16th July 2026

BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street,
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 2026 and the Annual General Meeting updates pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further to our intimation dated 14th May 2026 regarding convening of the 72nd Annual General Meeting ('AGM') of the Company on Friday, 7th August 2026 at 03.00 P.M. IST through Video Conferencing ('VC'), in compliance with the various circulars issued by the Ministry of Corporate Affairs and pursuant to the applicable provisions of the Companies Act, 2013 ('the Act') and 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 2026 and the Notice convening the 72nd 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. Further, in line with Regulation 36 of Listing Regulations, the letter providing the weblink for accessing the Annual Report and the AGM notice has also been dispatched to those Members who have not registered their email addresses. The documents have also been uploaded on the website of the Company at www.cumi-murugappa.com and that of the National Securities Depository Limited (NSDL), the e-voting service provider at https://www.evoting.nsdl.com/eVotingWeb/SearchDownloadsAction.do and this submission will enable the AGM related documents to be available on the website of the stock exchanges for access by any Member.

Members of the Company, who have not registered their e-mail addresses with the Company or M/s. KFin Technologies Limited ('KFIN'), have 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 vide a publication dated 9th July 2026 as well as by a communication uploaded on the website of the Company. Detailed instructions for voting electronically and attending the meeting through VC is available in the Notice convening the AGM.

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

Members (individuals holding shares in demat mode) can avail remote e-voting facility, by using a single login credential in websites of Depositories/Depository Participants ('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 Monday, 3rd August 2026 (09.00 a.m. IST) and ends on Thursday, 6th August 2026 (05.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Friday, 31st July 2026 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 31st July 2026 (cut-off date).

Members are being provided with a facility to attend the AGM through a video conferencing platform provided by NSDL.

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

Kindly take note of the same.

Thanking you.

Yours faithfully,
For Carborundum Universal Limited

Rekha Surendhiran

Digitally signed by Rekha Surendhiran
DN: c=IN, o=Personal, title=2919, pseudonym=0f9412f840474b8a91e5bcc5ff3be4bc, 2.5.4.20=fd1a23ee82f6097c2c6bdcb73a57518e3cac48327a58d8bea18d7f12b56cf2ac, postalCode=600122, st=Tamil Nadu, serialNumber=09b2551546796137c8aa47ee2a2f90f56c6a9107df203c46c5900ff3c9a322c8, cn=Rekha Surendhiran
Date: 2026.07.16 20:57:55 +05'30'

Rekha Surendhiran
Company Secretary

Encl: a/a

CARBORUNDUM UNIVERSAL LIMITED

CIN: L29224TN1954PLC000318

Registered Office: Dare House, No.234,

N.S.C. Bose Road, Parrys, Chennai - 600001

Tel: +91-44-30006161; e-mail: investorservices@cumi.murugappa.com;

Website: www.cumi-murugappa.com

NOTICE TO MEMBERS

NOTICE is hereby given that the Seventy Second Annual General Meeting ('AGM') of the Members of the Company will be held at 03.00 p.m. Indian Standard Time on Friday, 7th August 2026 through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following businesses:

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 2026 and the Reports of the Board and Independent Auditors thereon be and are hereby considered, approved and adopted.

Item No. 2 - Adoption of Consolidated Financial Statements

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

RESOLVED THAT the Audited Consolidated Financial Statements for the year ended 31st March 2026 and the Report of the Independent Auditors thereon be and are hereby considered, approved and adopted.

Item No. 3 - Declaration of Dividend

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

RESOLVED THAT a final dividend of ₹2.50/- per equity share of ₹1/- each, as recommended by the Board of Directors, be declared for the financial year ended 31st March 2026 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 31st July 2026 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 as on 31st July 2026.

RESOLVED FURTHER THAT the interim dividend of ₹1.50/- per equity share of Re.1/- each declared by the Board of Directors and paid for the financial year ended 31st March 2026 be and is hereby confirmed.

Item No. 4 - Re-appointment of Mr. Muthiah Murugappan (DIN: 07858587) as a Director

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

RESOLVED THAT Mr. Muthiah Murugappan holding DIN: 07858587, 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 - 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 2026-27 including by way of commission for the financial year ended 31st March 2026 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 2026-27.

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 - 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 2026-27, 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
May 14, 2026

Rekha Surendhiran
Company Secretary

Notes:

1. The Ministry of Corporate Affairs ('MCA') vide its General Circular No. 03/2025 dated 22nd September 2025 and in furtherance to its earlier circulars issued in this regard has permitted companies to hold their AGMs through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') not requiring the physical presence of the Members. Hence, the 72nd 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 are requested to attend and participate at the ensuing e-AGM through VC/OAVM facility being provided by the Company through National Securities Depository Limited ("NSDL"). Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum for the meeting under Section 103 of the Act.
2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC/OAVM, physical attendance of Members is dispensed with. Accordingly, the facility for the appointment of proxies by the Members will not be available for this 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 Act in respect of business item no. 4 which is an Ordinary business and business item nos. 5 and 6 which are Special businesses to be transacted at the AGM are annexed hereto for the information of Members.
4. The Record date for the purpose of payment of final dividend for the financial year ended 31st March 2026 shall be Friday, 31st July 2026. Subject to the provisions of the Act, the dividend as recommended by the Board, if declared at the meeting will be paid by Tuesday, 18th August 2026.
5. Dividends remaining unclaimed/unpaid for a period of seven (7) consecutive years are required to be transferred to the Investor Education Protection Fund ('IEPF') Authority. The Company has transferred unclaimed/unencashed dividends upto the interim dividend for FY 2018-19 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 2025 on the website https://www.cumi-murugappa.com/part-2-unclaimed-dividend/ and also on the website of MCA 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 final dividend declared for the financial year 2018-19 and subsequent dividends thereon may write to the investor relations team 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 2026, the Company has transferred 9,62,180 shares to the IEPF Authority. Further, the Company has uploaded the details of the above on its website for the information of Members.

   Members are entitled to claim the shares from the IEPF Authority by making an application online along with the requisite documents in Form IEPF-5 available on the website https://www.mca.gov.in. Members 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 are taxed in the hands of the recipient of dividend i.e. Members. All dividends paid/to be paid by the Company are subject to deducting tax at the applicable rate prescribed under the Income Tax Act, 2025. 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, 2025. In view of this requirement, 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 121 (erstwhile form 15G/15H) as applicable to the Company on a yearly basis at https://ris.kfintech.com/clientservices/investors/taxformsupload.aspx. The detailed information with respect to tax deduction at source on dividend payments including the formats of Form 121 for seeking exemption is available at https://ris.kfintech.com/clientservices/investors/Templates/TDS_Form-121.pdf and https://www.cumi-murugappa.com/tds-on-dividend/. Members may contact the Company Secretary or any executive in the investor relations team in case of any clarification in this regard.
6. The Securities and Exchange Board of India (SEBI) vide its master circular No. HO/38/13/(4)2026-MIRSDPOD/I/4298/2026 dated February 06, 2026 ('Master Circular') has made it mandatory for holders of physical securities to furnish their PAN, e-mail 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, the forms introduced with respect to investor servicing 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. Members, who hold shares in physical form and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Contact Details (iii) Mobile Number (iv) Bank Account Details and (v) Signature] shall be eligible to get dividend only in electronic mode after updating the KYC. Accordingly, final dividend for the FY 2025-26, subject to approval by the Members in the AGM, shall be paid to physical holders only after the above details have been updated in their respective folios. Members are requested to update their KYC details to enable payment of dividends electronically as per the process detailed below:

Mode of holding	Process for updating KYC details
Physical	Members can send a request by way of 'In Person Verification' (IPV) or by post to the RTA's office or in electronic mode with e-sign to einward.ris@kfintech.com or investorservices@cumi.murugappa.com by providing the following: • Forms ISR-1, ISR-2 and SH-13 / ISR-3 mentioning the Folio No., and name of the Member; • Self-attested copy of PAN; • Self-attested copy of any address proof including Aadhar, Passport etc.; • Copy of share certificate(front and back); • 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.

9. Members are requested to note that in terms of the Listing Regulations, 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.

   In line with regulatory facilitation measures, SEBI has permitted a special window for a period of one year from 5th February 2026 to 4th February 2027 for re-lodgement of transfer requests and dematerialisation of physical securities, in respect of cases where such requests were lodged prior to 1st April 2019 but were returned due to deficiencies. Eligible Members are encouraged to avail this opportunity within the stipulated timeline to regularise their holdings.

   SEBI vide its Master circular has mandated the issuance of securities only in dematerialised form by listed entities. As an ongoing measure to enhance ease of dealing in securities markets by investors while processing the service requests such as issue of duplicate securities certificate, claims from Unclaimed Suspense Account, renewal/exchange of securities certificates, endorsement sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission, transposition etc., the listed entities have been directed to adhere to processes and practices to convert the physical mode of holding securities into electronic mode. Securities holder/ claimants are also required to submit duly filled up Form ISR-4 while making the service requests, which is available at https://www.cumi-murugappa.com/part-5-formats/.

10. **Intimation of details of Agreement(s), if any under the Listing Regulations**

    Members are informed that in terms of the provisions of the Listing Regulations, the Company is required to intimate the Stock Exchanges the details of the agreements entered into by the shareholders, promoter(s), members of the promoter(s) group, related parties, directors, key managerial personnel, employees of the company or of its holding, subsidiary or associate company, among themselves or with the company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the company or impose any restriction or create any liability upon the company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the company is a party to such agreements.

    Accordingly, Members are hereby advised to inform the Company about any such agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements. The Company will inform the details of such agreements to the Stock Exchanges upon it becoming aware of the same within the prescribed timelines.

    [Explanation: For the purpose of this requirement, the term 'directly or indirectly' includes agreements creating an obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.]

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 and SEBI, companies can now send Annual Reports in electronic 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. Further, a letter providing a weblink for accessing the Notice of the AGM and Annual Report for the financial year 2025-26 will be sent to those Members who have not registered their e-mail address.

    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 (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively as well as on the website of NSDL at https://www.evoting.nsdl.com/.

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

Mode of holding	Process to be followed for registration of e-mail address
Physical	Members are requested to send the following documents to the Company's RTA by way of 'In Person Verification' (IPV) or by post to the RTA's office or in electronic mode with e-sign to einward.ris@kfintech.com or investorservices@cumi.murugappa.com: • Form ISR-1 duly filled up for updation of KYC details including e-mail address; • Self-attested copy of PAN; • Self-attested copy of any address proof including Aadhar, Passport etc.;
Demat	Members may contact their DPs and register or update their respective e-mail addresses in the demat account, as per the process recommended by the DP.

    Members can send the abovementioned documents addressed to Mr. S R Ramesh, Deputy Vice President, M/s. KFin Technologies Limited at Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032.

    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 Listing Regulations and Secretarial Standards on General Meetings in respect of the Director seeking re-appointment at the AGM is furnished and forms part of this Notice. The Director seeking re-appointment has furnished the requisite consent/declaration in this regard.

13. The business set out in this Notice would be transacted through electronic voting. Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and amendments thereof, an e-voting facility will be made available to Members to cast their votes electronically on all resolutions set forth in the Notice convening the 72nd AGM.

14. The Company has engaged the services of NSDL to provide remote e-voting facility and voting facility during the AGM to enable Members to exercise their votes in a secured manner. The instructions for remote e-voting as well as voting at the AGM is provided in this Notice. The Board of Directors have appointed Mr. R. Sridharan of M/s. R. Sridharan and Associates, Company Secretaries or failing him Ms. Srinidhi Sridharan of M/s. Srinidhi Sridharan and Associates, Company Secretaries as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Company has obtained the written consent from the Scrutiniser to act as such and confirmation that he/she is eligible for appointment. 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 (09:30 a.m. to 05:30 p.m.) on all working days up to the date of the AGM. The Register of Directors and Key Managerial Personnel & their shareholding and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Act will be available for inspection by the Members electronically during the meeting. Members seeking to inspect such documents can send an e-mail to investorservices@cumi.murugappa.com.

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

17. Instructions for Members for remote e-voting and participating in the AGM:

17.1. E-voting using NSDL e-voting system

The manner to cast the vote electronically on NSDL e-voting system comprises of "Two Steps" as mentioned below which need to be followed:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual Members holding securities in demat mode

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

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN, Verification code and generate OTP. Enter the OTP received on registered e-mail ID/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select"Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 5. Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of Members	Login Method
Individual Members holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing myeasi username & password. 2. After successful login, the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

***Important note**: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available in the above mentioned website.*

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

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

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

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

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

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

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

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

(iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 140275 then user ID is 129216001***

(v). Password details for Members other than Individual Members are given below:

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

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

c) How to retrieve your 'initial password'?

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

(ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those Members whose e-mail ids are not registered.

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

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

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

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

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

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

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

(ix) After you click on the "Login" button, Home page of e-voting will open.

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

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

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

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

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

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

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

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

General Guidelines for Members

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

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

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

Process for those Members whose e-mail ids are not registered with the Depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

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

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

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

d) In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

17.2. The instructions for Members for e-voting on the day of the AGM

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

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

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

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

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

e) **AGM queries to be sent in prior to the AGM** - As the AGM is being conducted through VC/OAVM, Members who would like to express their views/have questions pertaining to operations of the Company may send their questions in advance mentioning their name, demat account number/folio number, e-mail id, mobile number to investorservices@cumi.murugappa.com. Questions/ queries received by the Company till 05:00 p.m. (IST) on Tuesday, 4th August 2026 shall only be considered and responded during the AGM.

f) **Registration as a Speaker at the AGM** - Members who would like to express their views or ask questions pertaining to operations of the Company during the AGM may register themselves as a Speaker by sending an e-mail to investorservices@cumi.murugappa.com any time before 05:00 p.m. (IST) on Tuesday, 4th August 2026, mentioning their name, demat account number/folio number, e-mail ID and mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM. Please note that Members are entitled to attend the AGM and ask questions only if the Member continues to hold the shares as of the cut-off date. A person who is not a member as of the cut-off date should treat this Notice for information purposes only.

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

18. The remote e-voting period commences on Monday, 3rd August 2026 (09:00 a.m.) and ends on Thursday, 6th August 2026 (05:00 p.m.). The voting rights of Members shall be in proportion to their shareholding as on the cut-off date Friday, 31st July 2026. The Scrutiniser shall immediately after the conclusion of voting at the AGM first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the digital presence of at least two (2) witnesses not in the employment of the

Company and make a consolidated Scrutiniser's Report of the votes cast to the Chairman of the Company. For the purpose of ensuring that Members who have cast their votes through remote e-voting do not vote again at the Meeting, the Scrutiniser will have access, after closure of the period for remote e-voting for details relating to Members as the Scrutiniser may require except the manner in which the Members have cast their votes.

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

20. Resolutions passed through e-voting would be deemed to have been passed as on the date of the AGM i.e., Friday, 7th August 2026.

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

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

By Order of the Board

Chennai
May 14, 2026

Rekha Surendhiran
Company Secretary

ANNEXURE TO THE NOTICE

Statement pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013 ('Act'), the following statement sets out all material facts relating to the businesses mentioned under item nos. 4 to 6 of the accompanying Notice:

Item No. 4

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

Mr. Muthu 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 in respect of his proposed re-appointment.

Mr. Muthu Murugappan aged 42 years, is currently the Whole Time Director and Chief Executive Officer of E.I.D Parry (India) Limited (EID). He is a fifth generation member of the Murugappa family. Mr. Muthu Murugappan has completed his Master's in Business Administration from London Business school and holds a Bachelor's degree in Management Sciences from the University of Warwick. Mr. Muthu Murugappan started his career in August 2004 and has worked with Indian FMCG major - CavinKare Pvt. Ltd. in sales, brand management, product management for international business as well as in the Industrial Ceramics business of the Company including handling its trading operations in North America. Since September 2015 he is associated with EID, one of the flagship Companies of the Murugappa Group, initially as the Head of its Nutraceuticals business and then took additional charge as the Head of Strategy. Mr. Muthu Murugappan was appointed as CEO of EID in May 2022. He is currently on the Board of various companies including Mahindra & Mahindra Limited.

Mr. Muthu Murugappan is paid sitting fees and commission as a Non- Executive Director. During the FY 2025-26, he was paid ₹4,90,000 (Rupees Four Lakhs Ninety Thousand only) as sitting fees and ₹9,98,630 (Rupees Nine Lakhs Ninety Eight Thousand Six Hundred and Thirty only) as commission (for FY 2024-25). For the FY 2025-26, he is entitled to a commission of ₹15,00,000 (Rupees Fifteen Lakhs only). The details of his remuneration are available in the Corporate Governance section of the Annual Report.

Mr. Muthu Murugappan was appointed as a Non-Executive Director of the Company at the AGM held on 30th July 2024 considering his varied industry and management expertise.

The Board considers that the continued association of Mr. Muthu Murugappan would be of immense benefit to the Company and hence it is desirable to continue to avail his services as a Director. Accordingly, the Board recommends his re-appointment as a Director for approval by the Members of the Company.

Memorandum of Interest

Except Mr. Muthu Murugappan, being the appointee and Mr. M M Murugappan, Chairman of the Company and Father of Mr. Muthu 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 Ordinary Resolution.

Item No. 5

Members at the 69th Annual General Meeting held on 2nd August 2023 had approved the payment of remuneration to Non-Executive Directors of the Company not exceeding one per cent (1%) of the net profits of the Company subject to a cap of ₹3.5 crores per annum.

In line with the Remuneration Policy of the Company, the compensation to the Non-Executive Directors takes the form of commission on profit. Though Members have approved the payment of commission up to one per cent of net profits of the Company for each year subject to the overall cap of ₹3.5 crores, the actual commission paid to every Director is restricted to a fixed sum within the above limit. This sum is reviewed periodically, taking into consideration various factors such as the 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 for the Company's affairs, he is paid a differential commission.

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

Mr. Murugappan in his role as the Chairman of the Company continues to play a significant role in strategic alliances for the Company. Under his leadership and guidance, the Management has set an aspirational long term strategy comprising focused programmes/projects for driving a transformational growth across the Company and its subsidiaries/associates in the years to come. He is deeply involved in major expansion projects of the Company including capacity enhancement/ consolidation of operations aligned with future market needs and in identifying and engaging with suitable global and domestic technology partners to strengthen the Company's technological capabilities and competitiveness.

The strategic programmes aim to propel the Company to a high performing organisation with an ambitious growth in current business, reinventing material science and innovation, foraying into new growth frontiers and leveraging synergies by cross organisation initiatives to build competitiveness. The involvement of the Chairman in the programmes and initiatives is vital for the Company. Considering the above, Mr. Murugappan is entitled for a differential commission.

Pursuant to Regulation 17(6)(ca) of Listing Regulations, approval of Members 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 2025-26 with the approval of the Members vide special resolution passed at the 71st AGM held on 7th August 2025, Mr. M M Murugappan was paid a commission of ₹1,00,00,000 (Rupees One Crore) (commission for the FY 2024-25) and a sitting fee of ₹6,00,000 (Rupees Six Lakhs). Since the total remuneration payable to Mr. M M Murugappan during the FY 2026-27 including the commission payable for the FY 2025-26 is likely to exceed fifty per cent (50%) of the total remuneration payable to all Non-Executive Directors, approval of the Members is sought vide a Special Resolution.

The Board is of the opinion that for the services being rendered by Mr. M M Murugappan as the Chairman, the remuneration being paid to him is reasonable and commensurate with the efforts taken and time spent by him, on the matters concerning the Company. The Company which is on a transformational growth path will immensely benefit from his services and hence, basis the recommendation of the Nomination and Remuneration Committee, the Board recommends the remuneration payable to Mr. M M Murugappan during the FY 2026-27 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 and Mr. Muthiah Murugappan, son of 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.6

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 14th May 2026 based on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. S Mahadevan & Co. (Firm registration no.000007), 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 2026-27 at 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, the size of teams and considering efficiencies arising from advancement in software and ERP system.

As per Section 148 of the Act, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Hence, the Ordinary Resolution as item no.6 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
May 14, 2026

Rekha Surendhiran
Company Secretary

Annexure to the AGM Notice

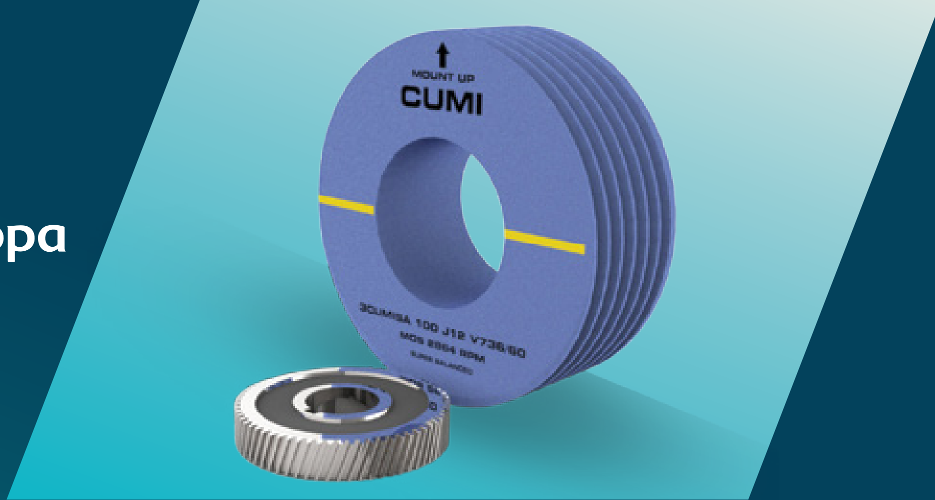
Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings (Item 4)

Name of Director	Mr. Muthiah Murugappan Muthiah (Mr. Muthu Murugappan)
DIN	07858587
Date of Birth & Age	17.09.1983 (42 years)
Date of Appointment (Initial)	01.08.2024
Qualification	Master of Business Administration from London Business School and Bachelor of Science - Management Sciences from Warwick Business School.
Expertise in specific functional areas	Mr. Muthu Murugappan has over 15 years' experience across a wide spectrum of areas such as Brand Management, General Management, Financial Planning & Analysis, Strategy, Sales and Marketing
Directorships in other companies (including foreign companies)	• E.I.D Parry (India) Limited • Mahindra and Mahindra Limited • US Nutraceuticals Inc. • Phase Lifestyle Private Limited • Parry Infrastructure Company Private Limited
Memberships in Board Committees of other Companies (includes membership details of all Committees excluding the Company)	1. E.I.D. Parry (India) Limited a. Stakeholders Relationship Committee - Member b. Risk Management Committee - Member c. Corporate Social Responsibility Committee - Member d. Loans and Investments Committee - Member 2. Mahindra and Mahindra Limited a. Audit Committee - Member b. Stakeholders Relationship Committee - Chairman c. Nomination and Remuneration Committee - Member d. Corporate Social Responsibility Committee - Chairman
No. of shares held in the Company	Nil
Inter-se relationship with any other Directors or KMP of the Company	Mr. M M Murugappan, Non-Executive Non-Independent Chairman is related to Mr. Muthu Murugappan (Father - Son relationship)

For further details, please refer the Corporate Governance Report section of the Annual Report.

