Loss	**39.31**	**36.11**
(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	27.34	2.32
Actuarial (gain)/loss on plan assets	(15.04)	4.83
Components of defined benefit costs recognised in Other Comprehensive Income	**12.30**	**7.15**
Total cost of the defined benefit plan for the year	**51.61**	**43.26**

V. Particulars	31.03.2023	31.03.2022
Present value of defined benefit obligation	448.12	403.61
Fair value of plan assets	339.98	310.90
Balance sheet (Liability)/Asset	(108.14)	(92.71)
P & L (Income)/expenses	39.31	36.11
Experience adjustment on plan liabilities (gain)/loss	27.34	2.32
Experience adjustment on plan assets (gain)/loss	(15.04)	4.83

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 ₹38.78 million for the year ended March 31, 2023 (for the year ended March 31, 2022: ₹15.97 million).

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below

Particulars	As at	
	31.03.2023	31.03.2022
Discount rate - 100 basis point higher	(30.45)	(27.80)
Discount rate - 100 basis point lower	34.58	31.56
Salary escalation rate - 100 basis point higher	31.05	28.69
Salary escalation rate - 100 basis point lower	(28.05)	(25.91)
Attrition rate - 100 basis point higher	2.76	2.65
Attrition rate - 100 basis point lower	(2.96)	(2.84)

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, 2023 is 15 years (as at March 31, 2022: 14 years).

The Company expects to make a contribution of ₹108.14 million (as at March 31, 2022: ₹92.71 million) to the defined benefit plans during the next financial year.

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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	
	31.03.2023	**31.03.2022**
Plan asset at the end of the year	1222.36	1185.23
Present value of benefit obligation at the end of the year	1350.26	1266.73
(Deficit)/Surplus	(127.90)	(81.50)
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	
	31.03.2023	**31.03.2022**
Discount rate	7.22%	7.25%
Remaining term to maturity of portfolio (years)	5.91 years	5.7 years
Expected guaranteed rate (%)	8.15%	8.10%
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	
	31.03.2023	**31.03.2022**
Discount rate - 100 basis point higher	(12.71)	(1.04)
Discount rate - 100 basis point lower	12.71	0.59
Guaranteed interest rate - 100 basis point higher	53.85	22.47
Guaranteed interest rate - 100 basis point lower	-	-
Current yield - 100 basis point higher	(21.26)	(5.74)
Current yield - 100 basis point lower	20.90	3.77

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	
	31.03.2023	**31.03.2022**
In respect of Gratuity	(12.30)	(7.15)
In respect of Provident Fund	(46.40)	(41.47)
Total Credited/(debited) to Other Comprehensive Income	**(58.70)**	**(48.62)**

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	
	31.03.2023	31.03.2022
Debt	1040.00	1630.00
Equity	20065.16	17407.47
Debt to Equity ratio	0.05	0.09

Lease liability amounting to ₹0.95 million (Previous year: ₹1.74 million) arising on account of implementation of Ind AS 116 is not considered in the above working, the Company treat this as a liability. (Refer Note: 4B).

Loan covenants:

No covenants are applicable as of March 31, 2023.

Disclosure related to "Changes in liabilities arising from financial liabilities" under Ind AS 7 Statement of Cash flow:

Net debts reconciliation:	31.03.2023	31.03.2022
Cash and Cash equivalents	99.19	158.43
Borrowings	(1040.00)	(1630.00)
(Net debt)/Net Cash	**(940.81)**	**(1471.57)**

Particulars	Other assets		Liabilities from Financing activities	Total
	Cash and Cash equivalents	Other investments (liquid)	Borrowings	
Net Cash/(Net debt) as at 31st March 2021	**2548.25**	**-**	**-**	**2548.25**
Cash flows (net)	(2389.82)	-	(1630.00)	(4019.82)
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)**

(ii) Categories of financial instruments

Particulars	As at	
	31.03.2023	31.03.2022
A. Financial assets		
Measured at Fair Value through Profit or Loss (FVTPL) - Mandatorily measured:		
- Equity and other investments	12.44	11.35
Measured at Amortised cost		
- Cash and bank balances	124.58	182.35
- Other financial assets (including trade receivable balances)	4110.78	3531.23
Measured at Fair Value through Other Comprehensive Income (FVTOCI)		
- Investments in equity instruments designated upon initial recognition	99.55	113.85
Measured at Cost		
- Investments in Equity instruments in subsidiaries, joint ventures and associate	10363.23	9559.66
B. Financial liabilities		
Measured at amortised cost (including trade payable balances)	3898.37	4931.45

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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 financial position of individual customer 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.