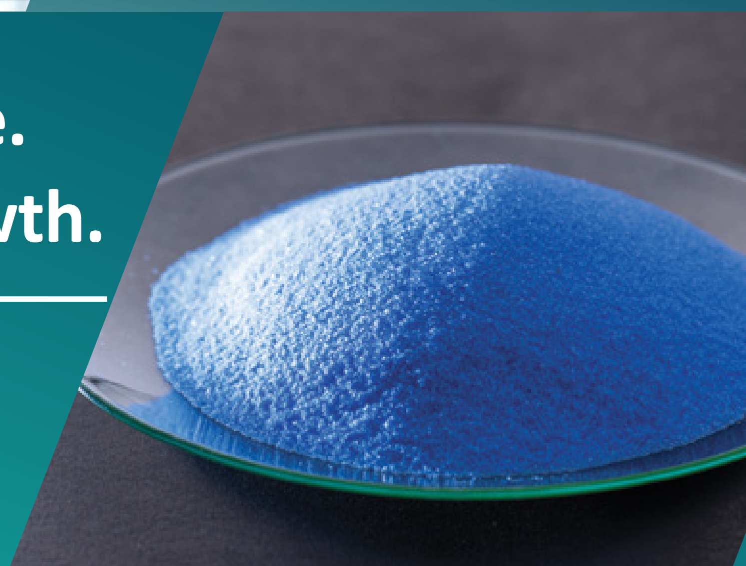
In order to enable ease of participation of the Members, key details regarding the 72nd AGM is provided for reference:

Sl.	Particulars	Details
1.	Date and Time of AGM	Friday, 7th August 2026 at 03:00 p.m. IST
2.	Link for participation through Video Conferencing (VC)	Please refer the instructions in Note 17 of this Notice
3.	Remote e-voting	Please refer instructions in Note 17.1 of this Notice
4.	Cut-off date for e-voting	Friday, 31st July 2026
5.	E-voting period	Commences at 09:00 a.m. IST on Monday, 3rd August 2026 and ends at 05:00 p.m. IST on Thursday, 6th August 2026
6.	Registrar and Share Transfer Agent contact details	Mr. S R Ramesh, Deputy Vice President, M/s. KFin Technologies Limited E-mail: einward.ris@kfintech.com Contact No: 040-67162222; Toll Free No.: 1800-21-09911
7.	Help line number for e-voting	**Login type** — **Help desk details** Securities held with NSDL — Please contact NSDL help desk by sending a request at evoting@nsdl.com or contact at 022-4886 7000 Securities held with CDSL — Please contact CDSL help desk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-21-09911
8	Help line number for VC participation	Contact: Ms. Pallavi Mhatre, Senior Manager, NSDL at 022 - 48867000 or write them at evoting@nsdl.com
9.	Contact details of the Company	E-mail: investorservices@cumi.murugappa.com Contact: 044-30006166



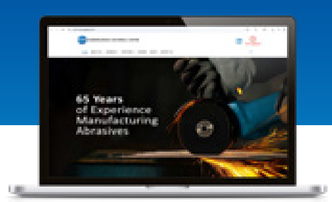
Strengthening our Core.
Steering Strategic Growth.

Enhancing Capabilities.
Fuelling Momentum.



Carborundum Universal Limited
Annual Report 2025-26

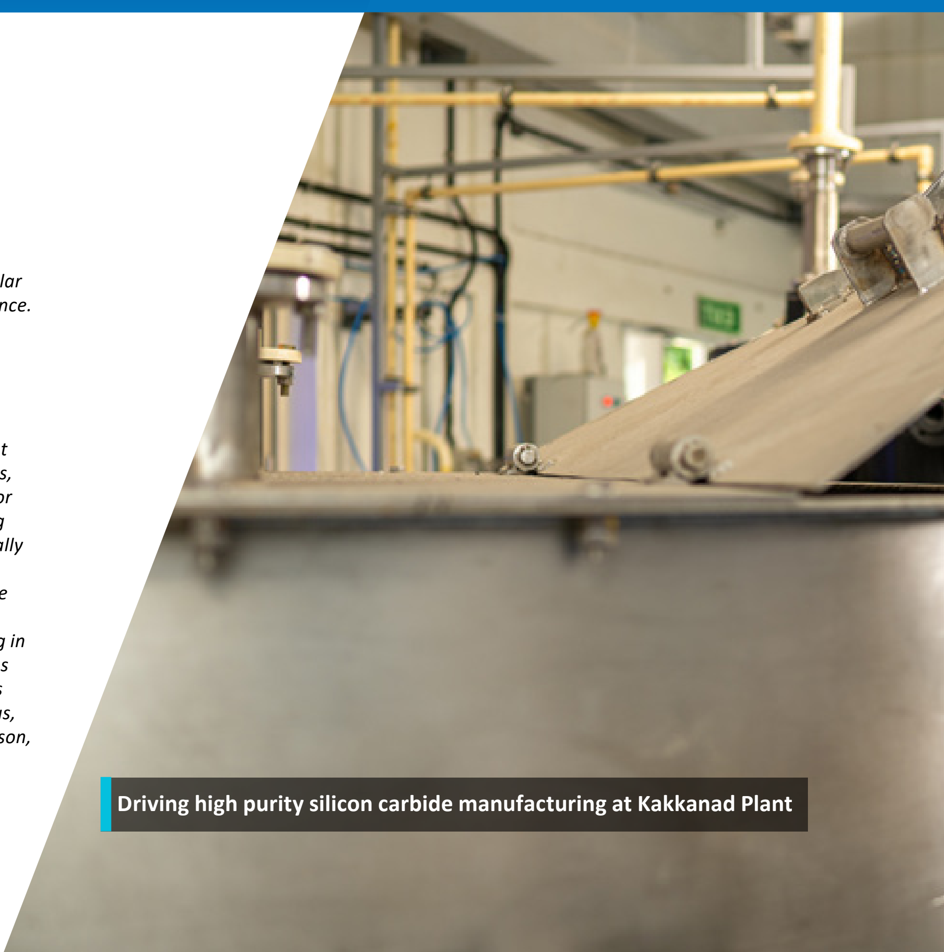
Contents



To access detailed investor information, please visit our website: ***www.cumi-murugappa.com***

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This Report and other statements - written and oral - that we periodically make may contain 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make forward looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', and we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Photographs appearing in this Annual Report are used with appropriate rights, permissions or licences, as applicable, and are for representational purposes only. No inference should be drawn regarding the identity, status, relationship, endorsement, affiliation or involvement of any person, property, project or activity depicted unless expressly stated.



Driving high purity silicon carbide manufacturing at Kakkanad Plant

The industrial ecosystem is changing fast. Clean energy is gaining ground, digital tools are becoming part of everyday work, and advanced materials are being used in products that demand high precision. Customers today are looking beyond standard products for specialised, high-performance solutions, especially in areas like electric mobility, electronics and precision manufacturing.

For Carborundum Universal Limited (CUMI), this change brings new opportunities. We are reshaping our product portfolio to meet emerging needs, strengthening our role across the value chain, and focusing on technology-driven, value-added solutions. Our direction is clear, our execution is focused, and our efforts are steadily translating into results.

Enhancing Capabilities. Fuelling Momentum.

We are building a future-ready organisation by strengthening our capabilities. This includes nurturing an excellence-driven culture and investing in innovation-led product development. By combining scientific know-how with improved operations and digital systems, we are steadily enhancing our technology strengths.

Our presence across the value chain, from raw materials to specialised solutions, helps us create meaningful value for customers across industries.

These efforts are fuelling our momentum. They support our expansion into new and high-potential areas. We remain disciplined in execution and capital allocation, ensuring that our operations in India and across the globe work together with clarity and purpose.

All our actions are guided by Aspiration 2030, which provides a clear roadmap for sustainable and responsible growth. Through this approach, CUMI is preparing not just for the future of materials science—but helping shape it.

Employee Testimonials

Innovation begins with our people, driving progress through ingenuity and collaboration

Force Behind the Momentum

Achieving every milestone through the dedication, expertise and collaborative spirit of our people

"At CUMI, I have had the opportunity to build something meaningful from the ground up. Expanding our presence in the wind energy segment and converting market insights into long-term business opportunities have been deeply fulfilling. What makes this journey special is the trust, collaboration and encouragement to take ownership while contributing to solutions that create value for both customers and the organisation."

Harish Kumar B

Manager

Marketing – Super Refractories (Prodorite Composites)

"Joining CUMI as a GET in 2023 has been a transformative experience for me. Working on innovation projects alongside experienced teams has strengthened my confidence and broadened my learning every day. What motivates me most is seeing our ideas translate into real customer value while being part of a culture that encourages collaboration, continuous learning and meaningful contribution."

Selva Keerthana L

Executive

Manufacturing – Super Refractories

"I am proud to have contributed to process improvement initiatives that enhanced operational efficiency and delivered significant business impact. By simplifying workflows and reducing manual effort, we improved speed, minimised errors, and made day-to-day operations more effective. What I value most at CUMI is the Murugappa 5 Lights culture, which encourages ownership, continuous learning, and doing the right thing. Seeing how small improvements create meaningful outcomes motivates me every day."

Gnanaprakasam A

Executive

Manufacturing – Industrial Ceramics

"CUMI's Aspiration, growth strategy and supporting Electrominerals' transformation into a global speciality materials player has been deeply rewarding. Working across teams on digital transformation, data-driven business models, and the expansion of zirconia and other advanced materials has broadened my perspective significantly. The culture of ownership and trust has enabled me to grow beyond my finance background into strategy, digital, and commercial roles. Knowing that my work contributes to long-term growth and value creation makes every contribution meaningful and impactful."

Adithyanath P

Senior Manager

Strategy Planning – Electrominerals

"Contributing to the establishment of the New Resin Manufacturing Unit at MM Nagar, which continues to be a showcase chemical synthesis facility, has been one of the most fulfilling milestones of my career. Over the years, I have driven innovations in resin development, textile coating and sustainable sizing technologies while continuously exploring new materials and coating methods. What makes CUMI unique is its Five Lights culture, which encourages creative freedom, ownership and innovation at every level. Delivering high-performance solutions that create value for customers while improving operational excellence keeps me motivated to learn, innovate and contribute every day."

Parthasarathy M

Senior Manager

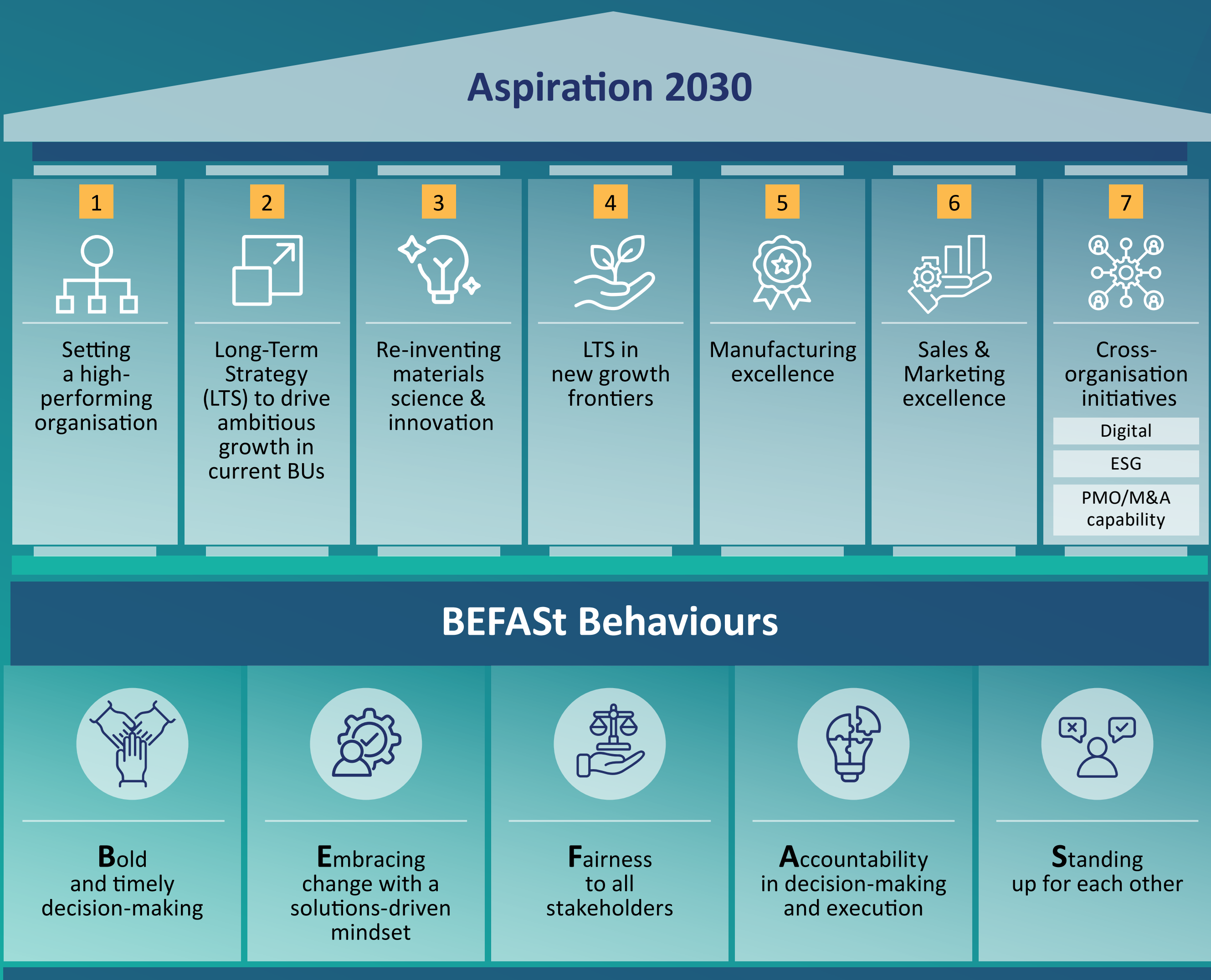
Production – Abrasives

Aspiration 2030

Building a Future-ready CUMI

Last year, we articulated our Aspiration 2030 - to become a global player in materials science, an innovation leader, a digital-first organisation, and one of the best places to work.

To translate this aspiration into measurable outcomes, we have seven building blocks, which are, setting a high-performance organisation, well-defined strategies across business units and new frontiers to drive ambitious growth, re-inventing materials science and innovation, achieving manufacturing and sales excellence, and finally cross-organisational initiatives such as ESG and digital initiatives. This structured approach, backed by our BEFASt behaviours, is enabling us to translate our strategic intent into consistent and measurable progress.



One year into our Aspiration 2030, we have made significant headway

Abrasives
Focusing on growth to strengthen our leadership position in the Indian Abrasives market capitalising strong economic momentum

Electrominerals
Pursuing the transition from commodity minerals to a specialty materials player

Industrial Ceramics
Driving investments and strengthening capabilities to accelerate growth in Advanced Ceramics for future industries

Refractories
Building scale in the Refractories business across domestic and export markets

Together, these strategies provide the roadmap for strengthening leadership in existing markets while building positions in higher-growth and higher-value opportunities.

Progress across Aspiration 2030

During FY2025-26, we achieved several important milestones in our Aspiration 2030 journey.

- Commissioned a facility to manufacture ceramic components used in semiconductor wafer fabrication equipment
- Commissioned an oSa-certified Thin Wheels facility that doubles capacity to 90 million pieces per annum
- Initiated the expansion of fused minerals capacity
- Commenced the addition of heat treatment facilities to increase production of value-added treated grains
- Established a pilot-scale facility to manufacture ceramic powders for SOFC/SOEC applications in collaboration with CSIR-CGCRI as the technology partner
- Onboarded a technology partner to support entry into Nitrides
- Commissioned a facility to manufacture ceramics for Aerospace & Defence applications and secured STANAG Level 4 and BIS Threat Levels 5 and 6 certifications for body and vehicle armour protection
- Product qualification program underway for Active Metal Brazed and Direct Bonded Copper substrates, and brazed assemblies for power electronics

- Strengthened Sales & Marketing capabilities through Salesforce implementation.
- Launched a Sales Excellence Academy to build capabilities in Key Account Management, Customer Service Excellence and data-driven opportunity management
- Established a Manufacturing Academy aimed at building operational and leadership excellence Advanced manufacturing excellence under the IMEx framework with benefits in cost, quality and delivery
- Strengthened innovation through stage-gate based NPD, technology partnerships, and investment in R&D infrastructure
- Significant progress towards ESG goals and zero harm culture
- Built a high-performing organisation through people strategy, focusing on factory excellence, talent acquisition and development, rewarding careers, and employee experience

New facility at IC Hosur for manufacturing ceramics components used in semiconductor equipment

Our Philosophy

Our progress is guided by a clear sense of purpose and a commitment to doing what is right. We focus on creating long-term value through innovation, disciplined execution, and a strong emphasis on excellence. We follow responsible practices, respect all stakeholders, and promote a culture of continuous improvement.

Our Guiding Light, Shaping the Journey.

Building a scrubber layer by layer, with every stage executed to the highest level of precision

Our Purpose

Making a material difference

Our Vision

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

Our Mission

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

The Spirit of the Murugappa Group

Corporate Overview

Engineering Materials for the Future

At CUMI, we combine strong scientific expertise with decades of industrial experience to shape the future of materials engineering. Established in 1954 as a pioneering joint venture and part of the 125-year legacy of the Murugappa Group, we have grown into a globally integrated company with a strong and lasting presence.

With manufacturing facilities across seven countries and customers in more than 60 countries, our operations are built around three core businesses: Abrasives, Ceramics and Electrominerals. Together, they support critical industries worldwide.

Our capabilities cover the complete value chain, from raw materials sourcing and integrated manufacturing to marketing and distribution, helping us deliver high-performance and customised solutions with speed and scale.

As we continue to build for the future, we believe long-term progress comes from balancing growth with care for people and the planet. Sustainability is embedded in how we operate through responsible manufacturing and efficient use of resources. Having made meaningful progress against our 2025 sustainability targets, we have established a new baseline as we advance towards our Aspiration 2030 goals with greater ambition and accountability.

At a Glance

70+
Years of global experience

60+
Countries where our products are sold

4,000+
Employees in India

Advancing material solutions through the White Fused Alumina plant at Edappally, Kerala

Leading the way

Largest
Producer of Fused Alumina in India

Leading
Market player in Abrasives

Among the Largest
Global producers of Silicon Carbide grains

Second-largest
Global producer of Metallised Cylinders

Leader
In thermal and corrosion protection for critical applications

Powered by Our People

- Our global workforce of over 10,000, including contractors, drives scale, strengthens competitiveness, and co-creates tailored solutions across industries such as engineering, auto components, infrastructure, steel, and aerospace and defence
- We foster alignment, recognition, and open communication to enable our people to grow, collaborate, and deliver on our shared vision for a stronger and more sustainable future

Quality in Everything We Do

- Our operations follow global benchmarks in quality, safety, and sustainability, with certifications, including ISO 9001, ISO 14001:2015, and ISO 45001:2018
- We also comply with specialised standards such as SA8000:2016, EN12413, IATF 16949, AS9100, EN9100, ISO 50001 (Abrasives), and ISO 3834-2 (IC), with TPM-certified plants supporting our focus on operational excellence

Every high-performing flap disc is crafted with precision and expertise by the dedicated team at our Sriperumbudur Plant

BEFASt at CUMI

Building a Culture of High Performance

At CUMI, building a high-performing organisation goes beyond systems and processes. It is also shaped by how decisions are taken, how teams work together, and how accountability is demonstrated every day.

We introduced BEFASt to define and strengthen these leadership behaviours in a manner that is simple, relevant, and closely aligned with CUMI's operating environment.

LEADERSHIP BEHAVIOURS

BEFASt

- **B**old and timely decision-making
- **E**mbracing change with a solutions-driven mindset
- **F**airness to all stakeholders
- **A**ccountability in decision-making and execution
- **St**anding up for each other

The BEFASt Adoption Journey

CUMI's BEFASt journey has been thoughtfully structured across three phases:

Awareness

Building a Common Language

Created a shared understanding of BEFASt through clear behavioural expectations, contextual communication, multilingual outreach and everyday visual reminders, helping employees connect the framework with daily decisions and interactions.

Reinforce

From Knowing to Doing

Strengthened adoption through focus group discussions, co-created behavioural codes, experiential workshops and structured e-learning programmes that translated awareness into consistent workplace practices.

Embed

Making BEFASt the Way We Work

Integrated BEFASt into key people and business processes, reinforcing fairness, accountability, collaboration and solution-oriented behaviours as part of everyday work culture.

BEFASt Journey at CUMI

- **April 2025**: Introduced BEFASt under Aspiration 2030
- **September 2025**: Unified visual identity launched
- **October 2025**: Employee focus group discussions conducted
- **November 2025**: BEFASt Code co-created
- **January 2026**: Experiential workshops conducted for employees
- **February 2026**: E-learning module launched
- **April 2026**: Integrated into key processes

“

BEFASt reflects our commitment to building a culture where performance is driven not only by outcomes, but also by the way those outcomes are achieved. It brings clarity to expectations, consistency to actions, and alignment across teams.

What is especially encouraging is the way BEFASt is being embraced across the organisation, not as an initiative, but as a way of working. As we integrate it more deeply into our systems and processes, we are strengthening a culture that supports accountability, collaboration, and long-term value creation.”

Mr. Sridharan Rangarajan
Managing Director

Portfolio

Materials Science Platform for Diverse Industries

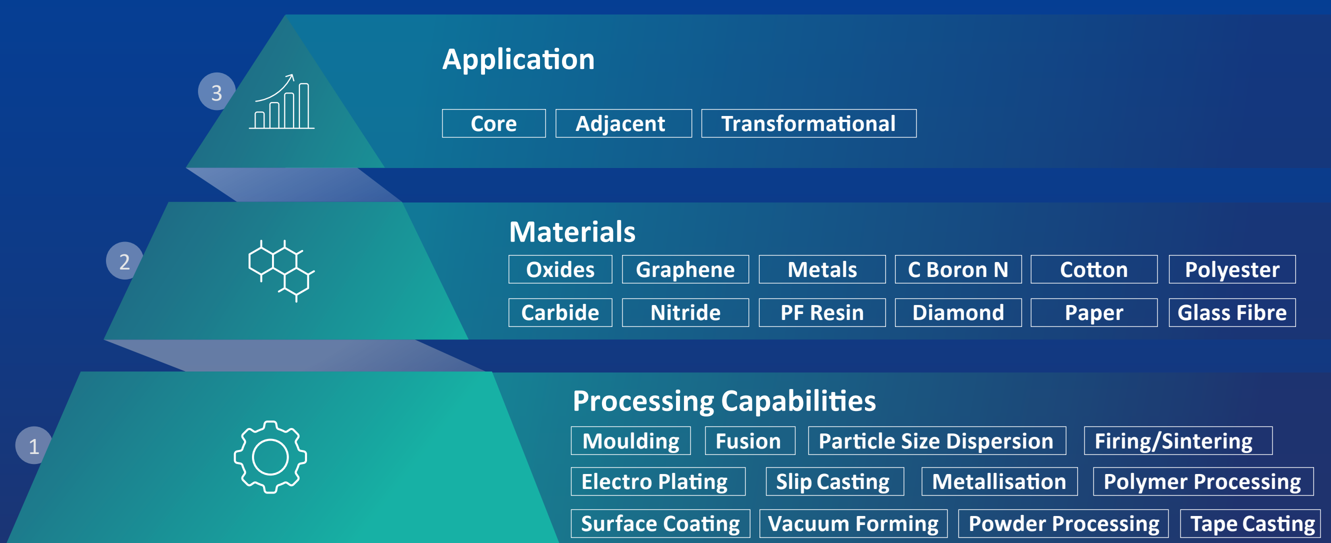
From our beginnings in Coated Abrasives, a core industrial tool, CUMI has grown into a materials science company. Over seven decades, we have progressed from shaping surfaces to developing advanced materials such as Fused Alumina and Silicon Carbide. Today, our portfolio reflects a strong focus on performance and value. We have moved from volume-driven minerals to specialised materials, expanding into Industrial Ceramics, Anti-corrosive Solutions, and Advanced Composites. This evolution is not just about expanding our offerings, but about building the capabilities needed to solve complex challenges across industries.