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, 2023 and March 31, 2022. 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.

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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:

Currency	Liabilities as at		Assets as at	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
US Dollar (USD)	404.71	230.65	1173.48	984.39
Euro (EUR)	150.01	33.33	222.58	279.38
Great British Pound (GBP)	-	-	1.60	0.77
Japanese Yen (JPY)	-	14.06	6.97	5.40
Chinese Yuan(CNY)	3.16	-	3.57	-
Australian Dollar (AUD)	3.75	6.95	5.08	-
Swedish Kroner (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 31.03.2023		As at 31.03.2022	
		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. 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 31.03.2023		As at 31.03.2022	
	Profit or loss	Equity	Profit or loss	Equity
US Dollar (USD)	57.53	57.53	56.40	56.40
Euro (EUR)	5.43	5.43	18.41	18.41
Great British Pound (GBP)	0.12	0.12	0.06	0.06
Japanese Yen (JPY)	0.52	0.52	(0.65)	(0.65)
Chinese Yuan(CNY)	0.03	0.03	-	-

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Currency impact in (₹ million) relating to the foreign currencies of:	As at 31.03.2023		As at 31.03.2022	
	Profit or loss	Equity	Profit or loss	Equity
Australian Dollar (AUD)	0.10	0.10	(0.52)	(0.52)
Swedish Kroner (SEK)	(0.00)	(0.00)	-	-
Total	**63.73**	**63.73**	**73.70**	**73.70**

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 USD 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.

Classification of borrowings by nature of interest rate	As at	
	31.03.2023	31.03.2022
Borrowings at variable interest rate		
- Non - Current	-	-
- Current	1040.00	1630.00
Borrowings at fixed interest rate		
- Non - Current	-	-
- Current	-	-
Total Borrowings	**1040.00**	**1630.00**

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 2023 is ₹27.82 million (31st March 2022: ₹42.12 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 31.03.2023	As at 31.03.2022
Increase by 5%	4.41	5.13
Decrease by 5%	(4.41)	(5.13)

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.

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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 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
Others						
Outstanding guarantees/letter of comfort given on behalf of subsidiaries and Joint venture	295.55	295.55	-	-	-	295.55

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2022:

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	0.95	-	0.99	-	-	0.99
Other financial liabilities	17.01	-	30.17	-	-	30.17
Current financial liabilities						
Borrowings	1630.00	1707.43	-	-	-	1707.43
Lease liabilities	0.79	0.89	-	-	-	0.89
Trade payables	2380.21	2380.21	-	-	-	2380.21
Other financial liabilities	902.49	904.57	-	-	-	904.57
Outstanding guarantees/letter of comfort given on behalf of subsidiaries and Joint venture	5195.33	5195.33	-	-	-	5195.33

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Contractual maturities of financial assets

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts 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

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 31st March 2022:

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	134.76	-	59.56	-	75.20	134.76
Current financial assets						
Trade receivables	3309.24	3309.24	-	-	-	3309.24
Other receivables	87.23	87.23	-	-	-	87.23

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 31.03.2023			As at 31.03.2022		
		Carrying amount	Less than 1 year	1-3 years	Carrying 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.

Financing facilities

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured cash credit and other borrowings facility		
Amount used	660.00	1630.00
Amount unused.	4081.00	690.00
	4741.00	**2320.00**
Secured cash credit and other borrowings facility		
Amount used	380.00	-
Amount unused.	690.00	1070.00
	1070.00	**1070.00**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	As at	
	31.03.2023	31.03.2022
Total facilities		
Amount used	1040.00	1630.00
Amount unused.	4771.00	1760.00
	5811.00	**3390.00**

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
	31.03.2023	31.03.2022		
Investments in quoted equity instruments at FVTOCI	88.25	102.55	Level 1	Quoted bid price in an active market **(a)**
Investments in quoted instruments at FVTPL	12.26	11.17	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.

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.

b) These investments in equity are not significant in value and hence additional disclosures are not presented.

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 31.03.2023		As at 31.03.2022	
		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	167.25	158.69	134.76	129.22
Current financial assets					
- Trade receivables	Level 3	3897.19	3897.19	3309.24	3309.24
- Other receivables	Level 3	46.34	46.34	87.23	87.23
Financial liabilities held at amortised cost					
Non-current financial liabilities					
- Lease liabilities	Level 3	0.16	0.16	0.95	0.95
- Other financial liabilities	Level 3	13.17	13.17	17.01	17.01

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	Fair value hierarchy	As at 31.03.2023		As at 31.03.2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Current financial liabilities					
- Borrowings	Level 2	1040.00	1040.00	1630.00	1630.00
- Lease liabilities	Level 3	0.79	0.79	0.79	0.79
- Trade payables	Level 3	2386.65	2386.65	2380.21	2380.21
- Other financial liabilities	Level 3	457.60	457.60	902.49	902.49

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 31.03.2023			As at 31.03.2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non-Current						
Investments	12.44	99.55	-	11.35	113.85	-
Other financial assets	-	-	167.25	-	-	134.76
Current						
Trade receivables	-	-	3897.19	-	-	3309.24
Cash and Cash equivalent	-	-	99.19	-	-	158.43
Bank balances other than above	-	-	25.39	-	-	23.92
Other financial assets	-	-	46.34	-	-	87.23
	12.44	**99.55**	**4235.36**	**11.35**	**113.85**	**3713.58**
Financial Liabilities						
Non-Current						
Lease liabilities	-	-	0.16	-	-	0.95
Other financial liabilities	-	-	13.17	-	-	17.01
Current						
Borrowings			1040.00			1630.00
Lease liabilities	-	-	0.79	-	-	0.79
Trade payables	-	-	2386.65	-	-	2380.21
Other financial liabilities	-	-	457.60	-	-	902.49
	-	**-**	**3898.37**	**-**	**-**	**4931.45**

Non-Current Investment amounting ₹10363.23 million (Previous year: ₹9559.66 million) has been valued at Cost.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

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 (with effect from October 06, 2021)	[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 (with effect from October 06, 2021)	[PLUSSBV]
CUMI AWUKO Abrasives GmbH (with effect from December 09, 2021)	[CAAG]
Rhodius Abrasives GmbH (with effect from January 28, 2022)	[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	
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]
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.	
Mr. N. Ananthaseshan, Managing Director	[AN]
Mr. Sridharan Rangarajan, Director - Finance & Strategy (Effective from July 01, 2021)	[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 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, 2023 (in Indian Rupees million, unless otherwise stated)

A. 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
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	-	-	-	-		-	-	-
CUMI Europe	-	-	-		-	-	-	-		-	-	-
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**
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	-	-	-	-		-	-	-
WME	-		-	-	-	-	-	-		-	-	-
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	-	-	-	-
Total	**-**	-	-	-	-	-	-	**46.50**	-	-	-	-
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**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

B. Transactions during FY 2021-22

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
Subsidiaries												
CAI	620.59	-	-	0.87	-	-	-	-	0.34	-		189.53
Net Access	1.46	-	10.00	-	-	25.62	-	-	5.23	-		
Sterling	264.39	-	18.36	0.74	-	-	-	-	-	-		
Sedco	4.02	-	19.50	-	193.73	-	-	-	-	-		
CAPL	397.44	3.08	56.32	0.13	-	-	-	-	-	-		
CME	55.11	-	-	-	-	-	-	-	-	-		
Foskor	-	-	-	104.77	-	-	-	-	-	-		259.50
CIL	-	-	-	-	-	-	-	-	-	-	5974.75	
CACCL	63.63	-	-	59.66	-	-	-	-	0.50	-		
VAW	42.54	-	-	429.48	-	-	-	-	-	-		
PLUSS	1.06	-	-	-	-	-	-	-	-	-	1149.24	
CAAG	37.77	-	-	-	-	-	-	-	-	-		
RAG	-	-	-	-	-	-	-	-	-	-		4656.30
Total	**1488.01**	**3.08**	**104.18**	**595.65**	**193.73**	**25.62**	**-**	**-**	**6.07**	**-**	**7123.99**	**5105.33**
Joint Ventures												
MMTCL	18.30	-	114.46	15.52	-	-	-	-	5.01	-	-	-
Ciria	44.08	-	25.50	-	-	-	-	-	-	-	-	90.00
Total	**62.38**	**-**	**139.96**	**15.52**	**-**	**-**	**-**	**-**	**5.01**	**-**	**-**	**90.00**
Associate & its subsidiaries												
Wendt	30.67	-	30.00	22.20	-	-	5.52	-	2.64	-	-	-
WGTL	62.54	-		10.82	-	-	-	-	-	-	-	-
Total	**93.21**	**-**	**30.00**	**33.02**	**-**	**-**	**5.52**	**-**	**2.64**	**-**	**-**	**-**
Other related parties												
PEIL	-	-	-	-	-	10.05	-	-	-	-	-	-
CUEPF	-	-		-	-		-	-	-	145.61	-	-
Total	**-**	**-**		**-**	**-**	**10.05**	**-**	**-**	**-**	**145.61**	**-**	**-**
KMP												
AN	-	-	-	-	-	-	-	19.17	-	-	-	-
SR	-	-	-	-	-	-	-	15.55	-	-	-	-
Total	**-**	-	-	-	-	-	-	**34.72**	-	-	-	-
Grand Total	**1643.60**	**3.08**	**274.14**	**644.19**	**193.73**	**35.67**	**5.52**	**34.72**	**13.72**	**145.61**	**7123.99**	**5195.33**