The CUMI Edge

What sets us apart is our integrated expertise in materials science. We do not just understand materials, we have the ability to shape, process, and apply them where performance matters most.

Whether it is strengthening surfaces to handle extreme conditions or developing components for next-generation power electronics, our work is guided by practical insights and a strong focus on precision. We continue to create solutions that deliver consistent performance and long-term reliability.

Materials for the Future



DESIGN & ENGINEERING CAPABILITIES

Application engineering, design & simulation, engineering shapes and ready-to-fit assemblies, thermal and corrosion audits, on-site installation

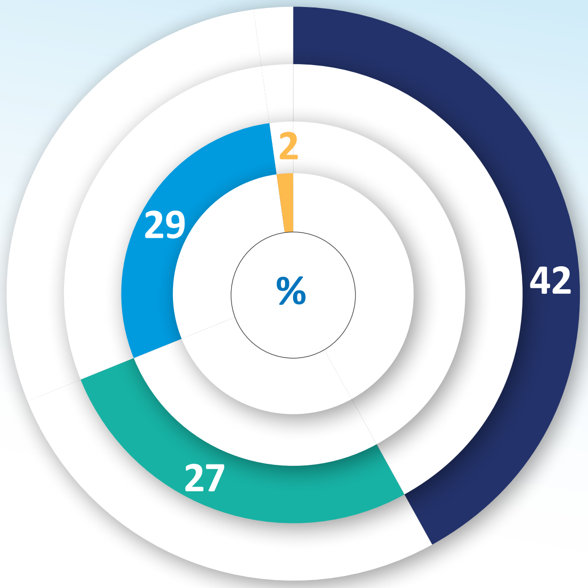
Our Business-wise Revenue Share

Abrasives	
CUMI India	₹12,696 Mn
Others[1]	₹12,808 Mn

[1] RHODIUS Abrasives, Sterling Abrasives, VAW, CUMI America, AWUKO, CUMI Middle East, Wendt

Electrominerals	
CUMI India	₹9,060 Mn
Others[2]	₹7,441 Mn

[2] VAW, Foskor Zirconia



Ceramics	
CUMI India	₹10,001 Mn
Others[3]	₹7,513 Mn

[3] VAW, CAPL, CUMI America, SCP, MMTCL, CIRIA

Other Businesses	
Others[4]	₹1,751 Mn

[4] SEDCO, Net Access, PLUSS

VAW: Volzhsky Abrasive Works AWUKO: CUMI AWUKO Abrasives GmbH CAPL: CUMI (Australia) Pty Ltd SCP: Silicon Carbide Products LLC
MMTCL: Murugappa Morgan Thermal Ceramics Limited SEDCO: Southern Energy Development Corporation Limited

Impact across Downstream Industries

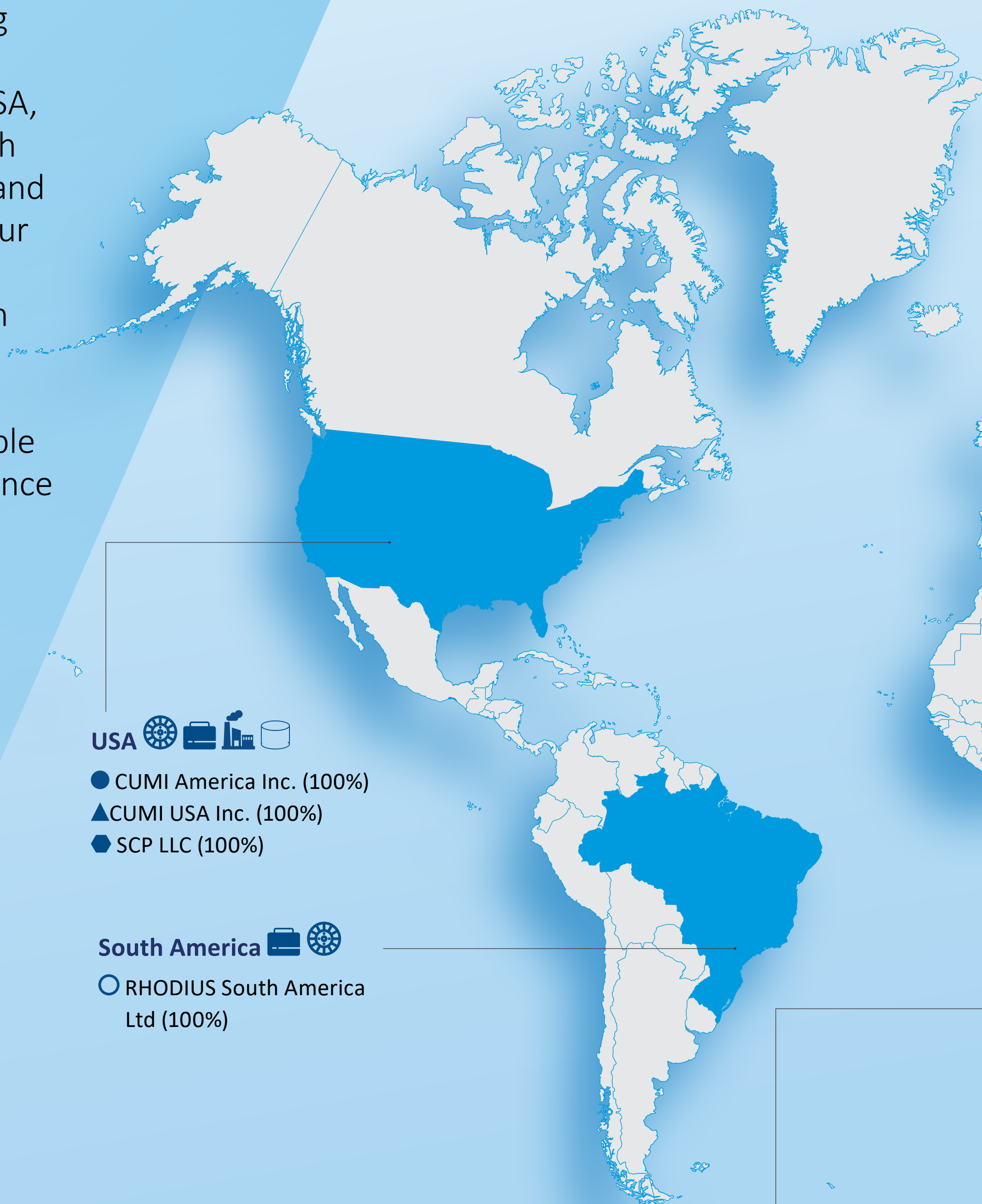
Our solutions cater to a diverse set of downstream industries, spanning core manufacturing, precision engineering, and emerging technology sectors. Its materials and applications enable performance, durability, and efficiency across the following industries:

Abrasives
Adhesives and Sealants
Aerospace
Agro Processing
Automobile
Auto Components
Bearing
Carbon Black
Cement
Ceramics
Chemical Processing
Cutting Tools
Construction
Cold Chain Storage and Logistics
Defence
Electric Vehicles
Electronics
Electrical
Fertilisers
General Engineering
Glass
Heat Treatment
HVAC
Iron and Steel
Information Technology
Metallurgy
Mineral Processing
Medical Devices
Non Ferrous
Power
Power Harnessing
Pulp and Paper
Paints
Petrochemicals
Railways
Renewables
Solid Oxide Fuel Cells
Semiconductors

Presence

Global Network that powers Industries

We operate across key industrial regions worldwide, with a strong network of manufacturing and commercial hubs in India, the USA, Germany, Russia, Australia, South Korea, France, the Netherlands and Brazil, among others. Through our subsidiaries, joint ventures, and associate, we serve customers in over 60 countries. By combining global integration with local responsiveness, we deliver reliable solutions that support performance and progress across industries.



Netherlands

- RHODIUS Nederland B.V. (100%)
- PLUSS Advanced Technologies B.V. (74.06%)

USA

- CUMI America Inc. (100%)
- CUMI USA Inc. (100%)
- SCP LLC (100%)

South America

- RHODIUS South America Ltd (100%)

South Africa

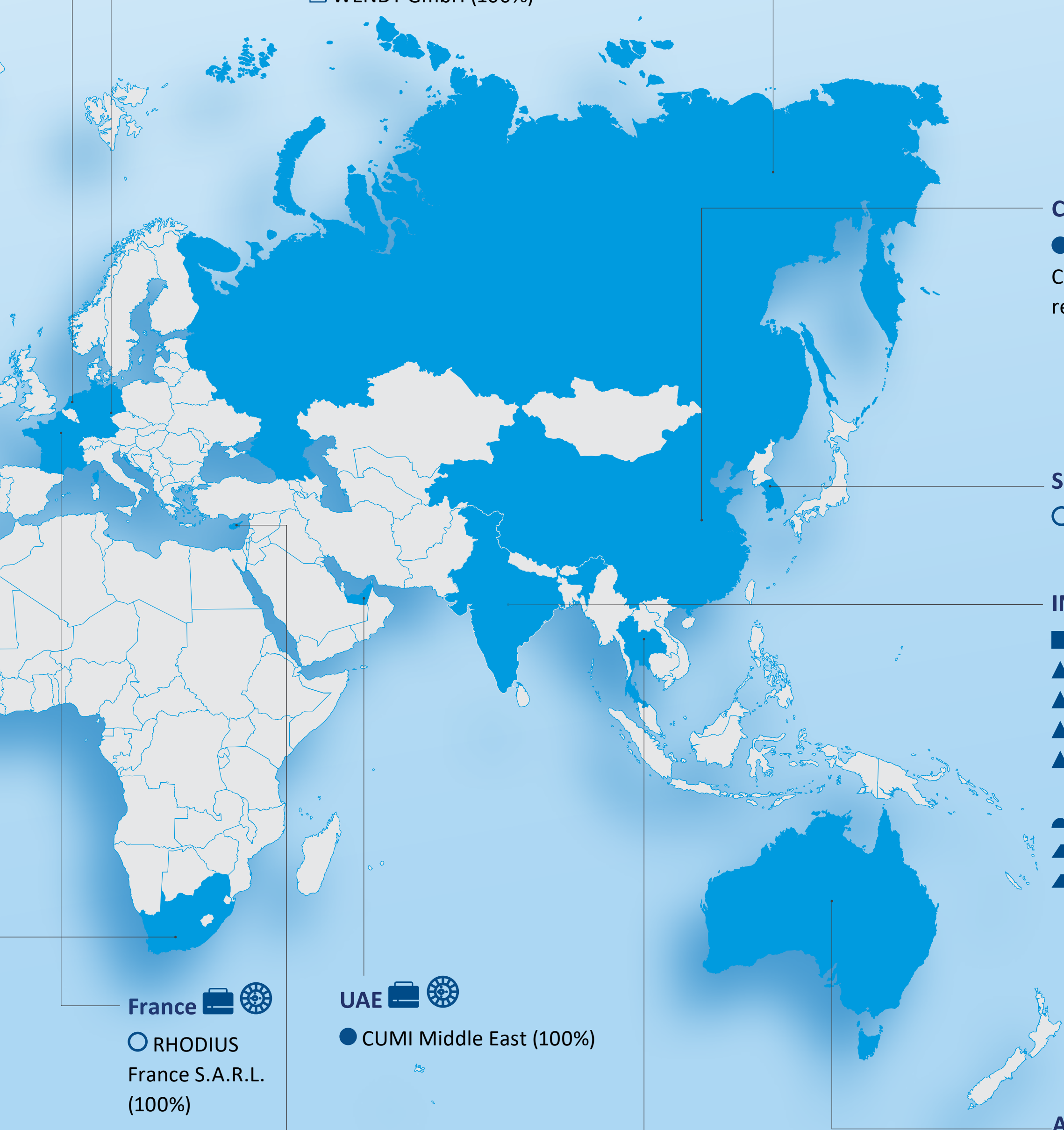
- Foskor Zirconia (Pty) Limited (51%)

Manufacturing Facility
Marketing Office

Abrasives
Electrominerals
Industrial Ceramics
Super Refractories
Others

■ Standalone Operation ▰ Joint Ventures ▲ Direct Subsidiaries ◓ Associate ⬢ SCP (subsidiary via CUMI USA) ✚ PLUSS (subsidiaries via PLUSS)

● Subsidiaries via CUMI International Limited ☐ Subsidiaries via Wendt (India) Limited ○ Subsidiaries via RHODIUS Abrasives GmbH



Germany

● RHODIUS Abrasives GmbH (100%)

● CUMI AWUKO Abrasives GmbH i.L. (100%) (Under Liquidation)

☐ WENDT GmbH (100%)

Russia

● Volzhsky Abrasive Works (98.07%)

China

● CUMI Abrasives and Ceramics China Limited (100%) (under de-registration)

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 (74.06%)

◓ Wendt (India) Limited (37.5%)

▰ MMTCL (49%)

▰ CIRIA (30%)

France

○ RHODIUS France S.A.R.L. (100%)

UAE

● CUMI Middle East (100%)

Australia

▲ CUMI (Australia) Pty Limited (51.2%)

Cyprus

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

Thailand

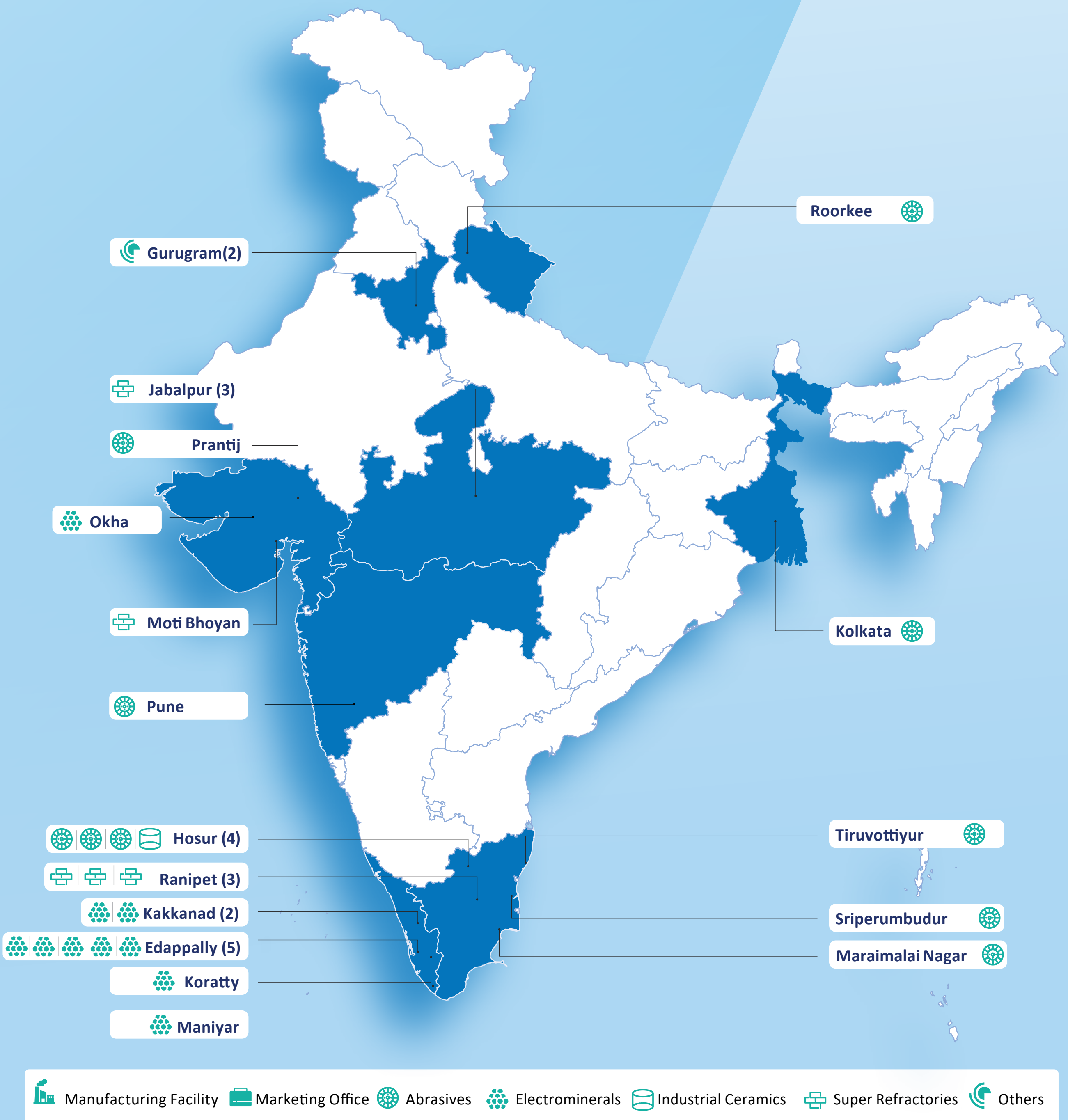
☐ Wendt Thailand (100%)

Disclaimer: The map in this Annual Report is for illustrative purposes only. The boundaries and names shown do not imply any official endorsement or representation of legal or political boundaries by the Company.

Presence

Manufacturing Strength across India

Our operational footprint comprises 25+ manufacturing facilities across eight states, including subsidiaries, joint ventures and associate.



Disclaimer: The map in this Annual Report is for illustrative purposes only. The boundaries and names shown do not imply any official endorsement or representation of legal or political boundaries by the Company.

Abrasives

Hosur, Tamil Nadu
Tool room grinding wheels and large-diameter rail cut-off wheels and thin wheels

Hosur, Tamil Nadu and Pune, Maharashtra (Wendt India)
Diamond and CBN Super Abrasives & design and building of a range of grinding and honing machines

Kolkata, West Bengal
Ajax and Concord, CUMI's most popular emery and flint sandpapers for woodworking and rust removal

Maraimalai Nagar, Tamil Nadu
Speciality backing cloth for Coated Abrasives and resin making

Prantij, Gujarat (Sterling Abrasives)
Industrial Grinding and Agricultural Grinding wheels

Roorkee, Uttarakhand
Cutting and grinding wheels

Sriperumbudur, Tamil Nadu
One of the largest Coated Abrasives manufacturing capacity in India

Tiruvottiyur, Tamil Nadu
First manufacturing location of CUMI and the home of precision Abrasives

Electrominerals

Edappally, Kerala
Fusion complex for workhorse minerals - White Fused Alumina and Brown Fused Alumina

Kakkanad, Kerala
Facility for fine Ceramic powder processing & Graphene and its derivatives

Koratty, Kerala
Silicon Carbide and fine Ceramic powders

Maniyar, Kerala
Mini hydel power plant (currently not in operation)

Okha, Gujarat
Bauxite mines and Calcination facility

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

Industrial Ceramics

Hosur, Tamil Nadu
Technical, Speciality and Engineered Ceramics for Semiconductor and Defence

Others

Gurugram, Haryana (PLUSS)
Design, formulation and application development of Specialty Polymers and Phase Change Materials

Brands

Diverse Brands, Unified by Expertise

Our brand portfolio reflects a strong legacy, global presence, and deep expertise in materials science. These brands serve a wide range of industries and applications across Abrasives, Ceramics, Electrominerals, Advanced Materials, and related solutions.

CUMI Group

CUMI India

CUMI India stands as the foundation of our operations, driving innovation and excellence across Abrasives, Ceramics and Electrominerals.

CUMI Corporate Office at Dare House reflects our commitment to collaboration, agility, and a future-ready workplace

25+
Manufacturing facilities in India

20,000+
SKUs across businesses in India

70+
Years of experience in manufacturing Abrasives

Key Highlights - FY 2025-26

- Delivered revenue growth of 8.6% to ₹30,244 Milllion, supported by strong cash flows and a net debt-free position
- Witnessed strong recovery in Abrasives during the second half, driven by industrial demand and market initiatives
- Achieved robust growth in Ceramics, backed by wider adoption in engineered and metallised products across electronics and clean energy applications
- Strengthened Super Refractories through growth in Thermal Protection, Prodorite Corrosion Solutions, and Glass Fibre Reinforced Polymer (GFRP)/Carbon Fibre Reinforced Polymer (CFRP) Composites across steel, chemicals, petrochemicals, and defence sectors
- Reported healthy Electrominerals performance led by exports to Europe and a higher share of value-added products
- Undertook record capex towards Ceramics for Semiconductor Equipment, Thin Wheels expansion, and technology upgrades

RHODIUS Abrasives GmbH

RHODIUS Abrasives GmbH (RHODIUS), CUMI's German subsidiary, is renowned for high-performance cutting and grinding solutions, strengthening the Company's metalworking and stoneworking portfolio. Combining engineering excellence, innovation, and manufacturing expertise, it developed the world's thinnest cutting disc. With over 90% of production carried out in-house, RHODIUS ensures consistent performance, reliability, and stringent quality control.

Delivering consistent quality and trusted performance through precision-engineered thin wheels

70+
Years of manufacturing excellence

World's thinnest cutting disc innovator

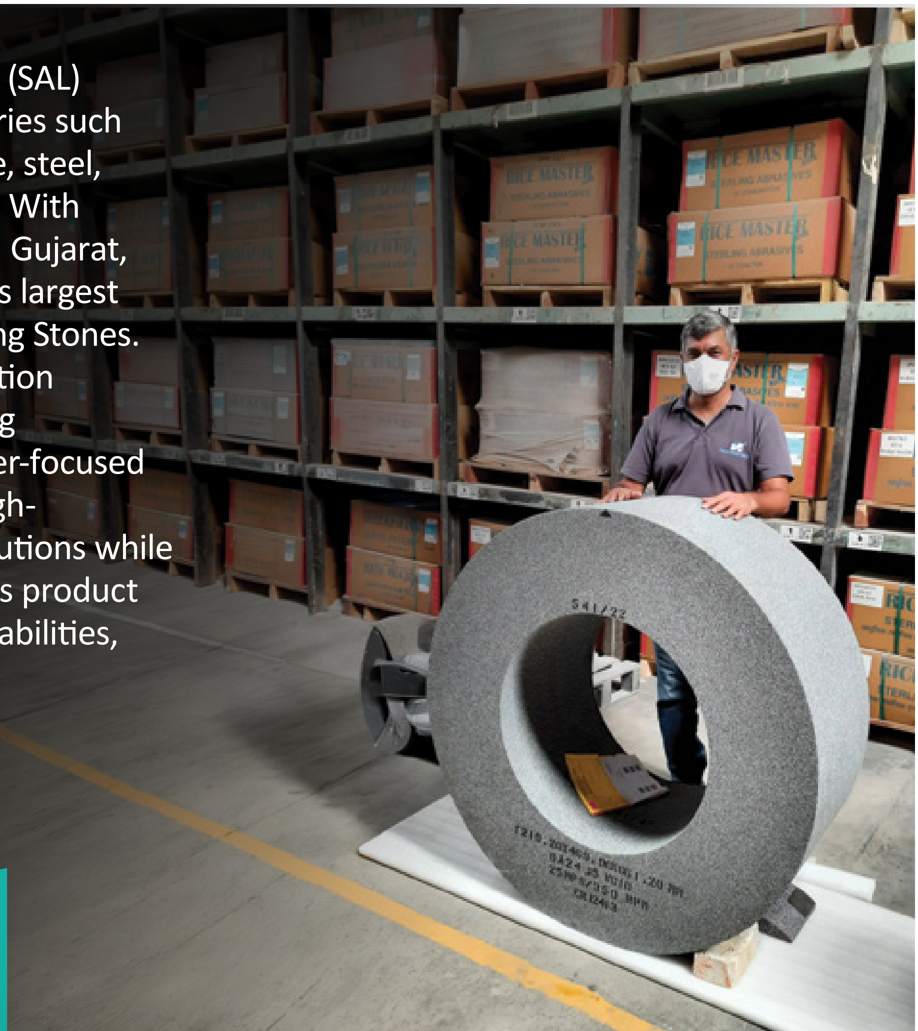
Key Highlights - FY 2025-26

- Reported revenue of €61 Milllion during the year, while navigating subdued market demand, logistics challenges, and pricing pressures across Europe
- Continued strengthening its precision cutting and grinding portfolio across European markets
- Exported to over 100 countries, with exports contributing 70% of sales
- Maintained focus on operational stability and cost optimisation amidst changing market conditions

CUMI Group

Sterling Abrasives Limited

Sterling Abrasives Limited (SAL) supplies to diverse industries such as automotive, agriculture, steel, foundry, and engineering. With manufacturing facilities in Gujarat, the company is also India's largest producer of Rice Whitening Stones. Leveraging strong application knowledge, manufacturing excellence, and a customer-focused approach, SAL delivers high-performance abrasive solutions while continuously enhancing its product portfolio, operational capabilities, and market reach.