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C. Outstandings

Related Party	As at 31.03.2023				As at 31.03.2022			
	Trade receivable ^	Deposit outstanding	Payables	Letter of comfort/ Guarantee outstanding	Trade receivable	Deposit outstanding	Payables	Letter of comfort/ Guarantee outstanding*
Subsidiaries								
CAI	186.08	-	0.68	205.55*	248.10	-	0.87	189.53*
Net Access	0.16	-	14.81	-	0.06	-	1.73	-
Sterling	58.25	-	-	-	45.13	-	-	-
Sedco	0.24	-	14.40	-	0.28	-	18.29	-
CAPL	38.36	-	-	-	43.44	-	-	-
CME	53.67	-	-	-	33.68	-	-	-
Foskor	-	-	29.39	-	-	-	0.16	259.50*
CACCL	42.21	-	-	-	48.88	-	0.22	-
Pluss	0.08	-	0.01	-	-	-	-	-
VAW	97.38	-	206.21	-	30.59	-	120.74	-
CAAG	-	-	-	-	37.84	-		
RAG	25.37	-	-	-				4656.30 #
Total	**501.80**	-	**265.50**	**205.55**	**488.00**	**-**	**142.01**	**5105.33**
Joint Ventures								-
MMTCL	12.08	-	3.54	-	5.36	-	1.07	-
Ciria	3.64	-		90.00*	11.83	-	-	90.00*
Total	**15.72**	-	**3.54**	**90.00**	**17.19**	-	**1.07**	**90.00**
Associate & its subsidiaries								
Wendt	12.48	1.00	11.00	-	20.13	1.00	3.77	-
WGTL	6.10		2.52	-	4.09		-	-
Total	**18.58**	**1.00**	**13.52**	-	**24.22**	**1.00**	**3.77**	-
Other related parties								
PEIL	-	-	2.33	-	-	-	2.54	-
CUEPF	-	-	13.23	-	-	-	12.43	-
Total	-	-	**15.56**	-	**-**	-	**14.97**	-
KMP@								
AN	-	-	5.52	-	-	-	4.83	-
SR	-	-	6.01	-	-	-	4.05	-
Total	-	-	**11.53**	-	**-**	-	**8.88**	-
Grand Total	**536.10**	**1.00**	**309.65**	**295.55**	**529.41**	**1.00**	**170.70**	**5195.33**

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.

Issued towards purchase price payment obligations of RAG

@Incentive payable to Managing Director and Director - Finance & Strategy is provisional and subject to determination by the Nomination and Remuneration Committee.