Enabling file grinding applications for export customers through high-performance jumbo grinding wheels manufactured at the Sterling Abrasives Plant, Gujarat

Five decades of manufacturing excellence and industry expertise

Among India’s leading manufacturers of Agro Grinding Wheels

Key Highlights - FY 2025-26

- Reported revenue of ₹1,360 Milllion during the year
- Secured significant export orders from leading machine OEMs in Brazil and Turkey; drove growth across agro product categories, including cone polisher, pulse milling and wheat flour milling stones; and expanded industrial sales in Gujarat, Rajasthan and Chennai
- Identified new opportunities in specialised applications such as hypodermic needle wheels, thin-design wheat flour milling stones, roll grinding wheels for the primary steel industry, and special epoxy wheels for the bearing industry
- Initiated trial runs for multiple new product developments, strengthening the future growth pipeline and expanding application capabilities

CUMI America Inc.

CUMI America Inc. (CAI) specialises in advanced material solutions for industrial applications and serves industries such as mining, power, cement, and bulk material handling, among others. Across the North and South American markets, the company provides customised solutions for Abrasives and Wear Ceramics.

Operating from this facility in Oakdale, CUMI America continues to advance its presence with customised solutions in Wear Ceramics

Strong regional presence

End-to-end solutions provider

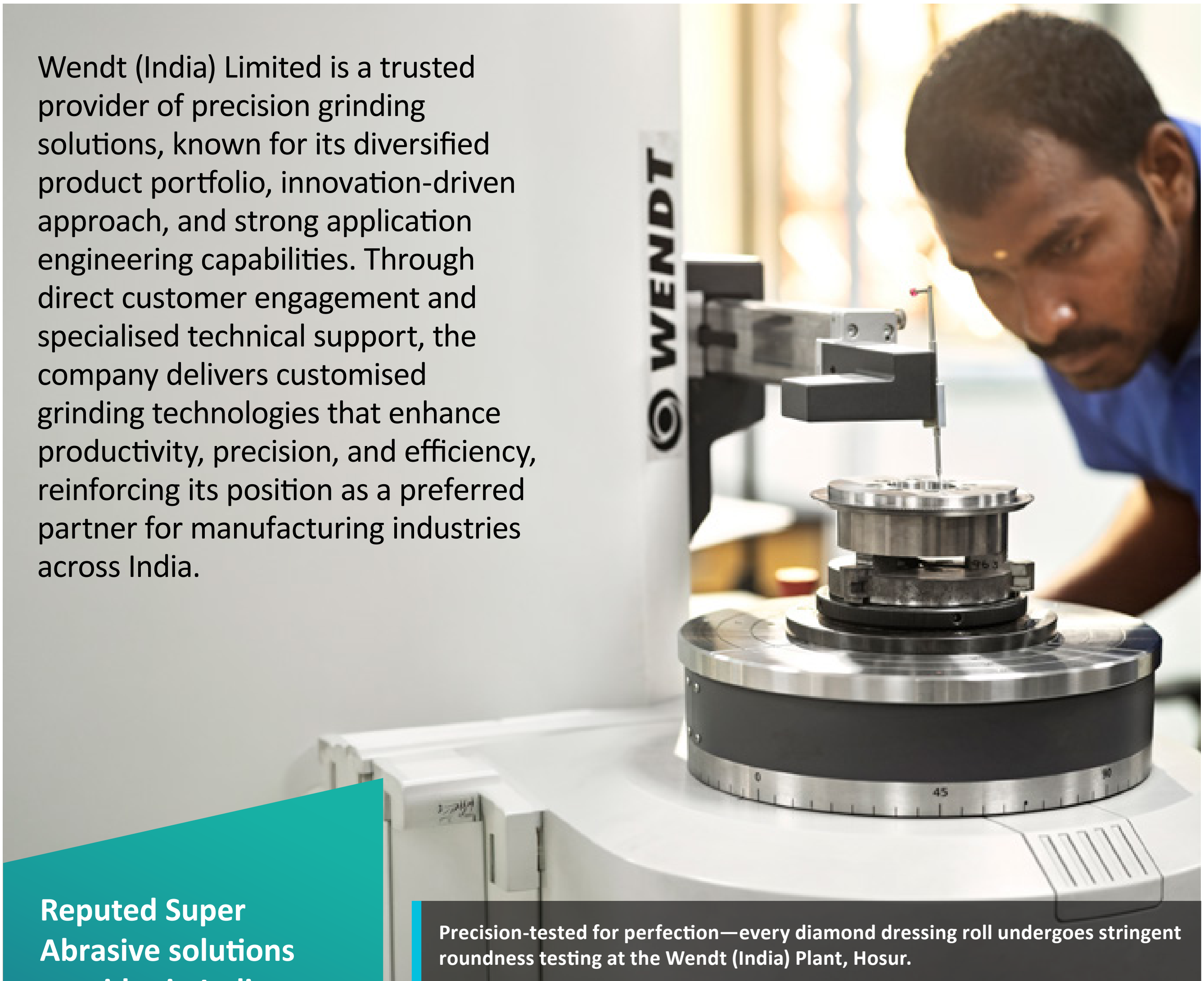
Key Highlights - FY 2025-26

- CAI reported a slightly lower revenue of USD 17 million compared to the previous year owing to adverse impact of reciprocal tariffs of the USA
- The Abrasives segment delivered a strong performance, successfully completing product testing, production qualification, and bulk supplies with global OEMs across automotive components, speciality metals, tooling, aerospace, and private label customers

CUMI Group

Wendt (India) Limited

Wendt (India) Limited is a trusted provider of precision grinding solutions, known for its diversified product portfolio, innovation-driven approach, and strong application engineering capabilities. Through direct customer engagement and specialised technical support, the company delivers customised grinding technologies that enhance productivity, precision, and efficiency, reinforcing its position as a preferred partner for manufacturing industries across India.



Precision-tested for perfection—every diamond dressing roll undergoes stringent roundness testing at the Wendt (India) Plant, Hosur.

Reputed Super Abrasive solutions provider in India

Trusted in Peripheral Grinding machines in India

Market-leading Diamond Dressing Rolls portfolio

Key Highlights - FY 2025-26

- Reported revenue of ₹2,339 Milllion with stable performance across precision applications
- Completed transition from joint venture to associate structure during the year
- Upgraded customised Tooling and Super Abrasives Solutions
- Elevated customer engagement across high-precision grinding and machine applications

Volzhsky Abrasive Works

Volzhsky Abrasive Works (VAW), Russia, is one of the world's largest single site Silicon Carbide manufacturer and a leading manufacturer of abrasive tools, grinding materials, and refractory products.
The company serves customers across multiple industries through its integrated manufacturing capabilities and extensive product portfolio.

Capacity of 90,000 tonnes per annum

World's largest single-site silicon carbide manufacturer

Overseeing the wet Silicon Carbide rod mill output before it gets transported to the next stage for oven drying at Volzhsky Plant, Russia

Key Highlights - FY 2025-26

- Reported revenue of RUB 6,084 Milllion during the year
- Sustained domestic market presence despite challenging conditions
- Leveraged integrated Silicon Carbide manufacturing capabilities

CUMI Group

CUMI (Australia) Pty Limited

CUMI (Australia) Pty Limited (CAPL) serves mining, mineral processing, power generation, manufacturing, bulk handling in port terminals and recycling industries. The company provides Wear-Resistant Ceramics, Refractories, Abrasives, Anti-corrosive Solutions, and Wear Management Services. Backed by global materials engineering expertise, it delivers customised solutions that enhance asset reliability, improve operational efficiency, and extend equipment life.

Re-engineering the Raw Coal Feed Hopper by using CUMIXTRATUFF 92 composite wear liners to improve wear resistance in this high-abrasion application at Queensland

Over two decades of Advanced Ceramics expertise

Continuous innovation in precision solutions

Customised solutions backed by application engineering

Key Highlights - FY 2025-26

- Reported revenue of AUD 36 Milllion, driven by strong project-led growth across key end-markets
- Maintained a healthy order pipeline in the mining and bulk material handling sectors, providing strong visibility for future growth
- Expanded its presence in project business and engineered wear solutions, strengthening customer relationships, market reach, and leadership in engineered linings and lined equipment
- Advanced its long-term growth strategy through portfolio expansion, capability enhancement, market development, and sustainable value creation

Silicon Carbide Products LLC

Silicon Carbide Products LLC (SCP) specialises in producing high-quality Nitride Bonded Silicon Carbide (NBSiC) products, known for superior wear and thermal shock resistance. Its product range serves diverse industries, including power generation, mining, material handling and processing, non-ferrous molten metal transfer, and petrochemical refineries.

Celebrating one year of welcoming SCP into CUMI Family in New York

Market leader in large, custom NBSiC solutions

Preferred NBSiC wear solutions partner for mining OEMs

Trusted across industries for over three decades

Key Highlights - FY 2025-26

- Reported strong first full year performance
- Fortified CUMI's Advanced Ceramics and thermal protection capabilities in North America
- Expanded participation across high-end NbSiC applications
- Enabled product co-development and raw material synergies across businesses

CUMI Group

Murugappa Morgan Thermal Ceramics Limited

Murugappa Morgan Thermal Ceramics Limited (MMTCL), a joint venture of CUMI, specialises in thermal management and passive fire protection solutions for a host of industries, including metals, petrochemicals, power, ceramics, and glass. Leveraging expertise in high-temperature insulation materials, refractory ceramic fibre products, and engineered thermal systems, the company helps customers enhance energy efficiency, operational reliability, and sustainability.

Operating the MMTCL fibre manufacturing line in Ranipet, Tamil Nadu

India's pioneer in ceramic fibre insulation

Market-leading EU-compliant portfolio

Serving thermal, fire and EV applications

Key Highlights - FY 2025-26

- Reported revenue of ₹2,562 Milllion with stable operational performance
- Strengthened thermal insulation solutions across industrial applications
- Maintained strong customer engagement across high-temperature process industries
- Continued focus on specialised and energy-efficient thermal solutions

CIRIA India Limited

CIRIA India Limited (CIRIA) is a leading thermal engineering and refractory solutions company serving the refinery, petrochemical, fertiliser, hydrogen, and chemical process industries. The company provides end-to-end solutions covering engineering, refractory material supply, installation, dry-out, project management, commissioning, maintenance, and revamp services. Backed by deep technical expertise, a Global Drafting Centre, and decades of project execution experience, CIRIA is a trusted partner for EPC contractors and industrial customers across India and international markets.

Turning engineering challenges into reliable solutions - Refractory gunning/casting work in progress over the steel anchoring system on the furnace roof at a customer location

Critical high-temperature process unit specialist

Strong technical expertise with proven project execution

End-to-end refractory engineering solutions

Key Highlights - FY 2025-26

- Reported revenue of ₹1,106 Milllion
- Successfully executed critical shutdown, turnaround, revamp, and expansion projects for reformers, ethylene crackers, process furnaces, and incinerators
- Enhanced engineering support through the Global Drafting Centre, serving projects across India, the Middle East, the USA, Africa, and Southeast Asia

CUMI Group

PLUSS Advanced Technologies Limited

Pluss Advanced Technologies Limited (PLUSS) is a materials science and technology company specialising in Phase Change Materials (PCMs) for thermal energy storage and specialty polymer solutions. A pioneer in India's PCM industry, it serves cold chain logistics, healthcare, food, buildings, renewable energy, electric mobility, and industrial sectors, enabling energy efficiency, temperature control, reduced energy consumption, and sustainability.

Reinforcing strength and maximising material integrity with Specialty Polymers by PLUSS

Pioneering Functionalised Polymers in India

Creator of MIRACRADLE®

First Indian patent holder for Form-Stable PCM Technology

Key Highlights - FY 2025-26

- Reported healthy revenue growth
- Witnessed strong demand across PCM, healthcare, and specialty polymer applications
- Strengthened sustainability-linked offerings across thermal energy management solutions

CUMI Group

Net Access India Limited

Net Access India Limited is an established provider of IT infrastructure management and technology solutions, offering IT infrastructure management, modern workplace solutions, application support, end-user support, and managed cybersecurity services. With digital support centres across India, ISO 27001 certification, and CERT-In Empanelled Auditors, the company enables operational resilience, digital transformation, and enhanced technology capabilities.

25+
Years of technology excellence

600+
Professionals

CERT-In empanelled auditors

Key Highlights - FY 2025-26

- Reported stable growth across enterprise IT services
- Continued strengthening capabilities in cloud, cybersecurity, and managed services
- Expanded focus on automation and AI-linked infrastructure solutions
- Maintained strong engagement across enterprise and digital infrastructure customers

Southern Energy Development Corporation Limited

Southern Energy Development Corporation Limited (SEDCO) provides clean energy management solutions for industrial and infrastructure applications, helping customers improve energy efficiency, reduce environmental impact, and advance sustainability goals. The renewable energy portfolio includes an 8.5 MWp rooftop solar installation and an 8.8 MWp ground-mounted solar facility at Coimbatore, powered by advanced bifacial N-type solar technology.

Renewable energy-focused operations

Advanced bifacial N-Type solar technology

Key Highlights - FY 2025-26

- Strengthened renewable energy-led business focus during the year
- Maintained alignment with clean energy and sustainability initiatives

Research & Development (R&D)

Advancing Growth through Material Innovation

CUMI gained traction from focused investments in Ceramics, Electrominerals, and Speciality Materials. We steadily strengthened our R&D ecosystem and embedded scientific discipline into our processes to support innovation, operational agility, and sustainable value creation.

The Foundation

- Strong R&D ecosystem with academic collaborations
- Application engineering and materials science expertise
- Focus on technology, scalability and differentiation

Strengthening precision machining capabilities for advanced ceramics catering to emerging applications at the IC Plant, Hosur

Translating Capability into Innovation Momentum

1
Advancing ceramics for semiconductor, electronics and data centre applications

2
Developing high-purity Silicon Carbide and specialty materials for clean energy systems

3
Expanding pilot-scale capabilities to accelerate application-led R&D programmes

4
Focusing on Ceramics for Semiconductor Equipment, clean energy materials such as SOFC and hydrogen systems, and industrial solutions

Strengthening Intellectual Property

117
Patents

627
Trademarks

6
Copyrights

64
Designs

138%
Growth in Total Intellectual Property Filings between the two 5-year periods viz. 2016-21 and 2021-26

Focused Outcome

Transition from commodity materials to value-added, application-driven solutions

Increasing share of performance-led and engineered materials

Deeper integration with customer applications and end-use industries

Manufacturing Excellence

Integrated Manufacturing Excellence-led Progress

Manufacturing excellence remained anchored in the Integrated Manufacturing Excellence (IMEx) framework, the common operating backbone across businesses. With IMEx now embedded as a core operating discipline, the focus has shifted towards delivering measurable outcomes. By integrating people capability, process discipline, digital technologies and targeted capital investments, the framework enhanced productivity, quality consistency, delivery reliability and long-term cost competitiveness.

During the year, manufacturing priorities remained focused on stabilising core operations, enhancing equipment reliability, improving process flows and selectively expanding capacities aligned with long-term strategic requirements.

IMEx in Execution

Re-imagining the Operator and Process Discipline

Manufacturing execution was strengthened through focused interventions across operator capability, process discipline and shop floor governance. These initiatives enhanced operator ownership while improving process consistency, safety standards and overall quality performance.

- Improved Standard Operating Procedures (SOPs)
- Expanded deployment of Jishu Hozen practices
- Strengthened visual management systems
- Implemented early abnormality detection mechanisms
- Introduced selective automation and poka-yoke systems
- Fortified controlled inspection systems to reduce manual variation

Turbocharging Plant Performance through Process and Capacity Augmentation

Abrasives

- Enabled capacity and process improvements in Thin Wheels manufacturing, curing and pressing operations

Impact

Strengthened throughput and process stability

Electrominerals

- Initiated furnace capacity and treated alumina facility expansion
- Commenced 110kv substation upgradation

Impact

Augmented melting capability, product consistency and power reliability

Industrial Ceramics

- Invested in capabilities across semiconductor, defence, electronics and automotive applications
- Improved precision capabilities through advanced cutting and processing equipment
- Refined manufacturing layouts

Impact

Expanded product range and improved process flow

Super Refractories

- Implemented automation in batching and tamping operations
- Introduced Automated Storage and Retrieval Systems (ASRS)
- Upgraded composite processing capabilities

Impact

Amplified process consistency, handling efficiency and space utilisation

Engineered Solutions in Ceramics, Rubber and composites for demanding applications in Mining & Mineral Processing

Capability Building through Empowered Teams

Cross-functional team approach for commissioning, stabilisation and ramp-up of new assets across businesses played a critical role. Capability enhancement initiatives under the Manufacturing Excellence Academy remained focused on strengthening technical skills, operational discipline and shop floor capabilities, enabling faster integration of manufacturing technologies and operational best practices. Key capabilities included:

- Lean manufacturing
- Technical capability development
- Structured problem-solving
- New technology and process absorption

Lean and QRM as Core Enablers

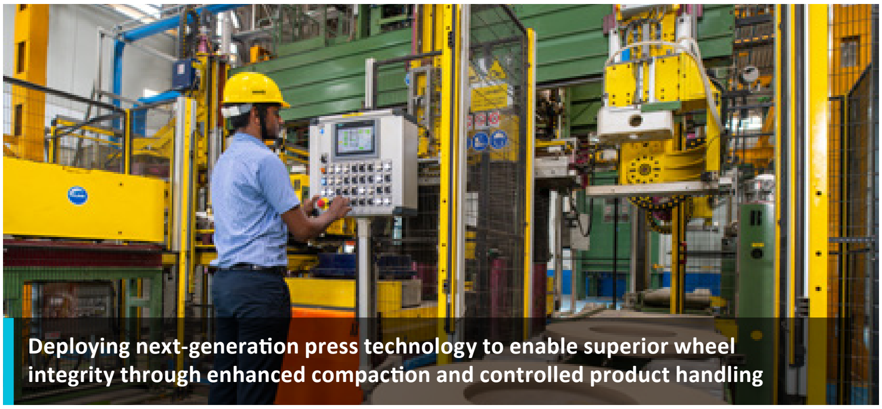
Lean principles continued to serve as the primary execution engine across manufacturing operations, supported by Quick Response Manufacturing (QRM) practices in high-mix and engineered product environments. Key focus areas included:

- Value stream analysis
- Enhancement of standard work practices
- Loss identification and monitoring
- Lead time reduction initiatives
- Decline in process variability across operations

Sustained Performance through Digital and Infrastructure

Digitalisation initiatives focused on improving visibility, predictive monitoring and decision-making capabilities, while infrastructure upgrades strengthened operational resilience and prepared facilities for future scale and complexity. Key Initiatives:

- AI-enabled inspection systems
- SCADA-based equipment health monitoring
- Manufacturing Execution System (MES) pilots
- ERP-integrated production scheduling



Deploying next-generation press technology to enable superior wheel integrity through enhanced compaction and controlled product handling

Outcomes and Outlook

Manufacturing performance was tracked through structured governance covering Overall Equipment Effectiveness(OEE), On Time Delivery (OTD), defect rate, yield, lead time and cost. The year saw improvements in yield, lead time reduction in select value streams, energy efficiency gains and successful commissioning of key capacity and automation projects, alongside safety and quality recognitions.

Customer Testimonials

Fostering strategic alliance with a customer from Germany

Trusted Partnerships for Shared Progress

Driving techno-commercial discussion for development of ceramic components for mechanical seals

"CUMI has consistently demonstrated a strong understanding of our application requirements and manufacturing priorities. Their ability to develop customised grinding solutions, combined with dependable product quality and timely deliveries, has helped improve our operational efficiency and cost competitiveness. What we value most is their proactive technical support and continuous focus on delivering solutions that create long-term value for customers."

One of the largest MNCs manufacturing piston and rings

Customer Partner – Abrasives

"CUMI's reliability, product quality and customer-centric approach have made them a trusted long-term partner. Their responsiveness and technical expertise continue to support our commitment to quality and customer satisfaction."

Laminate customer from Germany

Customer Partner – Electrominerals

"The reliability and uniformity of CUMI's products have played an important role in supporting our requirements across highly regulated aerospace applications. Equally important has been the coordinated approach of their technical, engineering and commercial teams, which has enabled responsive problem-solving and dependable execution. Their professionalism and commitment to collaboration continue to strengthen our confidence in the partnership."

A trusted global partner in advanced ceramic materials

Customer Partner – Super Refractories

"CUMI has been a valuable design and technology partner in supporting innovation across advanced Engineered Ceramics applications. Their ability to adapt to changing market requirements, support cost optimisation and ensure supply continuity even during challenging periods has been commendable. The collaborative mindset and technical depth of the team continue to support our efforts in addressing the evolving needs of the energy market."

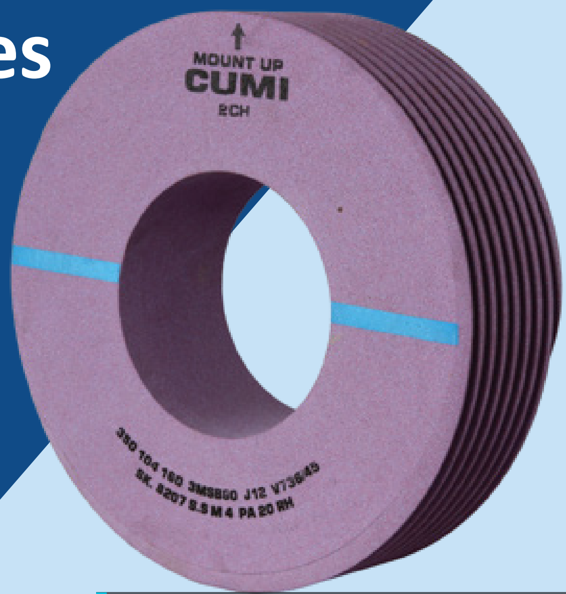
A clean energy solution provider

Customer Partner – Industrial Ceramics

Abrasives

Engineering Surfaces with Precision and Performance

Our Abrasives Business, the legacy business of CUMI, delivers precision, high-performance abrasive solutions across industrial and retail applications.