^ Net of Provision for doubtful debts is ₹42.21. (Previous Year: ₹ Nil)

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for the year ended March 31, 2023 (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					
	31.03.2023			31.03.2022		
	AN	SR	Total	AN	SR	Total
Short term benefits	18.79	20.78	39.57	16.28	13.37	29.65
Post employment benefits	3.33	3.34	6.67	2.85	2.16	5.01
Other benefits	0.13	0.13	0.26	0.04	0.02	0.06
Total	**22.25**	**24.25**	**46.50**	**19.17**	**15.55**	**34.72**

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 and Grant XII: 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, 2023 (in Indian Rupees million, unless otherwise stated)

II. Options Movement during the year ended 31st Mar 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**	**858.80**	**965.55**	**940.00**
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	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

II. Options Movement during the year ended 31st Mar 2022

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
	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**
1	No. of Options Outstanding at the beginning of the year	709334	301.11	325902	19344	50870	36940	-	71630	111528	93120	-	-
2	Options Granted during the year	792080	655.93	-	-	-	-	-	-	-	-	73880	718200
3	Options cancelled during the year	-	-	-	-	-	-	-	-	-	-	-	-
4	Options Forfeited/ Surrendered during the year	-	-	-	-	-	-	-	-	-	-	-	-
5	Options Lapsed during the year	-	-	-	-	-	-	-	-	-	-	-	-
6	Options Exercised during the year	172624	281.80	126276	-	20348	-	-	11000	-	15000	-	
7	Total number of shares arising as a result of exercise of options	172624	281.80	126276	-	20348	-	-	11000	-	15000	-	-
8	Money realised by exercise of options (₹ in million)	48.65	-	32.52	-	7.47	-	-	3.50	-	5.16	-	-
9	Number of Options outstanding at the end of the year	1328790	515.12	199626	19344	30522	36940	-	60630	111528	78120	73880	718200
10	Number of Options exercisable at the end of the year	425428	299.81	199626	19344	30522	25858	-	16302	111528	22248	-	-

III. Weighted Average remaining contractual life

Range of Exercise Price	As at 31.03.2023		As at 31.03.2022	
	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	150428	2.13	199626	2.93
301 to 400	300538	3.65	337084	4.61
401 to 500	66492	5.97	73880	6.78
501 to 600	-	-	-	-
601 to 700	646100	6.04	718200	7.04
701 to 800	-	0.00	-	-
801 to 900	130800	7.28	-	-
901 to 1000	87200	7.62	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

	Particulars	2022-23	2021-22
IV	Exercise price equals market price Weighted average Fair Value of Options granted during the year (₹)	329.53	225.13
V	The weighted average market price of options exercised during the year (₹)	879.36	818.22

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	
	2022-23	2021-22
1. Risk Free Interest Rate (%)	7.11	5.46
2. Expected Life(in years)	4.05	4.07
3. Expected Volatility (%)	36.81	35.14
4. Dividend Yield (%)	0.28	0.46
5. Exercise Price (₹)	862.22	655.93
6. Price of the underlying share in market at the time of the option grant. (₹)	862.22	655.93

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	2022-23	2021-22
Employee Option plan expense	57.90	50.06

Particulars	For the year	
	2022-23	2021-22
38. a. Value of Imports on CIF basis:		
Raw materials	5129.64	4283.73
Components & Spare parts	185.75	214.33
Stock in trade	505.53	681.38
Capital goods	121.41	67.85
b. Expenditure in foreign currency (on cash basis):		
Professional/Consultancy fees	17.49	17.32
Commission	9.14	6.73
Travel and other matters	33.64	29.39

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year	
	2022-23	2021-22
39. Earnings in foreign exchange on account of:		
Value of exports on FOB basis	6125.95	4921.90
Royalty	5.08	3.08
Dividend	69.27	56.32
Management fees	24.11	22.35
40. Auditors' Remuneration		
Statutory audit	5.20	5.20
Tax Audit	0.90	0.90
Other services	1.65	2.15
Out of pocket expenses	0.25	0.06
	8.00	**8.31**
41. Research and Development expenditure:		
a) Revenue Expenditure (disclosed under the respective heads)		
Direct Material, Supplies and Consumables	77.35	44.41
Employee Benefit Expenses	87.51	91.69
Repair & Maintenance	5.61	8.29
Other Expenses	25.44	28.89
Depreciation	15.55	12.13
Total	**211.46**	**185.41**
b) Capital Expenditure		
Property, plant and equipment		
Buildings	1.10	0.22
Plant and equipment	67.78	13.06
Furniture and fittings & Others	3.39	1.08
	72.27	**14.36**
Intangibles	0.16	0.38
Total	**72.43**	**14.74**
Capital Work-in-Progress (CWIP)	4.25	8.81
Total Capital Expenditure (including CWIP)	**76.68**	**23.55**