Bringing high-performance solutions for centreless grinding

Market leader in India

One of the largest Thin Wheels manufacturing facility in India

Single largest producer of Coated Abrasives in India

The portfolio comprises Bonded Abrasives, Coated Abrasives, Super Abrasives, Metalworking Fluids, Power Tools, Advanced Mineral Solutions, and Allied Surface Finishing Solutions, serving automotive, metalworking, agro processing, construction, railways, aerospace, bearings, and heavy engineering industries. With manufacturing facilities across India, Germany, and Russia, the business combines deep local market understanding with a global operating footprint. Its integrated product portfolio, application engineering expertise, and extensive distribution network address diverse requirements across industrial, precision, and retail segments. Supported by strong R&D capabilities, long-standing channel partnerships, and access to high-quality raw materials from the Electrominerals business and leading global suppliers, it is well-positioned to meet evolving demand across precision and high-performance applications.

Offerings

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

CUMI INDIA · CUMI AMERICA · AWUKO · STERLING ABRASIVES LTD. · RHODIUS · WENDT

Strategic Initiatives

- Strengthened market segmentation and customer engagement models across industrial, precision and retail businesses
- Expanded dealer and sub-dealer reach across under-penetrated markets to improve market coverage and customer access
- Accelerated Key Account Management (KAM) initiatives in precision applications and bolstered partnerships with grinding machine OEMs
- Progressed import substitution programmes and scaled the differentiated product portfolio
- Enhanced digital visibility through secondary sales tracking and market intelligence initiatives

Performance in FY 2025–26

Standalone revenue of ₹12,696 Milllion and YoY growth of 6.2%

Consolidated revenue of ₹22,706 Milllion, with a YoY growth of 5.1%

New product introductions contributed approximately 16.5% of revenue

Expanded dealer reach and improved market penetration across key regions

Successfully commissioned the Thin Wheels manufacturing facility at Hosur, significantly enhancing manufacturing capacity

Exports remained mixed due to geopolitical and tariff-related disruptions, with South-East Asia and select US applications delivering encouraging growth

Achieved a strong recovery in the second half supported by improved channel execution and industrial demand

Innovation Focused

The Abrasives business continued to strengthen its innovation ecosystem through focused investments in product development, application engineering and process enhancement. During the year, efforts remained centred on developing differentiated solutions for precision manufacturing and high-performance industrial applications, while improving product performance, consistency and customer productivity. Collaboration with customers and machine OEMs further supported the development of application-specific solutions aligned with evolving market requirements.

Outlook

The long-term outlook for the Abrasives business remains positive, supported by growth across manufacturing, infrastructure, automotive, electric mobility and precision engineering sectors. Increasing demand for productivity-enhancing solutions, premium products and specialised applications is expected to create new opportunities. Backed by a strong distribution network, expanded manufacturing capacity and continued focus on customer-centric innovation, the business remains well-positioned to drive sustainable growth.

Case Study

Project CHAKRA: Scaling Thin Wheel Manufacturing Excellence

Scaling Thin Wheel Manufacturing Excellence: The Team behind Project CHAKRA

As part of our Aspiration 2030 strategy, we initiated Project CHAKRA following the acquisition of the manufacturing assets and technology. The project involved relocating automated cutting and grinding wheel manufacturing lines from Germany to Hosur, along with the development of a state-of-the-art facility equipped with SCADA-enabled mixing systems, automated curing lines and ambient-controlled manufacturing capabilities. Executed amidst global logistics disruptions, the relocation and installation process was supported by SCHOLPP GmbH, RHODIUS technicians and the Machine Building Division of Tube Investments of India Limited.

The facility successfully cleared the Organisation for the Safety of Abrasives (oSa) audit in November 2025 and commenced commercial production on 16 March 2026. With an investment of ₹83 crore, Project CHAKRA has doubled our cutting and grinding wheel capacity from 45 million to over 90 million wheels annually and is expected to generate revenues, significantly strengthening our manufacturing competitiveness and long-term growth capabilities.

Electrominerals

Moving towards High-Performance Material Solutions

Our Electrominerals business operates across India, South Africa and Russia, supplying a wide range of materials namely Aluminas, Silicon Carbide, Zirconia, Ceramic Grains, Fine Powders and Advanced Mineral Solutions. It serves a vast range of applications, including abrasives, refractories, semiconductors, electronics, automotive components, friction materials, composites and precision engineering.

CUMI TuffCote grain for advanced abrasive application

Full range supplier of minerals

22% Renewable Energy Capacity

Exporting to 25+ Countries

With integrated manufacturing capabilities, strong process expertise and captive raw material linkages, the business combines scale with technology-led material development. Supported by robust R&D, application engineering and collaborations with institutions such as the Central Glass and Ceramic Research Institute (CGCRI) and Maker Village, the business continues to strengthen its transition towards high-purity, value-added and application-driven material solutions.

Offerings

- Brown Fused Alumina
- White Fused Alumina
- Alumina Zirconia
- Thermal Spray Powders
- Fine Ceramic Powders
- Fused Zirconia
- Silicon Carbide
- Monocrystalline Alumina
- Graphene
- High-Purity Silicon Carbide

CUMI INDIA

Strategic Initiatives

- Expanded heat-treatment and treated-grain capacities to support the growing specialty materials portfolio
- Strengthened capabilities in Thermal Spray Powders, Advanced Nitrides and High-Purity Silicon Carbide
- Established pilot facility for material for Solid Oxide Fuel Cell (SOFC) and Solid Oxide Electrolysis Cell (SOEC) manufacturing
- Advanced product-level Life Cycle Assessment (LCA) initiatives for key Electrominerals products
- Expanded exports across Europe and the United States through focused market development initiatives
- Enhanced low-carbon mineral offerings aligned with evolving customer sustainability requirements
- Continued investments in furnace upgrades, process improvements, and downstream capabilities

Performance in FY 2025–26

Standalone revenue of ₹9,060 Milllion and YoY growth of 11.1%	Reported robust export growth, particularly in Europe, supported by global supply-chain diversification trends	Directed the Silicon Carbide business towards higher-purity and value-added products rather than volume-led growth
Consolidated revenue of ₹16,318 Milllion, with a YoY growth of 3.7%	Improved product mix through a higher contribution from specialty and treated-grain products	Achieved strong growth in specialty products such as Alumina Zirconia and Zirconia Mullite
Delivered resilient growth despite energy cost pressures, supply chain disruptions and import-related pricing pressures	Maintained healthy demand for Aluminas from the refractories and abrasives industries	Continued to build momentum across emerging businesses including, Graphene, Thermal Spray Powders and clean-energy-related materials

Innovation Focused

The Electrominerals business strengthened its materials science capabilities through focused investments in process innovation, application development and advanced material engineering. During the year, efforts remained centred on enhancing material performance, improving product consistency and developing differentiated solutions for specialised industrial applications. Continued collaboration with research institutions, customers and technology partners supported the development of next-generation material solutions while strengthening the business's innovation pipeline.

Outlook

The outlook for the Electrominerals business remains positive, supported by increasing demand for high-performance materials across industrial manufacturing, refractories, advanced engineering and emerging technology applications. Growing emphasis on supply-chain diversification, sustainability and value-added materials is expected to create new opportunities across global markets. Supported by integrated manufacturing capabilities, strong technical expertise and a differentiated product portfolio, the business remains well-positioned for sustained growth.

Case Study

Building Competitive Strength through Value-Added Materials

Engineering advanced grain processing system at CUMI Edappally

Our export growth journey in the Electrominerals business reflects a focused strategy built on market selection, technical innovation and disciplined execution. Guided by our Aspiration 2030 vision, we identified Europe, the United States and Japan as key growth markets.

Leveraging strong manufacturing capabilities and decades of technical expertise, we positioned ourselves as a credible India-origin partner for global refractory and abrasives customers. The development of differentiated products such as the Tuffcote series, combined with extensive customer engagement across international markets, accelerated product approvals and bolstered customer relationships. As global trade dynamics shifted, the business was poised to scale rapidly and deliver strong export growth in FY26.

Ceramics

Advancing High-Performance Ceramics for Critical Applications

The Ceramics segment operates through two focused verticals, Industrial Ceramics and Super Refractories, each addressing distinct high-performance and mission-critical applications across a wide range of industries.

Advanced High Precision Ceramic Solutions for Critical Applications

Industrial Ceramics

Our Industrial Ceramics business develops advanced ceramic solutions for mining, power & energy, semiconductors & electronics, mobility, aerospace & defence, and industrial engineering sectors. Backed by deep materials science expertise, precision engineering capabilities, and over three decades of application experience, it delivers wear-resistant, thermally stable, electrically insulating, and corrosion-resistant solutions. The business widens its footprint across wear protection solutions, Precision Engineered Ceramics, Ceramics for Semiconductor Equipment, vacuum interrupter components, clean energy applications, and specialised engineered ceramic solutions. With exports contributing nearly 75% of revenues, it serves global markets through operations in India and customer networks across the United States, Australia, and Europe.

Pioneer and market leader in advanced ceramics in India with over three decades of expertise

Innovation-led provider of mission-critical solutions across key industrial sectors

Global leader in specialised ceramic solutions

Offerings

- Wear-Resistant Tiles
- SOFC Ceramics
- Lined Equipment
- Metallised Ceramics
- Rubber-Backed Ceramics
- Ceramics for Semiconductor Equipment
- Body and Vehicle Armour

CUMI INDIA | CUMI AMERICA | CUMI AUSTRALIA

Strategic Initiatives

- Commissioned dedicated facilities for Ceramics for Semiconductor Equipment and Aerospace & Defence applications
- Strengthened capabilities across Precision Engineered Ceramics, Metallised Ceramics and clean energy applications
- Expanded engagement with global customers across Ceramics for Semiconductor Equipment, electronics and power sectors
- Accelerated product qualification and capability-building initiatives aligned with emerging technology opportunities
- Ramped up manufacturing and process capabilities to support higher-value and technology-intensive applications

Performance in FY 2025–26

- Standalone revenue of ₹10,001 Milllion and YoY growth of 6.5%
- Consolidated revenue of ₹12,680 Milllion, with a YoY growth of 9.3%
- Supported growth through rising demand from clean energy, electronics, and power-related applications
- Benefitted from increasing demand linked to AI data centres and energy transition across advanced ceramic applications
- Strengthened engagement with global customers across semiconductors, electronics, and clean energy sectors
- Wear Ceramics faced headwinds due to deferred maintenance and delayed projects across mining, mineral processing, and thermal power
- Maintained steady performance in the Metallised Ceramics business, supported by power distribution and vacuum electronics applications
- Witnessed strong growth in Engineered Ceramics used in Solid Oxide Fuel Cell (SOFC) applications
- Expanded participation in electronics and semiconductor applications through customer qualification and product development

Innovation Focused

The Industrial Ceramics business continued to invest in technology, advanced manufacturing and product development to strengthen its position as a global provider of high-performance ceramic solutions. During the year, capabilities were expanded across semiconductors, electronics, aerospace & defence, with two dedicated manufacturing facilities commissioned. Investments across Wear Ceramics, Precision Engineered Ceramics and Metallised Ceramics, complemented by customer collaborations across North America, Europe, Japan and India, fortified its competitive position in advanced ceramics.

Outlook

The outlook for the Industrial Ceramics business remains positive, supported by long-term trends in power infrastructure, clean energy, advanced electronics and semiconductor manufacturing. Demand for Metallised Ceramics and Engineered Ceramics, including Solid Oxide Fuel Cell (SOFC) applications, is expected to support growth. While customer qualification cycles and competitive intensity in wear-related applications may remain elevated, the business will continue to focus on capacity enhancement, yield improvement, capability building and strengthening its solutions-led approach in core markets.

Case Study

Building Semiconductor Manufacturing Capabilities

Collaborating for Operational Excellence in Semiconductor Equipment facility at Hosur

During FY 2025-26, the Industrial Ceramics business strengthened its readiness for emerging semiconductor and advanced technology markets by commissioning dedicated manufacturing facilities for Ceramics for Semiconductor Equipment and Aerospace & Defence applications. These investments were complemented by enhanced process engineering, material development and application support capabilities, enabling the business to meet the stringent technical and quality requirements of global customers.

The strengthened capabilities have positioned the business to participate in long-term customer qualification programmes, supporting future commercial opportunities across semiconductor, advanced electronics and clean energy applications.

Ceramics

Super Refractories

Our Super Refractories business delivers high-performance refractory, corrosion protection and composite solutions for industries operating under extreme temperatures, corrosive conditions and high-wear environments.

Driving high performance and cost economy with innovative mechanical dust collector part in CFBC (Circulating Fluidised Combustion) boiler

Engineered for extreme temperatures

India's widest range of insulating firebricks

Market leader in integrated corrosion protection

The business operates through three focused verticals, Thermal Protection, Corrosion Protection (Prodorite), and Composites, serving ceramics, glass, heat treatment, chemical processing, metallurgy, and iron-making applications. It manufactures one of India's widest ranges of insulating firebricks (1,250°C–1,850°C) across 20+ grades.

Offerings

- Dense Refractories (Bricks and Engineered Shapes)
- Insulating Refractories (Bricks and Engineered Shapes)
- Vast range of Monolithic Refractories
- Pre-cast Pre-fired Shapes
- Acid-Resistant Liners, including Carbon Bricks
- Advanced Composites
- Specialty Screeding and Coatings
- Polymer Concrete Cells
- Structural Composites, including Piping for Abrasion Resistance

Strategic Initiatives

- Strengthened specialised refractory, thermal engineering and corrosion protection capabilities
- Enhanced integrated project execution capabilities across critical industrial applications
- Expanded composites and value-added materials portfolio
- Increased export penetration through application-led and solution-oriented offerings
- Invested in manufacturing automation to improve productivity, quality and operational efficiency

Performance in FY 2025–26

Standalone revenue of ₹10,001 Milllion, and YoY growth of 6.5%

Consolidated revenue of ₹12,680 Milllion, in FY 25-26 with a YoY growth of 9.3%

Delivered resilient performance during FY 2025–26 despite project delays, geopolitical uncertainties, and cautious industrial spending

Supported overall performance through strong domestic demand from the glass, fertilisers, and iron & steel industries

Reported export growth in fired refractories across glass, carbon black, and iron & steel project orders

Leveraged technical expertise developed in India to support overseas projects and strengthen international market presence

Expanded footprint in the Americas through deeper customer engagement and solution-led execution

Achieved 32% growth in the corrosion protection business, driven by strong domestic project orders

Supported growth through applications in fertilisers, chemicals, petrochemicals, and non-ferrous industries

Progressed steadily in the composites business in line with customer schedules and programme maturity

Benefitted from defence related requirements in the Advanced Composites Business

Innovation Focused

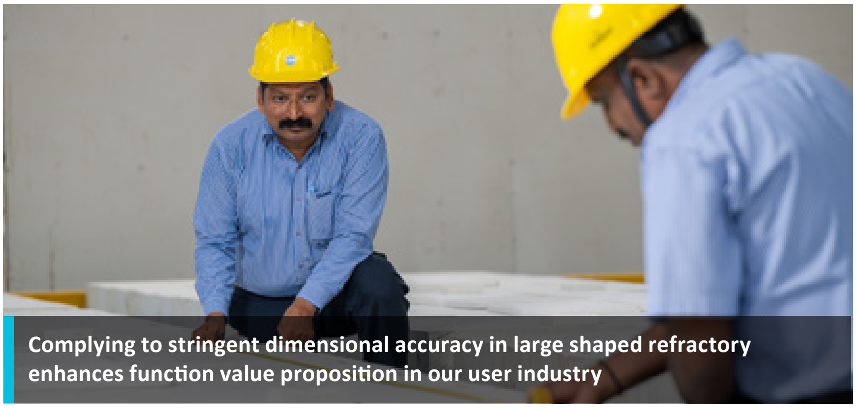
The Super Refractories business strengthened its focus on materials science, application engineering and process innovation across thermal and corrosion protection solutions. The development efforts were centred on enhancing product performance, extending operating life and delivering customised solutions for demanding applications. The business continued to invest in material development, manufacturing capabilities and technical expertise to support portfolio expansion and address evolving customer requirements.

Outlook

The Super Refractories business outlook remains positive, driven by demand from steel, glass, petrochemicals, fertilisers and infrastructure sectors. Growth opportunities are emerging from energy transition, low-carbon industrial processes, non-ferrous recycling and energy storage systems. Backed by strong application engineering, diversified solutions and an expanding global presence, the business is well-positioned for sustainable long-term growth.

Case Study

From Products to Performance Partnerships



Complying to stringent dimensional accuracy in large shaped refractory enhances function value proposition in our user industry

Customers increasingly seek integrated support covering application engineering, installation, maintenance, and lifecycle optimisation. In response, the business strengthened engagement through customised refractory systems, corrosion protection solutions, and advanced composite offerings designed for demanding industrial environments across glass, chemicals, fertilisers, petrochemicals, and process industries.

The Corrosion Protection business scaled its presence in Acid-Resistant Lining Systems and Polymer Concrete Cells used in copper and zinc extraction applications globally. The Composites segment also expanded focus on CFRP-based applications for drones and defence-related opportunities.

Focused investments under the IMEx programme strengthened automation and process capabilities across batching, tamping, material handling, storage, and composite processing operations. Industrial Engineering-led productivity initiatives, process standardisation, and manufacturing improvements further enhanced operational efficiency, consistency, and competitiveness across businesses.

Chairman's Message

Building Momentum through Materials Science

"Amidst persistent global headwinds, India's structural strengths, including a favourable demographic profile, rapidly advancing digital infrastructure, and a stable policy ecosystem, positioned the country as a dynamic leader in an evolving global order."

M M Murugappan
Chairman

Dear Shareholders,

I trust that you and your families are well.

It is my pleasure to present the 72nd Annual Report of Carborundum Universal Limited (CUMI) for the financial year 2025-26. The global operating environment remained dynamic during the year, shaped by geopolitical challenges, trade realignments and supply chain adjustments. At the same time, the demand for specialised, application-led materials continued to surge, driven by the evolving needs of manufacturing, energy, electronics and infrastructure sectors.

These structural shifts further reaffirmed the importance of agility, technological capability and disciplined capital allocation in shaping organisational resilience. In response, CUMI strengthened its core businesses, invested in future-ready platforms and aligned its portfolio with emerging opportunities in high-value applications.

While the year was marked by strategic progress, it was also one of profound loss. The Company paid tribute to two respected leaders, Shri A. Vellayan of the Murugappa Group and former CUMI Director, and Shri P. S. Raghavan, Non-Executive Independent Director of CUMI, both of whom passed away in November 2025. Their vision, integrity and guidance were instrumental in shaping CUMI's culture, governance and long-term direction. The Company remains deeply grateful for their legacy and honours their contributions with great respect.

Macro Environment and Industry Trends

The global economy remained resilient through 2025, despite an uncertain global environment. Yet there are growing investments in certain high technology sectors and steady industrial activity in select regions of the world.

Against this backdrop, India sustained its position as one of the world's fastest-growing major economies, driven by robust domestic demand, sustained infrastructure push and ongoing manufacturing expansion. Policy support through Production-Linked Incentive schemes and localisation programmes, combined with investments in clean energy, railways, electronics and semiconductors continued to reinforce India's stature as both a production and consumption hub, sharpening the country's long-term industrial competitiveness.

These developments are widening the opportunity landscape for the materials and engineering sector, particularly across renewable energy, power systems, electronics, electric mobility and other specialised applications. As industries increasingly demand solutions that fuel performance, reliability and application-specific value, CUMI remains well-poised to address these changing requirements through enhanced market relevance and greater alignment of its portfolio with emerging opportunities across domestic and international markets.

Year in Review

CUMI's performance during the year reflected disciplined execution, an improved product mix and continued investments in building capabilities. The Company undertook its highest-ever capital expenditure programme, with consolidated capital expenditure of ₹3094 million and standalone capital expenditure of ₹2352 million. These investments were directed towards strategic growth platforms, including Thin Wheels production in Abrasives, ceramics for Semiconductor Equipment & Aerospace and Defence applications in Industrial Ceramics, Fused Alumina capacity expansion and materials for Solid Oxide Fuel Cells in Electrominerals.

Leveraging these targeted initiatives, the Company fortified its technology base and positioned CUMI to address high-value opportunities across materials science, clean energy, electronics, power systems and specialised industrial solutions.

This strategic focus translated into steady business performance. The Company's consolidated revenue increased by 7% to ₹51,494 million, while standalone revenue grew by 9% to ₹30,244 million, buoyed by sound momentum in Ceramics, healthy export performance in Electrominerals and an improvement in Abrasives during the second half of the year.

The India businesses continued to operate in a challenging environment, characterised by demand volatility, import-led pricing pressures and changing global market dynamics. Through focused market interventions, prudent cost management and application-led solutions, CUMI sustained operational resilience while maintaining a net debt-free standalone position and generating healthy free cash flow. These outcomes reflect the strength of the Company's operating model and its continued commitment to disciplined capital allocation and long-term value creation.

Exports remained an important contributor to growth during the year, supported by sustained competitiveness across key product lines and the ability to serve diversified global markets.

> "Our ambition is to lead the industry in sustainable and responsible manufacturing practices, while building advanced, differentiated solutions across Abrasives, Electrominerals, and Ceramics."

This resilience has been driven by continued investments in capacity expansion, technology upgradation, digitalisation and sustainability initiatives, thereby augmenting operational efficiency and aligning the capabilities with evolving customer requirements across geographies.

In line with the focus on disciplined capital allocation and portfolio optimisation, CUMI undertook a strategic review of select businesses. This led to the initiation of voluntary winding-up of CUMI AWUKO Abrasives GmbH in Germany. Following a review of the commercial viability of Foskor Zirconia (Pty) Ltd. by its Management and Board, it has been determined that the company is no longer in a position to continue operations and that no viable alternative currently exists. The shareholders of Foskor Zirconia (Pty) Ltd. are undertaking a strategic review of the situation, and the outcome will be communicated in due course.

Segment Performance Review

Abrasives

The Abrasives business reported consolidated revenue of ₹22,706 million, registering a growth of 5.1% over the previous year's revenue of ₹21,594 million. Segment Profit Before Interest and Tax (PBIT) stood at ₹966 million. The business operated in a challenging environment during the first half of the year due to subdued retail demand, inventory corrections, and import-led pricing pressure. Market conditions improved in the second half, supported by stronger industrial demand and focused market initiatives. The business strengthened its presence across the Industrial, Precision and Retail segments through broader market reach, deeper application support and wider channel expansion. During the year, CUMI commissioned a state-of-the-art Thin Wheels manufacturing facility at Hosur, equipped with production lines (including technology) acquired from DRONCO GmbH, Germany. This strategic investment expands the Thin Wheels manufacturing capacity and supports future growth.

The associate and subsidiary companies contributed steadily to the overall performance. Sterling Abrasives Limited maintained moderate growth, aided by industrial demand and specialised applications, while Wendt (India) Limited maintained stable performance in precision grinding solutions alongside the expansion of its customised tooling and super abrasives portfolio. RHODIUS Abrasives GmbH improved its precision cutting and grinding offerings despite weak European demand. CUMI America Inc. expanded application support across industrial segment in North America, while Volzhsky Abrasive Works maintained operational continuity amid evolving geopolitical conditions.

The overseas subsidiaries operated in a challenging global environment marked by weak demand, logistics disruptions and tariff-related uncertainties. Across these markets, the focus remained on selective growth, operational efficiencies and fortifying differentiated capabilities to augment long-term competitiveness of the global abrasives platform.

Electrominerals

The Electrominerals business reported consolidated revenue of ₹16,318 million, registering a growth of 3.7% over the previous year's revenue of ₹15,736 million. Segment Profit Before Interest and Tax (PBIT) stood at ₹909 million. The Electrominerals business delivered accelerated growth during the year, supported by higher exports, an improved product mix and a rising contribution from value-added offerings.

Chairman's Message

Building on these favourable conditions, CUMI strengthened its position through integrated manufacturing, process discipline and a decisive shift towards specialised, high-purity materials. This was further reinforced by targeted investments in furnace upgrades and treated alumina facilities, enabling a stronger focus on differentiated, value-added growth.

This emphasis on long-term value creation guided the portfolio decisions as well, leading to a continued review of business performance across entities. VAW, our Russian subsidiary, delivered a resilient performance in its first full year of operations following its inclusion on the OFAC Specially Designated Nationals (SDN) list. Despite restrictions that limited its addressable markets largely to Russia and the Commonwealth of Independent States (CIS), the subsidiary remained profitable through focused operational improvements and disciplined cost management. This performance reflects the team's ability to adapt effectively to a challenging operating environment.

Overall, the business maintained focus on continuity, specialty product development and execution discipline, while fortifying collaborations with research institutions and technology partners to drive innovation in next-generation materials.

Ceramics

The Ceramics business reported consolidated revenue of ₹12,680 million, registering a growth of 9.3% over the previous year's revenue of ₹11,601 million. Segment Profit Before Interest and Tax (PBIT) stood at ₹2562 million.

Industrial Ceramics

Industrial Ceramics delivered healthy growth during FY2025-26, supported by strong demand for Engineered Ceramics and Metallised Ceramics across clean energy, power systems, electronics, and semiconductor manufacturing equipment applications.

Demand for metallised ceramics, vacuum interrupter components and engineered ceramic solutions remained strong, supported by investments in power infrastructure, electronics and fast-growing digital ecosystems. Engineered ceramics for Solid Oxide Fuel Cell (SOFC) applications also recorded encouraging growth during the year.

To strengthen the Company's participation in these high-growth areas, dedicated facilities were commissioned for advanced ceramic components serving semiconductor manufacturing and defence applications, while expanding application-led partnerships across key international markets. These initiatives augment the capabilities in high-performance ceramics and position the business to capture opportunities linked to semiconductor manufacturing, electronics, clean energy and precision engineering.

The Company's international operations complemented this momentum by extending the global reach in engineered ceramics. CUMI America Inc. widened its presence in wear ceramics in North America, while CUMI (Australia) Pty Ltd. continued to grow its engineered wear solutions business, serving customers in mining, mineral processing and power generation, among others.

Super Refractories

The Super Refractories business operated in a mixed demand environment during the year, with conditions improving in the second half as industrial activity recovered across select sectors. Demand from glass, chemicals, fertilisers, petrochemicals and other industrial segments supported business performance.

To strengthen its market position, the business expanded its capacities in corrosion protection, advanced composites and specialised high-temperature applications through focused investments in process improvements, automation and the Integrated Manufacturing Excellence (IMEx) programme. Improved application engineering, installation, maintenance and lifecycle support further strengthened its position as a solutions-led partner across key customer industries.

The international operations complemented these capabilities, with Silicon Carbide Products LLC, USA expanding its presence in advanced Nitride Bonded Silicon Carbide (NBSiC) solutions for demanding industrial applications.

The outlook for the business remains positive, supported by investments in industrial infrastructure, energy systems, chemicals, glass, defence and other process industries that require high-performance refractory, corrosion protection and thermal management solutions.

Performance of Other Businesses

The Company's subsidiaries, associate companies and joint ventures continued to drive diversification, technology development and strategic capability.

Murugappa Morgan Thermal Ceramics (MMTCL) Limited continued to strengthen its presence in thermal insulation and passive fire protection solutions. Meanwhile, CIRIA India Limited enhanced its end-to-end refractory engineering and project services capabilities across refinery, petrochemical, fertiliser, hydrogen and other high-temperature process industries.

Net Access India Limited continued expanding its presence across managed services, cybersecurity and digital infrastructure solutions. PLUSS Advanced Technologies Limited recorded healthy growth, gaining traction from rising demand in healthcare, cold-chain logistics, thermal energy management and specialty polymer applications.

Across their respective markets, the associate businesses and joint ventures stayed focused on disciplined execution, innovation and long-term value creation.

Strategic Priorities and Organisational Transformation

Aspiration 2030 continues to guide CUMI's long-term growth, providing a strategic framework to strengthen its core businesses while creating new engines of growth. It is built around seven pillars covering organisational performance, business growth, materials science and innovation, new growth frontiers, manufacturing excellence, sales and marketing, and cross-organisational initiatives such as Digital and ESG. Together, these pillars are helping CUMI build a high-performance culture while driving focused execution, stronger capabilities, sound governance and a sharper focus on specialised materials and global markets.

CUMI's integrated business model complements this strategy by ensuring greater control across the value chain, from raw material sourcing to engineered applications. This structure guarantees quality, reliability and speed to market, and has been fortified this year through the Integrated Manufacturing Excellence (IMEx) programme that leverages automation, digitalisation and energy optimisation. Combined with targeted investments in customer-centric innovation, technology expertise and production platforms, these operational advances ensure CUMI is well positioned to meet evolving market needs.

Environmental Sustainability

The Company continues to embed environmental sustainability across its operations to drive resource efficiency and long-term resilience. This year, focused investments in cleaner technologies, process improvements and operational discipline empowered the Company to meet the FY 2026 water intensity reduction target, while surpassing greenhouse gas reduction goal.

Waste intensity reduction remains a focus area for improvement. Capitalising on the broader momentum, CUMI has established more ambitious Aspiration 2030 targets, with FY 2024-25 as the new baseline. Over this next phase, the aim is to achieve an additional 20% reduction in water intensity, a 25% cut in greenhouse gas and waste intensity, and an increase in renewable energy to 50% of the total power consumption.

These commitments secure CUMI's trajectory towards building a more resource-efficient, low-carbon and future-ready enterprise.

People and Culture

People are at the core of CUMI's growth, which is why the Company invests in aligning leadership behaviour with strategic capability.

This year, CUMI embedded this focus by launching the BEFASt Code. Built on the principles of Bold and Timely decision-making, Embracing Change with a solutions-driven mindset, Fairness to all Stakeholders, Accountability in decision making and execution, and Standing Up for each other, BEFASt is fostering a culture of agility, collaboration and superior performance, rooted in responsibility and trust.

The Company also continued to develop technical and functional capabilities through structured learning programmes, cross-functional projects and training initiatives. Safety remained a key priority, supported by improved shopfloor systems and behavioural safety practices across operations. Recognising that operational excellence relies on a thriving workforce, CUMI expanded the wellbeing initiatives across physical, mental, social and financial dimensions under the brand name CUMI Vital.

This synchronised focus on leadership depth, technical capability and holistic well-being ensures the Company is prepared to scale into new growth frontiers.

Corporate Social Responsibility

The CSR philosophy focuses on driving inclusive development by creating sustainable impact within the communities CUMI serves. During the year, CUMI strengthened this commitment through targeted initiatives in education, healthcare, skill development, environmental sustainability and community well-being.

By aligning resources with these long-term social priorities, the Company's interventions address local needs in a practical and lasting manner.

Governance

Governance remains fundamental to the way CUMI operates and creates value. As the Company expands across global markets and specialised applications, it continues to uphold the highest standards of ethics, transparency and accountability.

During the year, the Company further strengthened its governance framework by enhancing risk management, internal controls and cybersecurity oversight, while the Board provided strategic guidance on portfolio choices, sustainability, digitalisation and growth priorities.

To further enrich this leadership depth, Ambassador D. B. Venkatesh Varma joined the Board as an Independent Director, bringing valuable experience and strategic perspective to the organisation.

I wish to place on record my sincere appreciation to the Board of Directors. They have been generous with their time, guidance and counsel, particularly at critical junctures. The Managing Director, Mr. Sridharan Rangarajan, the leadership team and employees across CUMI, its subsidiaries, associate and joint ventures have contributed immensely across every facet of the Company's operations with unwavering dedication, determination and selflessness. I extend my sincere thanks and deep appreciation to them.

The Company expresses its gratitude to all shareholders for their continued support as it moves forward with confidence in Strengthening the Core and Steering Growth!

Warm regards,

M. M. Murugappan
Chairman

Key Performance Indicators

Sustaining Momentum through Strategic Discipline

We continued to demonstrate strong financial resilience, supported by consistent revenue growth, disciplined cost management, and a prudent approach to capital allocation. Our shift from volume-led commodities to value-led speciality materials helped us generate healthy returns while maintaining a strong balance sheet. This solid financial position enabled us to invest strategically in innovation, expand global capacity, and pursue emerging high-margin opportunities across international markets.

Standalone Highlights

Revenue from Sales
(₹ in Million)

FY26	**30,244**
FY25	27,837
FY24	25,932
FY23	24,732
FY22	21,916

PAT % of Sales
(%)

FY26	**14**
FY25	12
FY24	14
FY23	13
FY22	12

PBIT
(₹ in Million)*

FY26	**5,250**
FY25	4,255
FY24	4,672
FY23	4,218
FY22	3,465

*Before exceptional

Debt-Equity Ratio
(x)

FY26	**0.00**
FY25	0.00
FY24	0.00
FY23	0.05
FY22	0.09

PBIT % of Sales
(%)

FY26	**17**
FY25	15
FY24	18
FY23	17
FY22	16

ROCE
(%)

FY26	**19**
FY25	18
FY24	21
FY23	21
FY22	20

Profit after Tax
(₹ in Million)

FY26	**4,163**
FY25	3,216
FY24	3,504
FY23	3,309
FY22	2,545

Free Cash Flow/PAT
(%)

FY26	**46**
FY25	14
FY24	90
FY23	60
FY22	60

Using advanced tension rolling technology to achieve superior blade stability and cutting accuracy

Consolidated Highlights

Revenue from Sales
(₹ in Million)

FY26	51,494
FY25	48,335
FY24	46,282
FY23	46,010
FY22	32,896

PAT % of Sales
(%)

FY26	4
FY25	6
FY24	10
FY23	9
FY22	10

PBIT
(₹ in Million)*

FY26	4,350
FY25	5,860
FY24	6,686
FY23	5,785
FY22	4,822

*Before exceptional

Debt-Equity Ratio
(x)

FY26	0.08
FY25	0.03
FY24	0.04
FY23	0.08
FY22	0.09

PBIT % of Sales
(%)

FY26	8
FY25	12
FY24	14
FY23	13
FY22	15

ROCE
(%)

FY26	11
FY25	16
FY24	20
FY23	20
FY22	20

Profit after Tax
(₹ in Million)

FY26	1,947
FY25	2,927
FY24	4,613
FY23	4,140
FY22	3,334

Free Cash Flow/PAT
(%)

FY26	57
FY25	16
FY24	78
FY23	28
FY22	27

Community Testimonials

Empowering young minds through equitable access to quality education and opportunities to realise their aspirations

Committed to Inclusive Progress

Empowering educators through specialised teacher training programmes

"At one point, we feared we would lose our son after he was diagnosed with Acute Lymphoblastic Leukemia (ALL). As the sole earning member of our family, I could not afford the cost of his treatment on my income as a vegetable vendor. At this critical time, CUMI's CSR assistance through the Childhood Cancer Care Support Programme enabled Sanjeev to receive timely treatment and gave our family renewed hope. Today, seeing him back in school and continuing his studies fills us with immense happiness and gratitude.*

Beneficiary's mother

** Translated from the mother's original statement in the local language*

"Vellayan Chettiar School has become my second home, supporting me with a good education and value system. The school has provided us with a well-ventilated classroom with smart boards on each wing. We also have a well-maintained campus with a playground, a new basketball court, football ground and 400 meter running track. This has paved the way for many students to become dedicated sportspersons. Personally, I have also benefited from these sports facilities and became a district-level Kabaddi player. The school has inspired and given us a pathway to dream bigger and and achieve our aspirations."

Class XI B Student - Vellayan Chettiar School

"Due to financial difficulties, my family had almost decided that I should postpone my education despite my dream of pursuing a medical career. The scholarship support provided by CUMI through the Sugun Thomas Foundation came at the right time, enabling me to continue my studies without burdening my family. Today, I am pursuing my education with renewed hope, confidence, and determination to build a better future.

1st year Student - Apollo Institute of Hospital Management and Allied Sciences

"Joining the CUMI Centre of Skill Development transformed my life. Coming from a financially challenged family, I found not just technical training but confidence, discipline, and purpose. Winning at the CII Regional and National Skill Competitions was a defining milestone. I will always be grateful to CUMI for helping me build a brighter future.

Student at CUMI Centre for Skill Development

Environment

Translating Commitment into Measurable Impact

Deploying an 18 MWp group captive solar power plant at Thoothukudi marks a significant step in CUMI's renewable energy transition journey

At CUMI, environmental sustainability remained an important part of how we operated and grew responsibly. As a materials science and manufacturing company, we recognised that our operations consumed energy, water, and natural resources. We therefore remained focused on reducing our environmental footprint through cleaner energy, efficient processes, responsible resource use, and circular practices.

Cumi Environment Excellence Framework

Vision	**Sustainable Future** Net-zero Emission, Water Positive & Promoting Circular Economy
Key Factors	Climate Change; Optimised Resource Use
Key Elements	GHG Emission; Energy; Water; Waste; Air Emissions; Value Chain; Life Cycle assessment

The Spirit of the Murugappa Group: The Five Lights
Integrity, Responsibility, Passion, Respect, Quality

Our Aspiration for 2030

With new targets set in 2025, we are making every effort to stay on our sustainability pathway and achieve these targets. Our focus now shifts towards a significantly higher share of renewable energy and deeper intensity reductions.

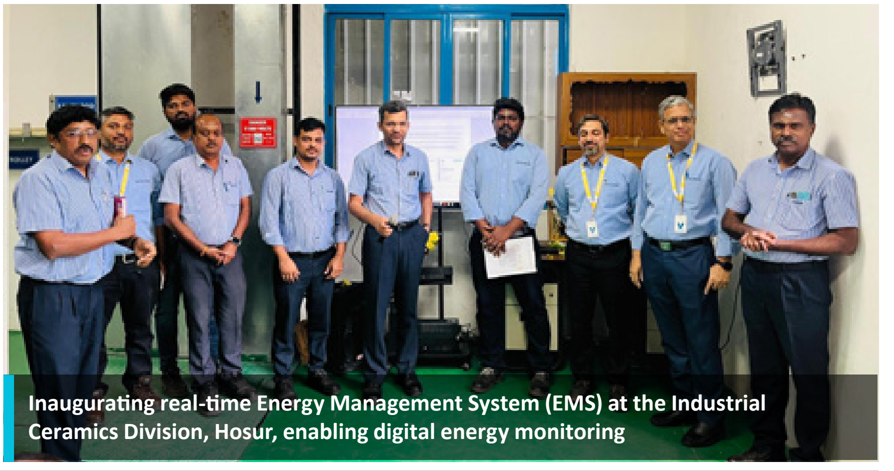
Parameter	Target by 2030 (FY24-25 baseline)	Achieved till FY26	Achievement (%)
Water Intensity Reduction (%)	20	2	10
GHG Intensity Reduction (%)	25	11	44
Waste Intensity Reduction (%)	25	15	60
Renewable Energy Mix (%)	50	28	56

Integrating sustainable manufacturing with green landscapes at CUMI Tiruvottiyur Plant to foster a resilient and environmentally responsible industrial ecosystem

Environment

Climate Action and Energy Management

- Deployment of renewable energy through multiple sourcing models, including solar and wind power, via third party power purchase, group captive power purchase and energy exchanges
  - Operationalised a 20 MW solar-wind hybrid power arrangement through manufacturing facilities in Tamil Nadu third-party PPAs
  - Wheeled nearly 170 lakh units of renewable power during FY 2025-26
- Energy efficiency through fuel switching and kiln and furnace load pattern study
- Implementation of waste heat recovery systems in kilns and furnaces
- Energy optimisation through digital monitoring tools and specific energy consumption tracking process/product level
- Conducted product-level Life Cycle Assessments (LCA) in the Electrominerals division to support low-carbon product development

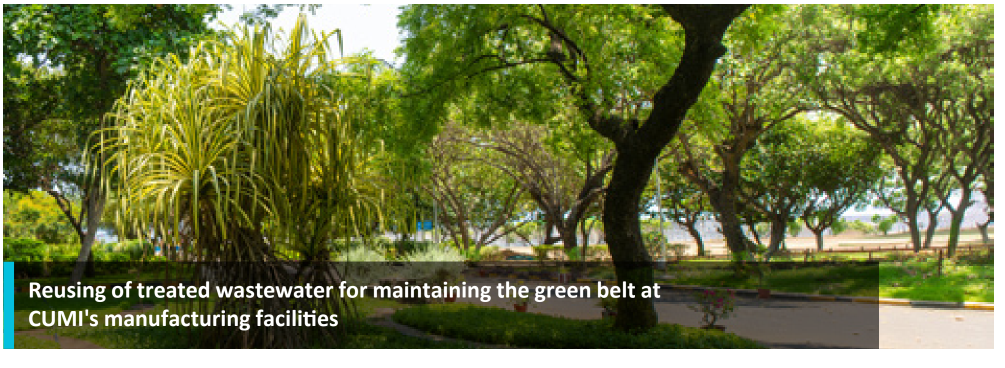


Inaugurating real-time Energy Management System (EMS) at the Industrial Ceramics Division, Hosur, enabling digital energy monitoring

Water Stewardship

- Expansion of rainwater harvesting systems and storage ponds
- Restoration and optimisation of recycle RO plants for process use
- Treated wastewater used to maintain 49% of green cover within CUMI facilities

Unveiling the 1,600 KL rainwater storage pond at Edappally reflecting CUMI's commitment to water conservation and sustainable resource management



Reusing of treated wastewater for maintaining the green belt at CUMI's manufacturing facilities

Waste Reduction and Circularity

- Initiatives for secondary use of scrap and waste across facilities
- 5S has been keenly focused on by manufacturing facilities, with continuous audits and scoring mechanisms in place
- Strong hazardous, e-waste, and biomedical waste compliance systems are closely monitored for adherence by a third-party tool

Sustainable Supply Chain and Value Chain Engagement

CUMI actively engages its value chain to drive sustainability beyond its operations.

Key Initiatives

- Release of a sustainable sourcing policy to ensure responsible procurement practices
- Launch of Supplier Code of Conduct aligned with ESG and BRSR requirements, with over 609 suppliers acknowledging the same
- Conduct of supplier assessment based on ESG criteria across all divisions
- Promotion of green energy adoption, water conservation, and waste reduction practices within the supply chain
- Critical supplier site audit on BRSR core elements

Bringing together CUMI's ESG team and the Hindalco plant team, during the value chain partners' onsite assessment initiative

Building Environmental Awareness

During the year, World Environment Day was observed across manufacturing locations through tree plantation drives, seed ball distribution, awareness sessions, and employee pledge programmes, that also included their families. These initiatives strengthened environmental awareness and encouraged sustainable practices across the organisation.

Encouraging employee participation in the tree plantation drive during the World Environment Day at Serkadu Plant

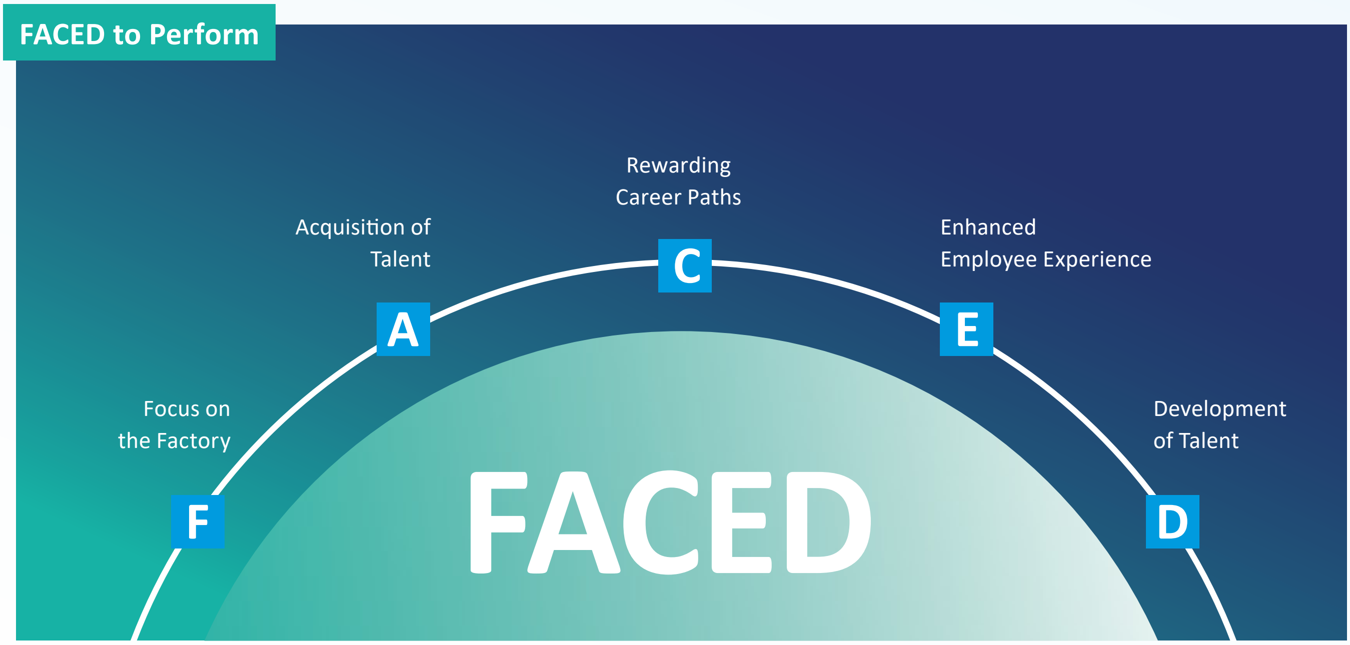
People at CUMI

Building a High-Performance and Future-Ready Organisation

Shaping the future of CUMI - FY26 Graduate Engineer Trainees

Our people strategy was guided by the 'FACED to Perform' framework, covering Focus on the Factory, Acquisition of Talent, Rewarding Career Paths, Enhanced Employee Experience and Development of Talent, helping build a high-performing and future-ready organisation.

FACED to Perform



F

Focus on the Factory

Creating a productive, efficient and future-ready manufacturing workforce remains central to our people strategy. During the year, we continued to strengthen shop-floor effectiveness through workforce optimisation, capability enhancement and process improvements.

Key Initiatives

- Industrial Engineering study completed at the Super Refractories plant to improve productivity and workforce deployment
- Automation opportunities identified across repetitive and manual-intensive operations
- Industrial relations capability-building programmes conducted for line managers and plant HR teams

Engaging in discussions at Super Refractories to foster learning, innovation and continuous improvement

A

Acquisition of Talent

Building a robust talent pipeline is critical to supporting our growth ambitions. We continued to attract, engage and nurture young talent through structured hiring and campus engagement initiatives.