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	
		31.03.2023	31.03.2022
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	72.73%	71.99%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

Particulars	Principal place of business and Incorporation	Proportion of ownership interest	
		31.03.2023	31.03.2022
B. Investment in Joint ventures			
Murugappa Morgan Thermal Ceramics Limited	India	49.00%	49.00%
Ciria India Limited	India	30.00%	30.00%
C. Investment in Associate			
Wendt (India) Limited	India	37.50%	37.50%

*Effective ownership after excluding share held by PLUSS trust is 75.41% (Previous year: 75.22%)

43. Donations given to Political parties during the year

Particulars	For the year	
	2022-23	2021-22
Communist Party of India (Marxist)	-	0.30
Kerala Congress	-	0.10
Rathin Ghosh West Bengal Assembly Election 2021 - All India Trinamool Congress	-	0.03
Total	**-**	**0.43**

44. Corporate Social Responsibility: (Refer Corporate Social Responsibility Report)

During the year, the Company incurred an aggregate amount of ₹37.83 million (Previous year: ₹45.86 million) towards corporate social responsibility. In addition an amount of ₹11.58 million has been set off from the brought forward excess CSR spend in earlier years. Thus fulfilling the current year's mandatory obligation of ₹49.41 million (Previous year: ₹43.53 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	
	2022-23	2021-22
A. Expenditure incurred directly by the Company		
Skill Centre Development - Revenue expenditure	11.41	15.08
Sir Ivan Stedeford Hospital	0.05	4.41
Sri Padmavathi Trust	0.23	1.04
Murugappa Youth Football Academy	0.50	-
Local CSR expenses	0.90	-
B. Expenditure incurred through Agencies		
AMM Foundation	17.83	13.63
Shri A.M.M Murugappa Chettiar Research Centre	6.40	-
Hosur Industrial Association	-	1.25
Tamil Nadu State Disaster Management Authority	-	10.00
Sathya Sai Health and Educational Trust	0.52	0.45
Total	**37.83**	**45.86**
Less: Carried forward for adjustment in subsequent years		2.33
Add: Set off of brought forward excess CSR spend in earlier years	11.58	
TOTAL	**49.41**	**43.53**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

45. Events after the reporting period

No significant event is to be reported between the closing date and that of the meeting of Board of directors.

46. 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.

(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 person(s) or entit(ies) 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023 (in Indian Rupees million, unless otherwise stated)

47. Ratios

Particulars	Numerator	Denominator	FY 2022-23	FY 2021-22	Variance in % Favourable/ (Adverse)	Remarks
(a) Current ratio,	Current asset	Current liabilities	2.0	1.6	24%	Due to repayment of current borrowings.
(b) Debt-equity ratio,	Borrowings	Total Equity	0.05	0.09	45%	Due to repayment of 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.	27.9	304.3	(91%)	This is due to the increase in Finance costs consequent to utilisation of borrowings during the current year.
(d) Return on equity ratio	Net profit after tax	Average shareholder equity	17.7%	15.5%	14%	Increase due to higher profits
(e) Inventory turnover ratio	Sales	Average Inventory	6.3	6.3	-	At the same level
(f) Trade receivables turnover ratio	Sales	Average Receivable	6.9	6.8	2%	Effective control of Receivables.
(g) Trade payables turnover ratio	Total purchase and Service received	Average Trade payables	8.4	8.7	(3%)	In line with business growth
(h) Net capital turnover ratio	Net sales	Working capital	5.9	6.9	(14%)	Working capital increase in line with business growth and also due to repayment of current borrowings
(i) Net profit ratio,	Net profit	Net Sales	13.4%	11.6%	15%	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	21.2%	18.2%	17%	Better returns & effective utilisation of capital employed
(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, 2023 (in Indian Rupees million, unless otherwise stated)

48. 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.

49. 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 8, 2023.

In terms of our report attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Subramanian Vivek
Partner
Membership Number: 100332
Chennai
May 08, 2023

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

N Ananthaseshan
Managing Director
DIN: 02402921

Sridharan Rangarajan
Director - Finance & Strategy
DIN: 01814413

P. Padmanabhan
Chief Financial Officer

Rekha Surendhiran
Company Secretary

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

Notes:

Notes:

Concept

Kanchana Srinivasan

Corporate Communications, CUMI

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