Key Initiatives

- Campus hiring through Graduate Engineer Trainee (GET), Post Graduate Engineer Trainee (PGET) and Management Trainee (MT) programmes
- Enhanced Campus Connect through case study competitions, industrial visits, guest lectures and webinars
- Implemented competency-based hiring, talent assessment and internship programmes
- Strengthened employer branding through industry-academia partnerships

Welcoming students from PDA College, Gulbarga for an immersive industry interaction and plant visit at IC Plant, Hosur

Inspiring future engineers through a guest lecture at the Government College of Engineering and Ceramic Technology (GCECT)

People at CUMI

C

Rewarding Career Paths

We focused on creating meaningful career pathways while fostering a culture of accountability and ownership across employee groups.

Key Initiatives

- Conducted organisation effectiveness studies across business units
- Partnered with a consulting firm to organise a comprehensive benefits benchmarking exercise to evolve the Company's total benefits and rewards framework
- Introduced the 'Own the Future' ESOPs programme for middle and senior management employees

Strengthening employees professional presence through the Business Etiquette Programme, focusing on workplace conduct and communication at Corporate Office

E

Enhanced Employee Experience

Employee well-being is an integral part of our people philosophy. Through the CUMI Vital framework, we continued to promote holistic wellness.

Capturing Team Industrial Ceramics' celebration after winning the CUMI Champions League 2025 Cricket Tournament

Holistic Well-being

Supporting employees' physical, mental, financial, and social well-being through targeted programmes and initiatives.

Key Initiatives

- 12-week fitness journey
- CUMI Champions League
- CUMI Vital Rise - 21 days to a better you
- Health camps

Employee Engagement

Creating a connected workplace through interactive programmes that encourage collaboration, participation, and a strong sense of belonging.

Key Initiatives

- CUMI Half-yearly Communication Meets
- HR Walk and Talk
- Bond Beyond Boundaries
- Cultural celebrations

Recognition Platforms

Celebrating individual and team achievements through internal and external recognition programmes, reinforcing a culture of excellence.

Key Initiatives

- SHINE Awards
- Kaizen Awards
- TPM Awards
- Team Excellence Awards
- Operational Excellence Awards
- Long Service Awards

D

Development of Talent

Developing future leaders and enhancing organisational capability was a key priority during the year. Through the CUMI Management Development Centre (MDC), we strengthened functional, leadership and behavioural capabilities across levels.

Engaging in conversations during Manufacturing Excellence Programme

Manufacturing Academy

Augmented shop-floor capability through structured technical and leadership development programmes, enhancing operational efficiency, quality, safety, and continuous improvement across manufacturing operations.

Sales Excellence Academy

Built customer-centric commercial capabilities through programmes focused on value selling, dealer capability development, and customer engagement, strengthening consultative selling and channel effectiveness.

Leadership Academy

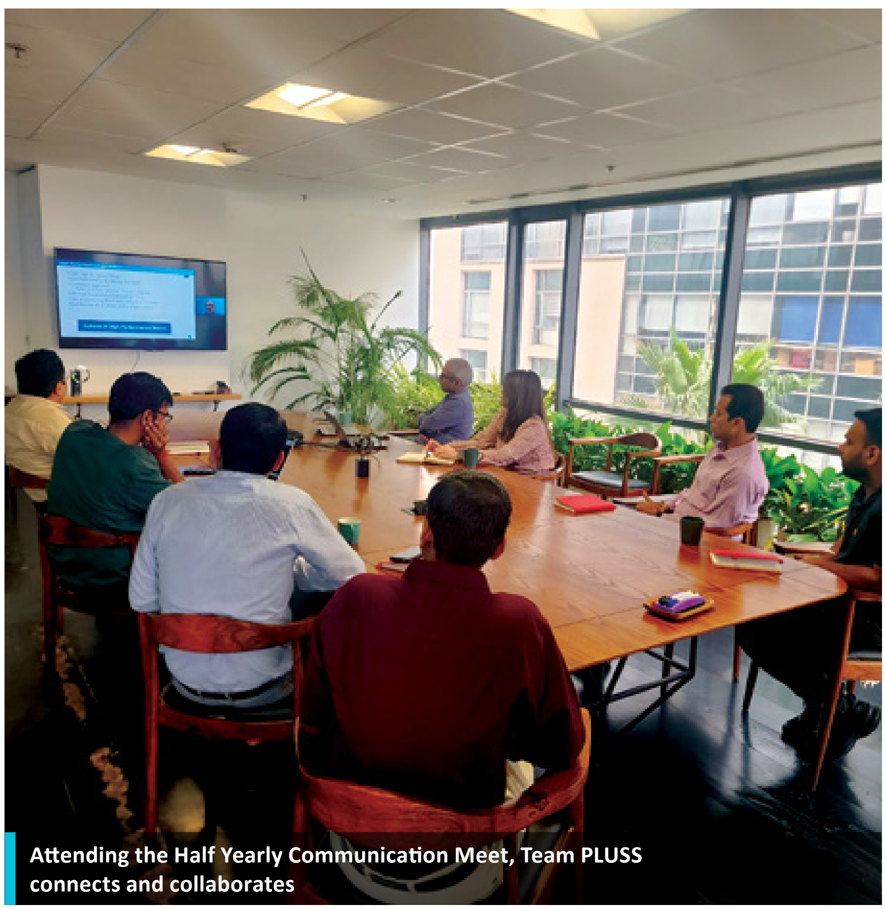
Developed future-ready leaders through the Emerging Leaders Programme (ELP), enhancing leadership, strategic thinking, decision-making, and people management skills while building a strong internal leadership pipeline.

Performance Management

We bolstered our performance management framework by reinforcing goal alignment through the Goal Cascade process, ensuring individual objectives remained closely linked to business priorities. The Performance Management System (PMS) emphasised continuous performance dialogue, timely feedback, and development planning, enabling greater accountability, transparency, and performance ownership across the organisation.

Communication and Employee Connect

We continued to strengthen internal communication through structured employee engagement and leadership connect platforms, fostering transparency, collaboration, and alignment across the organisation. Regular town halls, leadership interactions, functional forums, and digital communication channels enabled timely information sharing, encouraged two-way dialogue, and reaffirmed a culture of openness and shared purpose.



Attending the Half Yearly Communication Meet, Team PLUSS connects and collaborates

Safety

Building a Culture of Zero Harm

We remained committed to creating a workplace where every employee, contractor, and visitor returned home safely. Our long-term vision continues to be 'Zero Harm' with zero accidents, zero injuries, and zero occupational illness.

Cumi Health & Safety Excellence

Vision	**Zero Harm** Zero Accident, Zero Injury, Zero Illness				
Key Factors	Safe Condition	Safe Behavior			
Key Elements	Leadership	H&S Assessment	Risk Management	Contractor Safety	Training
	Incident Management	Motivation	Occupational Health	Benchmark	Safety Culture

The Spirit of the Murugappa Group: The Five Lights
Integrity, Responsibility, Passion, Respect, Quality

Driving Behaviour-Based Safety

Behaviour-Based Safety (BBS) remained a key pillar of CUMI's safety transformation journey. The programme focused on strengthening day-to-day safety behaviour on the shop floor through regular observations, coaching, and employee engagement.

Line managers and supervisors were trained to identify safe and unsafe behaviours, encourage safe behaviour and intervene unsafe behaviours, thereby, proactively addressing risks. Leadership reviews, regular BBS discussions, and increased leadership involvement in shop floor safety observations strengthened visibility and accountability across locations. We also expanded the 'Green Entry' initiative across facilities to reinforce safety awareness for employees, contractors, and visitors from the point of entry.

20%
Improvement in safe behaviour compared to previous year

90%
Average employee participation in the BBS programme

Strengthening Safety Systems and Risk Management

We strengthened risk identification and preventive safety systems across plants. We also enhanced contractor safety management through contractor pre-assessments and periodic EHS performance evaluations before and during engagement.

Key Initiatives during FY 2025–26

- Improved 360-degree machine guarding across facilities
- Expanded roof lifeline and fall protection systems
- Strengthened electrical safety measures with provisions for Lock Out Tag Out (LOTO) and implementing Residual Current Devices (RCDs) to enhance human protection
- Conducted structured process risk assessments across process equipment and enhanced process safety controls in critical areas
- Organised regular emergency preparedness drills with support from local fire departments
- Carried out assessments based on CUMI's EHS Excellence framework, which encapsulated all the EHS initiatives on a quantitative basis

Occupational Health and Well-being

We promoted healthy workplaces through regular monitoring and preventive health measures, assessing noise, dust, volatile organic compounds, and workplace air quality across our facilities.

Work Environment Monitoring (WEM) remained aligned with internal benchmarks referenced against global standards such as National Institute for Occupational Safety and Health (NIOSH) and Occupational Safety and Health Administration (OSHA). High-risk areas identified across facilities were addressed through engineering controls and continuous monitoring systems. Contract workers directly supervised by CUMI were also covered under occupational health and safety management programmes.

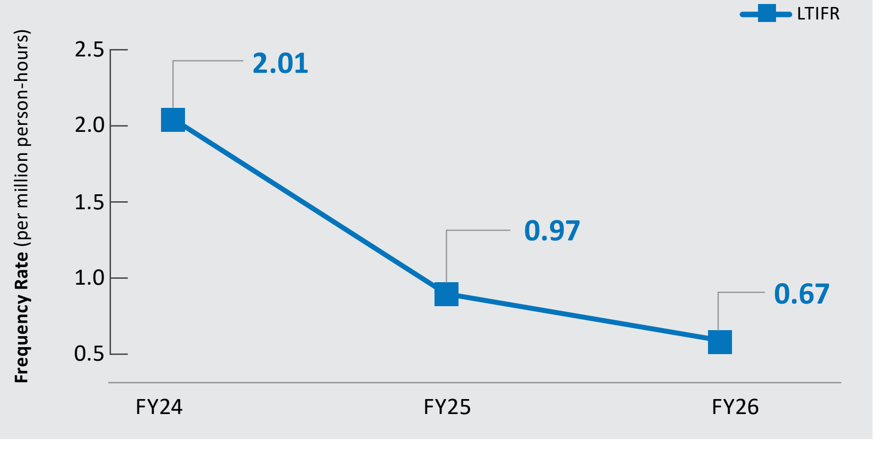
Safety Training and Digitisation

Building awareness and capability remained central to strengthening our safety culture. During the year, employees were trained on Behaviour-Based Safety, emergency preparedness, Lock Out Tag Out (LOTO), risk assessment, and process safety. We also expanded the use of digital tools for incident reporting, analytics, and safety observations. Going forward, an online EHS induction programme will be launched through our Learning Management System.

Safety Performance

We improved our overall safety performance during FY 2025–26 through focused interventions, structured programmes, and implementation of standardised safety practices across all manufacturing locations.

Lost Time Injury Frequency Rate (LTIFR)



Corporate Social Responsibility

Driving Inclusive Progress across Communities

Empowering communities through education, learning and inclusive development at the CUMI ASK Centre

Corporate Social Responsibility is rooted in the belief that meaningful progress must create value beyond business. Our CSR initiatives focus on improving access to education, healthcare, skill development, and community well-being, particularly for underserved and economically disadvantaged sections of society.

Through long-standing partnerships with educational institutions, healthcare organisations, and social foundations, we continue to support initiatives that create sustainable and measurable impact across communities.

CSR Dashboard, FY 2025-26

₹83.72 Mn
Total CSR investment dedicated to community transformation

38,000+
Lives impacted through our strategic interventions

27,000+
Students empowered through our skill development initiatives and benefitted from the school infrastructure development

Imparting hands-on technical training at the CUMI Centre for Skill Development, preparing youth for industry-ready careers

Building Skills for the Future

The CUMI Centre for Skill Development (CCSD), established in 2012 at Hosur and Cochin, plays an important role in building a technically skilled and industry-ready workforce.

The initiative provides free technical education and skill-based training for deserving students from economically weaker backgrounds, helping improve employability and career opportunities.

The programme focuses on creating industry-aligned capabilities while supporting India’s growing need for skilled manpower across manufacturing and technical sectors.

Supporting Education and Student Development

CUMI continued to support educational institutions and student development initiatives aimed at improving access to quality education for underserved communities.

AMM Foundation Initiatives

- Vellayan Chettiar Higher Secondary School, Tiruvottiyur, maintained support for students from poor and marginalised families, with over 2,300 students enrolled and 100% higher secondary examination results during 2024–25
- TI School, a CBSE institution focused on affordable and value-based education, kept providing holistic learning opportunities for nearly 1,300 students

Supporting quality education through school partnerships and student development initiatives

Corporate Social Responsibility

Enabling Educational Transformation

CUMI kept supporting the Sugun Thomas Foundation (STF), which has been working for over two decades to improve educational access, promote academic excellence, and create career opportunities for economically disadvantaged students. Through scholarships, mentoring, and holistic development initiatives, the Foundation has empowered young individuals to pursue higher education and build meaningful careers.

Several alumni supported through STF are today working across India and abroad, in countries like the UK, Singapore, Australia, Saudi Arabia, and the United States. Their success reflects the Foundation's long-term impact in transforming lives through education, mentorship, and sustained support, while creating opportunities for social and economic mobility across generations.

Supporting Inclusive Learning

CUMI also kept supporting the Madras Dyslexia Association (MDA), which works towards helping children with learning disabilities through remedial support, awareness creation, teacher training, and school resource development. These efforts continue to strengthen inclusive education and support children with specific learning disabilities.

Advancing inclusive education through awareness, teacher training and school partnerships

Strengthening Access to Healthcare

Healthcare remained another important focus area of CUMI's CSR efforts during the year.

Cachar Cancer Foundation, Assam

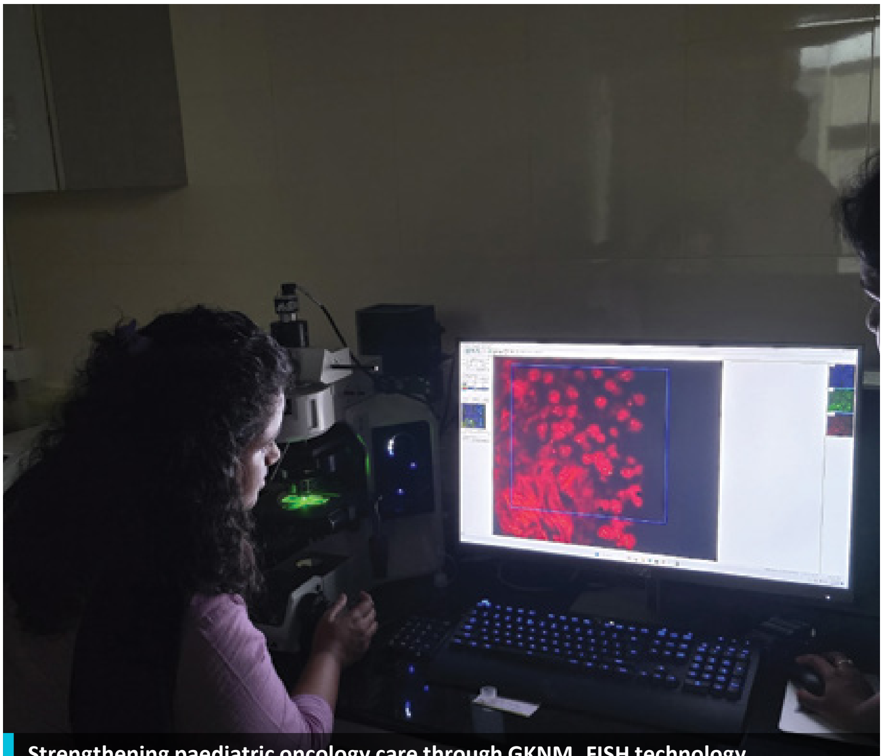
CUMI supported the Cachar Cancer Foundation, an organisation dedicated to provide affordable cancer care, prevention, treatment, education, and palliative support across Southern Assam and neighbouring states, serving nearly 10 million people.

The centre currently supports over 5,000 new patients and 25,000 follow-up patients annually, with more than 75% receiving low-cost or subsidised treatment.

Valliammai Achi Hospital, Kanyakumari

Under the AMM Foundation Initiatives, Valliammai Achi Hospital, Kanyakumari, continued to offer affordable healthcare services to rural and tribal communities, serving nearly 2,500 patients every month.

Supporting affordable and accessible cancer care through the Cachar Cancer Foundation



Strengthening paediatric oncology care through GKNM_FISH technology (Fluorescence In Situ Hybridisation), enabling precise genetic diagnosis of childhood cancer

Kuppuswami Naidu Medical Trust, Coimbatore

Support was also extended towards the treatment and care of children with cancer from low-income families. The initiative supported children from families earning less than ₹20,000 per month and helped cover treatment costs averaging nearly ₹2 lakh per child.

During the year, support was also provided for advanced medical equipment, including a colonoscopy machine and an iridium source for radiation therapy, strengthening uninterrupted and quality cancer care delivery for patients.

Board of Directors

Steering Progress with Purpose and Perspective

Our Board brings together strong industry expertise, global exposure, and strategic insight. With a clear focus on governance, accountability, and long-term value creation, it provides balanced oversight, guiding current performance while building a resilient, future-ready organisation.

Standing row - From left to right

Mr. Sujjain S Talwar
Non-Executive Independent Director

Ambassador D B Venkatesh Varma
Non-Executive Independent Director

Mr. Muthiah Murugappan Muthiah
Non-Executive Non-Independent Director

Mr. Sriram Viji
Non-Executive Independent Director

Sitting row - From left to right

Ms. Usha Rajeev
Non-Executive Independent Director

Mr. M M Murugappan
Chairman

Mr. Sridharan Rangarajan
Managing Director

Mr. M M Murugappan

Chairman

Mr. M M Murugappan holds a Master of Science degree in Chemical Engineering from the University of Michigan, USA. He is the Chairman of Carborundum Universal Limited and serves as Chairman of several leading organisations, including Cholamandalam MS General Insurance Company Limited, Cholamandalam Financial Holdings Limited, Cyient Limited, and Murugappa Water Technology and Solutions Private Limited. He is also the Chairman of the Board of Governors of the Indian Institute of Management Indore. Mr. Murugappan serves on the Boards of Rane Holdings, Carson Cumberbatch PLC, Sri Lanka, Ambadi Investments Limited and IIT Madras Research Park. He is a member of various professional bodies, including the American Institute of Chemical Engineers and the Indian Institute of Chemical Engineers, and is a Fellow of the Indian Ceramic Society. He is also a Trustee of AMM Foundation, the CSR arm of the Murugappa Group.

Mr. Sujjain S Talwar

Non-Executive Independent Director

Mr. Sujjain S Talwar is a qualified solicitor in India and England & Wales with over 25 years of experience in corporate, project and infrastructure laws across India and international jurisdictions. He is the co - Founding partner of Economics Law Practice (ELP), one of India's leading full-service law firms with offices across multiple cities and a team of over 250 lawyers. Prior to founding ELP, he worked with reputed international and Indian law firms, including Crawford Bayley and Pinsent Masons. Over the course of his career, he has advised clients on complex corporate transactions, infrastructure projects, regulatory matters and cross-border investments. He is widely recognised in the legal profession and has been acknowledged by leading legal directories for his depth of knowledge, innovative approach and ability to deliver practical and timely solutions.

Mr. Sriram Viji

Non-Executive Independent Director

Mr. Sriram Viji is the Managing Director of Brakes India, and a Board Member in several companies in the TSF Group, a diversified business group with investments in the automotive and financial services sectors. Prior to joining Brakes India, he worked with McKinsey & Company in New York, where he advised clients across the banking, media, and pharmaceutical sectors. Earlier, he served as a Program Manager at Microsoft Corporation. Mr. Sriram brings a strong blend of technology, strategy, and business leadership experience, gained through global assignments and leadership roles. He holds a Master of Business Administration from the University of Michigan, as well as Master's degrees in Computer Science and Aeronautics from Stanford University. He earned his Bachelor of Technology in Aerospace Engineering from the Indian Institute of Technology Madras.

Board of Directors

Ms. Usha Rajeev

Non-Executive Independent Director

Ms. Usha Rajeev is a seasoned finance and governance professional with over 35 years of experience in audit, assurance, risk management and corporate governance across varied sectors . She was a Partner with Price Waterhouse & Affiliates for more than 19 years. During her distinguished career with the Firm, she held several leadership positions, including Audit/ Assurance Leader for North and East India regions, Risk & Quality Leader for the India network member firms, and India Telecom Sector Leader. Ms. Usha Rajeev is a Fellow Member of the Institute of Chartered Accountants of India and is also a graduate of the Institute of Cost Accountants of India. She holds a Bachelor of Commerce (Hons) degree from Shri Ram College of Commerce, Delhi.

Ambassador D B Venkatesh Varma

Non-Executive Independent Director

Ambassador D B Venkatesh Varma is a distinguished former diplomat with over three decades of service in the Indian Foreign Service from 1988 to 2021. He holds an M.Phil. in International Relations (Disarmament Studies) from Jawaharlal Nehru University, New Delhi. During his diplomatic career, he served in several important assignments, including as India's Ambassador to the Conference on Disarmament in Geneva, Ambassador to Spain and Ambassador to the Russian Federation. He has extensive experience in international relations, strategic affairs, national security, defence policy and multilateral diplomacy. He has also held senior positions in the Ministry of External Affairs, the Office of the External Affairs Minister and the Prime Minister's Office. He currently serves in various academic and advisory capacities and has been a member of India's National Security Advisory Board since April 2025.

Mr. Muthiah Murugappan Muthiah

Non-Executive Non-Independent Director

Mr. Muthiah Murugappan Muthiah, popularly known as Mr. Muthu Murugappan, is a fifth-generation member of the Murugappa family and is currently the Whole-Time Director and Chief Executive Officer of E.I.D. Parry (India) Limited. He began his professional career with CavinKare Pvt. Ltd. before joining Carborundum Universal Limited, where he held responsibilities across exports, international trading operations and business leadership roles. Following the completion of his MBA from London Business School, he rejoined the Murugappa Group and subsequently held key leadership positions in the nutraceuticals and strategy functions of E.I.D. Parry. He was appointed Chief Executive Officer of E.I.D. Parry in 2022. Mr. Muthiah serves on the Boards of several companies and institutions, including Mahindra & Mahindra Limited and Murugappa Chettiar Research Centre, and contributes actively to the Group's strategic initiatives.

Mr. Sridharan Rangarajan

Managing Director

Mr. Sridharan Rangarajan is a seasoned finance professional with 40 years of experience spanning manufacturing, banking, contracting, services and distribution businesses. He 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 joined the Murugappa Group in 2011 as Chief Financial Officer of Carborundum Universal Limited and served in that role until 2018, following which he assumed responsibility as President and Group Chief Financial Officer of the Murugappa Group. Mr. Rangarajan serves on the Boards of several listed and unlisted companies within the Group and has contributed significantly to financial strategy, governance, capital allocation and business transformation initiatives. He has also previously served on the Board of Timken India Limited.

Leadership Team

Leadership Steering Our Growth Journey

Our leadership team drives execution across the organisation by strengthening capabilities, improving operational performance, and nurturing talent. Together, they foster a culture of collaboration and continuous improvement that supports CUMI's long-term growth.

Sitting row - from left to right

Mr. Raghavendra Pai
Business Head – Super Refractories

Mr. C Srikanth
Business Head – Abrasives

Ms. Rekha Surendhiran
Company Secretary

Mr. Sridharan Rangarajan
Managing Director

Mr. P Padmanabhan
Chief Risk Officer & Head – Global Taxation

Mr. MV Sivakumaran
Business Head – Electrominerals

Standing row - from left to right

Mr. Ajit Kolhe
Head – Information Technology
(till June 2026)

Mr. Prathap Kumar
Business Head – Industrial Ceramics

Mr. Rammohan R
Head – EHS

Mr. Shyam C Raman
Chief Human Resources Officer

Mr. Koshy Abraham
Head – Manufacturing Centre of Excellence

Way Forward

Executing with Greater Impact

As we enter the second year of our Aspiration 2030 journey, our focus remains on disciplined execution of the strategic priorities that will shape our long-term growth.

Implementing the Certified Value Selling Programme to build the capabilities needed to deepen customer partnerships and deliver differentiated business outcomes

Partnering with IIT Madras, CUMI continues to strengthen manufacturing leadership capabilities and build future-ready leaders for sustained growth and excellence

In Abrasives, the priority will be to consolidate Thin Wheels facilities into a single Centre of Excellence and strengthening cost competitiveness through manufacturing efficiencies. Electrominerals will continue its transformation from commodity minerals to specialty materials through a series of strategic capacity additions. Major expansions include increasing Fused Alumina capacity, with a particular focus on treated products, expanding the Zirconia portfolio through product development, and the addition of fusion and grain processing capabilities. Focus will also be on strengthening the Company's Thermal Spray portfolio through an end-to-end process revamp, dedicated integrated furnacing and an automated grain processing facility.

In the transformational minerals side, the business will emphasise building its customer base for 5N-purity High Purity Silicon Carbide (HpSiC). Apart from this, the technology route for 6N-Purity of HPSiC has been identified, and the business is currently working on a pilot scale manufacturing facility for the same.

In Ceramics, capacity expansion for metallised cylinders and SOFC components will continue alongside the ramp-up of newly commissioned facilities serving the semiconductor WFE component industry. In the latter, focus of FY27 will be the ramp-up of serial supply from current facilities and laying the groundwork for Phase II of the project. Additionally, the business is entering Active Metal Brazed products and Direct Bonded Copper products, substrates and brazed assemblies for power electronics. A qualification programme has been drawn and both critical product segments and prototype development submission will be completed this year.

In Refractories, growth will be driven through significant capacity expansion across both fired and monolithic refractories, supported by the development of higher-value products and a gradual scale-up of composites and advanced materials businesses to strengthen our domestic and export presence.

Across the organisation, we will continue our focus on the organisational enablers that will help us build a high-performance organisation: manufacturing excellence, digital first, commercial and people capabilities. Investments in manufacturing excellence, digital manufacturing systems, sales effectiveness, sustainability and talent development will enhance productivity, improve customer responsiveness and reinforce a culture of continuous improvement. At the same time, our commitment to safety, environmental stewardship and responsible growth will remain integral to our strategy as we progress towards our FY 2029-30 sustainability aspiration.

Together, these initiatives position us to build on the momentum of the first year of execution and continue creating sustainable value for all our stakeholders while progressing steadily towards our Aspiration 2030.

Leadership team participating in a strategic workshop to align priorities and accelerate the execution of Aspiration 2030

Awards and Recognition

Recognised for Progress and Performance

Prithvi Award

Received the Prithvi Award for ESG Excellence at the Global ESG Conference 2025, recognising CUMI's integrated approach to sustainability, responsible manufacturing, and long-term value creation.

Green Champion Award

Super Refractories, Vellore received the Green Champion Award from the Government of Tamil Nadu and TNPCB for excellence in environmental management and sustainability practices.

Kerala State Pollution Control Board Awards 2025

Electrominerals Division received recognition from the Kerala State Pollution Control Board for excellence in environmental stewardship and the implementation of sustainable manufacturing initiatives.

CII National EHS Excellence Awards 2025

Received multiple honours at the CII National EHS Excellence Awards 2025.

Key Recognitions

- Gold – Electrominerals Division
- Silver – Abrasives (MMN)
- Silver & Bronze – Super Refractories (Serkadu) and Super Refractories (Ranipet)

Sreshta Suraksha Puraskar

Electrominerals Division Received the Sreshta Suraksha Puraskar from the National Safety Council Kerala Chapter for outstanding performance in safety management systems.

Supply Chain Excellence Award 2025

Industrial Ceramics honored with the Supplier Excellence Award by Bloom Energy for its outstanding partnership, operational excellence, and unwavering commitment to quality and innovation.

FINANCIAL TRACK RECORD

(₹ in Million)

	Summary information	Consolidated performance					Standalone performance				
		2026	2025	2024	2023	2022	2026	2025	2024	2023	2022
a	Net Sales	51494	48335	46282	46010	32896	30244	27837	25932	24732	21916
b	EBITDA*	6818	7980	8593	7659	5968	6196	5061	5399	4963	4115
c	PBIT*	4350	5860	6686	5785	4822	5250	4255	4672	4218	3465
d	PBT	2817	4679	6502	5799	4765	5248	4253	4631	4316	3455
e	PAT	1947	2927	4613	4140	3334	4163	3216	3504	3309	2545
f	Net Fixed Assets	17496	15669	13917	13698	9057	8216	6646	5741	5322	4527
g	Net Working Capital	17760	16830	14970	12879	8751	9534	7572	6760	4169	3178
h	Non Current Investments	1988	2014	1716	1612	1378	10993	10996	10394	10475	9685
i	Shareholders Networth	38998	35286	31257	28206	23638	29096	25583	22975	20065	17407
j	Loan Funds	3050	1202	1127	2301	2122	-	-	-	1040	1630
	Ratio Analysis										
A	Performance Ratios										
1	EBITDA / Net Sales	13%	17%	19%	17%	18%	20%	18%	21%	20%	19%
2	PBIT / Net Sales	8%	12%	14%	13%	15%	17%	15%	18%	17%	16%
3	Asset Turnover times	1.08	1.15	1.20	1.32	1.14	1.54	1.68	1.76	1.84	1.51
4	Return on Capital Employed	11%	16%	20%	20%	20%	19%	18%	21%	21%	20%
5	Return on Equity	5%	9%	16%	16%	15%	15%	13%	16%	18%	16%
6	International Revenue (net) share	55%	54%	54%	56%	45%	31%	27%	24%	26%	23%
B	Leverage Ratios										
1	Interest Cover times	23	42	36	25	85	3241	2548	113	28	356
2	Debt Equity Ratio	0.08	0.03	0.04	0.08	0.09	-	-	-	0.05	0.09
3	Debt / Total Assets	0.06	0.03	0.03	0.06	0.06	-	-	-	0.04	0.07
C	Liquidity Ratio										
1	Current Ratio	2.67	3.35	3.23	2.74	2.13	3.81	3.64	3.48	2.01	1.62
D	Activity Ratio										
1	Inventory Turnover days	77	72	69	63	64	55	53	52	58	58
2	Receivable Turnover days	59	55	52	44	53	60	54	54	53	54
3	Creditors No. of days	56	51	50	49	57	38	38	41	48	53
4	Cash Cycle days	80	76	71	58	60	77	69	65	63	59
E	Investor related Ratios										
1	Earning Per Share (₹)	10.30	15.58	24.27	21.80	17.57	21.86	16.90	18.44	17.43	13.41
2	Dividend Per Share (₹)	NA	NA	NA	NA	NA	4.00	4.00	4.00	3.50	3.50
	- Interim	NA	NA	NA	NA	NA	1.50	1.50	1.50	1.50	1.50
	- Final (proposed and paid in subsequent year)	NA	NA	NA	NA	NA	2.50	2.50	2.50	2.00	2.00
3	Dividend Payout %	NA	NA	NA	NA	NA	18.3%	23.7%	21.7%	20.1%	26.1%
4	Price to Earnings Ratio	88	90	47	39	44	-	-	-	-	-
5	Enterprise Value / EBITDA	25	33	25	21	24	NA	NA	NA	NA	NA
6	Enterprise Value / Net Sales	3.29	5.52	4.66	3.49	4.41	NA	NA	NA	NA	NA

* excluding exceptional income/expenses (Net)

Corporate Information

BOARD AND COMMITTEES

Board of Directors

M M Murugappan, Chairman (DIN 00170478)

Sujjain S Talwar (DIN 01756539)

Sriram Viji (DIN 03630636)

Usha Rajeev (DIN 05018645)

Amb. D B Venkatesh Varma (DIN 11564227)

Muthiah Murugappan Muthiah (DIN 07858587)

Sridharan Rangarajan, Managing Director (DIN 01814413)

Committees of the Board
Audit Committee

Usha Rajeev, Chairperson

Sujjain S Talwar

Muthiah Murugappan Muthiah

Nomination and Remuneration Committee

Sujjain S Talwar, Chairman

M M Murugappan

Usha Rajeev

Sriram Viji

Corporate Social Responsibility Committee

Sujjain S Talwar, Chairman

Muthiah Murugappan Muthiah

Sridharan Rangarajan

Risk Management Committee

Usha Rajeev, Chairperson

Amb. D B Venkatesh Varma

Sridharan Rangarajan

Stakeholders Relationship Committee

M M Murugappan, Chairman

Sujjain S Talwar

Sridharan Rangarajan

COMPANY SECRETARY

Rekha Surendhiran
Carborundum Universal Limited
'Dare House', No.234, N.S.C. Bose Road,
Parrys, Chennai 600 001
Tel: +91-44-30006141; Fax: +91-44-30006149
E-mail: rekhas@cumi.murugappa.com

BANKERS

State Bank of India

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation Ltd.

MANAGEMENT COMMITTEE

Sridharan Rangarajan, Managing Director

C Srikanth, Business Head - Abrasives

M V Sivakumaran, Business Head - Electrominerals

Prathap Kumar, Business Head - Industrial Ceramics

Raghavendra Pai, Business Head - Super Refractories and Prodorite

Shyam C Raman, Chief Human Resources Officer

P Padmanabhan, Chief Risk Officer and Head - Global Taxation

Rekha Surendhiran, Company Secretary

R Rammohan, Head- EHS

Koshy Abraham, Head - Manufacturing Center of Excellence

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP

REGISTRAR AND SHARE TRANSFER AGENT

M/s. KFin Technologies Limited
Unit: Carborundum Universal Limited
Selenium Building, Tower-B,
Plot No. 31 & 32, Financial District, Nanakramguda,
Serilingampally, Hyderabad, Telangana - 500 032
Tel.: +91-40-67162222, Fax: +91-40-23420814
Toll Free no.: 1800-345-4001
E-mail: einward.ris@kfintech.com;
Website: https://www.kfintech.com

Report of the Board of Directors

Your Directors are delighted to present the Report of the Board of Directors (Report) forming part of the 72nd Annual Report of Carborundum Universal Limited ('CUMI' or 'Company') together with the Audited Financial Statements of your Company for the year ended 31st March 2026 ('year under review or FY 2026').

STATE OF COMPANY'S AFFAIRS AND PERFORMANCE HIGHLIGHTS

Overall Performance

FY 2026 marked a year of resilient execution by the Company amid a challenging global operating environment, characterised by tariff-related uncertainties, uneven demand recovery across geographies and increasing geo-political tension. Despite these external headwinds, the Company delivered a steady revenue growth with disciplined capital allocation and a robust cash flow, while continuing to invest in strategic initiatives aligned with its long term aspirations for transformational growth.

At a standalone level, the Company delivered a steady performance, supported by a strong export-led growth in the Electrominerals segment, as well as metalized cylinders and AI data centre-driven demand for engineered ceramics in the Ceramics segment. While the growth in the Abrasives segment was muted in the first half of the financial year, owing to a combination of factors including higher channel inventory and channel liquidity the business made a strong comeback in the second half of the year with a strong growth supported by targeted market focus initiatives and new product launches. The Company maintained a net debt-free standalone position and generated healthy free cash flows. The Refractories business delivered a balanced performance during the year despite project delays, uneven market conditions marked by uncertainty in customer investment cycles, and geopolitical challenges. The corrosion protection segment of this business emerged as a key performance driver backed by robust project orders.

During the year under review, the Company undertook its highest ever capital expenditure programme, in line with its long term aspiration, focusing on potential entry into emerging new businesses, capacity augmentation in existing businesses, technology upgrades as well as energy and sustainability initiatives. Notable initiatives include setting up of new facilities for manufacturing ceramics used in semiconductor wafer fabrication equipment as well as ceramic parts for vehicle and personnel protection in the Aerospace and Defence sectors, in addition to enhancing, fused Alumina/treated grain capacities in the Electrominerals business and expansion of Thin wheel capacities in the Abrasives business.

On a consolidated basis, while the Company recorded a revenue growth driven by all the business segments viz., Abrasives, Ceramics and Electrominerals, the growth was partially offset by under performance in certain overseas subsidiaries.

Growth in Volzhsky Abrasive Works, (VAW), the Russian subsidiary, continued to be impacted with export restrictions as the entity remains in the US Department of Treasury's Office of Foreign Assets Control (OFAC)'s Specially Designated Nationals and Blocked Persons List (SDN list). The consolidated margins were impacted by margin depletion in Rhodius Abrasives, Germany primarily owing to a one-time operational transition and associated costs/price pressure in the market. CUMI Awuko, the other German subsidiary continued to underperform at both the revenue and profitability levels. The commodity price movements, exchange rate fluctuations and increasing input costs in South Africa impacted the performance of Foskor Zirconia Pty Ltd, the South African subsidiary. The detailed performance overview of the subsidiaries is provided in this Report.

At a standalone level, the performance of the business segments is more fully detailed below:

Abrasives Segment

The standalone Abrasives segment experienced performance pressure during the first half of the year, primarily due to subdued retail demand and inventory corrections at the dealer level. The retail segment showed signs of recovery in the second half of the year. The industrial and precision segments continued to perform well, supported by sustained demand from the Automotive, Manufacturing, and Infrastructure sectors.

Overall, the Company continued to focus on strengthening this business through new product development, expansion of dealer channels, redefined go-to-market strategies in industrial clusters, and a host of measures to improve cost-competitiveness, margins and collection efficiency.

Electrominerals Segment

The Electrominerals segment recorded a healthy growth, primarily driven by enhanced exports to European markets leveraging its relationship with its Abrasives and Refractory customers in the backdrop of anti-dumping duties imposed by European Union on the Chinese products fuelling the demand for alternative sources. Continued focus on value-added Alumina-based products and diversification beyond commoditised products further supported the improved performance. During the year under review, the segment made significant progress in developing transformational products for the market such as 5N Hp-SiC (High-purity Silicon Carbide). The segment has identified a technology path for manufacture of 6N purity Hp-SiC. Besides this, the business established a pilot facility for development of ceramic powders for Solid Oxide Fuel Cell (SOFC)/Solid Oxide Electrolysis Cell (SOEC) components through technology transfer from Central Glass and Ceramic Research Institute (CSIR - CGCRI). The segment also established a collaboration with a technology expert for Nitrides during the year under review.

Ceramics Segment

The Ceramics segment of the Company comprises Industrial Ceramics and Super Refractories businesses. Their performance is detailed below:

Industrial Ceramics

Industrial Ceramics provides advanced ceramics and high-performance materials for mission-critical applications across Mining and Mineral processing, Power and Energy systems, Mobility, Semiconductor manufacturing, Electronics, Aerospace and Defence. The business leverages deep materials science, application engineering and scalable manufacturing to deliver reliable performance in demanding operating environments.

Refractories

The Refractories division of the Company delivers a comprehensive portfolio of thermal protection, corrosion resistance, and composite material solutions for critical industrial applications, supported by over six decades of engineering expertise and application knowledge.

The FY 2025-26 was a year of portfolio resilience and selective growth rather than broad based expansion. While performance was impacted by deferral of projects by customers, an exceptional performance of the composite business on the back of strong execution discipline, customer proximity and faster conversion of project led opportunities provided balance and stability at the business level.

Despite market volatility, the business remained stable and resilient. Operational discipline in execution and customer service supported overall results.

Overall, profitability in the Ceramics segment remained strong, aided by a good product mix, efficient operations, and value-added products.

More detailed information pertaining to the segment-wise operational and financial performance of the Company including at a consolidated level during the year under review is provided in the Management Discussion and Analysis Report - **Annexure A** forming part of this Report.

Financial Performance

During the year under review, the Standalone revenues increased by 9% to ₹30,244 million from ₹27,837 million in the previous year. On a standalone basis, the Electrominerals segment grew at 11% to ₹9,060 million from ₹8,155 million in the previous year, the Ceramics segment grew at 7% to ₹10,001 million from ₹9,387 million in the previous year and Abrasives at 6% to ₹12,696 million from ₹11,954 million in the previous year.

During the year under review, the consolidated revenues stood at ₹51,494 million which grew by 7% from ₹48,335 million in the previous year driven by the Ceramics segment followed by Abrasives and Electrominerals. On a consolidated basis, the Electrominerals segment grew by 4% to ₹16,318 million from ₹15,735 million in the previous year, the Ceramics segment grew by 9% to ₹12,680 million from ₹11,601 million in the previous year and Abrasives by 5% to ₹22,706 million from ₹21,594 million in the previous year.

FINANCIAL HIGHLIGHTS

The key highlights of the Company's standalone financial performance for the financial year ended 31st March 2026 are set out in the table below:

(₹ Million)

Particulars	As % of Sales	2025-26	As % of Sales	2024-25	Increase %
Sales	**-**	**30,244**	**-**	**27,837**	**9**
Other Operating Income	-	382	-	439	(13)
Revenue from Operations	**-**	**30,626**	**-**	**28,276**	**8**
Other Income	-	1,385	-	389	256
Total Income	**-**	**32,011**	**-**	**28,665**	**12**
Expenses					
Cost of materials consumed	42	12,628	42	11,582	9
Purchases of stock-in-trade	4	1,147	4	1,104	4
Movement of Inventory	(1)	(332)	(1)	(305)	9

(₹ Million)

Particulars	As % of Sales	2025-26	As % of Sales	2024-25	Increase %
Employee benefits expense	10	3,175	10	2,903	9
Finance Cost	0	2	0	2	(3)
Depreciation and amortization	3	946	3	806	17
Power & Fuel	9	2,695	8	2,352	15
Other expenses	21	6,502	21	5,968	9
Total Expenses	**88**	**26,763**	**88**	**24,412**	**10**
Profit before tax	**17**	**5,248**	**15**	**4,253**	**23**
Profit after tax	**14**	**4,163**	**12**	**3,216**	**29**
Total Comprehensive Income	**14**	**4,109**	**12**	**3,213**	**28**

Standalone profit before tax stood at ₹5,248 million as compared to ₹4,253 million during the previous year.

An entity-wise break-up of the consolidated profit before tax and exceptional items, prior to recognising the share of results from associates and joint ventures, is set out below:

(₹ Million)

Particulars	2025-26	2024-25
CUMI Standalone	**5,248**	**4,253**
Subsidiaries including step down subsidiaries:		
Indian		
Net Access India Limited	25	30
Southern Energy Development Corporation Limited	41	(11)
Sterling Abrasives Limited	169	186
PLUSS Advanced Technologies Limited@	(90)	(171)
Foreign		
CUMI (Australia) Pty Limited	301	253
CUMI USA Inc. #	38	5
CUMI International Limited	86	438
Volzhsky Abrasive Works	741	1608
Foskor Zirconia (Pty) Limited	(394)	(170)
CUMI America Inc.	173	193
CUMI Middle East FZE	(2)	(1)
CUMI Abrasives & Ceramics Company Limited	(7)	(10)
CUMI Awuko Abrasives GmbH	(788)	(603)
Rhodius Abrasives GmbH#	(491)	(32)
Total of Subsidiaries	**(198)**	**1714**
Inter Company Eliminations	(1200)	(700)
Consolidated profit before tax, exceptional item and share of profit from Associate and Joint Ventures	**3850**	**5268**
Exceptional Item	**(1346)**	**(1041)**
Consolidated profit after tax attributable to owners	**1947**	**2927**

Consolidated

@ Consolidated and after effecting acquisition accounting

SHARE CAPITAL

The paid-up equity share capital as on 31st March 2026 was ₹190.49 million. The capital increased during the year by ₹0.07 million, consequent to allotment of shares upon exercise of Stock Options by employees under the Company's Employee Stock Option Plan 2016.

DIVIDEND & RESERVES

Considering the Company's historical dividend payout ratio, the operating performance during the year under review, and its long-term growth and investment plans, the Board of Directors has prudently recommended a final dividend of ₹2.50 per equity share of ₹1 each for the financial year ended 31st March 2026.

Members may recall that the Board had earlier declared an interim dividend of ₹1.50 per equity share of ₹1 each in January 2026, which was paid in February 2026. Accordingly, the aggregate dividend for the year amounts to ₹4.00 per equity share of ₹1 each. Members may also note that for the year ended 31st March 2025, the aggregate dividend paid was ₹4.00/- per equity share of ₹1/- each.

The dividend paid and recommended for the year is in accordance with, and consistent with, the Company's Dividend Distribution Policy and past dividend trend.

The Board of your Company has decided to transfer an amount of ₹500 million to the general reserve of the Company as on 31st March 2026.

DIVIDEND DISTRIBUTION POLICY

The Company has formulated a Dividend Distribution Policy which provides a transparent framework for dividend declaration and aligns with the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ('Listing Regulations').

This Policy is accessible in the website of the Company at this link: https://www.cumi-murugappa.com/wp-content/uploads/2019/02/dividend-distribution-policy.pdf.

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

During the year under review, the Company's subsidiaries, associate and joint ventures operated in a very challenging global business environment marked by continuous geo-political uncertainties, tariff-related disruptions, market transitions, cost pressures, currency volatility and unstable demand conditions across markets.

Overall, the performance of the Company's subsidiaries reflects a diversified portfolio with improving resilience, ongoing corrective actions, and alignment with the Company's long-term strategic objectives.

The detailed list of subsidiaries, associate and Joint Ventures (JV) of the Company is provided below:

S.No	Name of Entity	Subsidiary/ Associates/JV	% of shareholding
1	Net Access India Limited	Subsidiary	100.00
2	Southern Energy Development Corporation Limited	Subsidiary	84.76
3	Sterling Abrasives Limited	Subsidiary	60.00
4	CUMI (Australia) Pty Limited	Subsidiary	51.22

S.No	Name of Entity	Subsidiary/ Associates/JV	% of shareholding
5	CUMI International Ltd	Subsidiary	100.00
6	PLUSS Advanced Technologies Limited	Subsidiary	74.06
7	CUMI USA Inc.	Subsidiary	100.00
8	Volzhsky Abrasive Works	Holding through subsidiary	98.07
9	Foskor Zirconia (Pty) Ltd	Holding through subsidiary	51.00
10	CUMI America Inc.	Holding through subsidiary	100.00
11	CUMI Middle East FZE	Holding through subsidiary	100.00
12	CUMI Abrasives and Ceramics Co., Limited	Holding through subsidiary	100.00
13	CUMI Awuko Abrasives GmbH	Holding through subsidiary	100.00
14	Rhodius Abrasives GmbH	Holding through subsidiary	100.00
15	Rhodius Nederland B.V.	Holding through subsidiary	100.00
16	Rhodius France S.A.R.L.	Holding through subsidiary	100.00
17	Rhodius Korea Inc.	Holding through subsidiary	100.00
18	Rhodius South America Assessoria Tecnica e Comercial em Abrasivos Ltda.	Holding through subsidiary	100.00
19	PLUSS Advanced Technologies B.V	Holding through subsidiary	74.06
20	Silicon Carbide Products LLC	Holding through subsidiary	100.00
21	Murugappa Morgan Thermal Ceramics Limited (MMTCL)	JV	49.00
22	Ciria India Limited (CIRIA)	JV	30.00
23	Wendt (India) Limited (WENDT)	Associate	37.50

HIGHLIGHTS OF FINANCIAL AND OPERATIONAL PERFORMANCE OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

During the year under review, Volzhsky Abrasive Works (VAW), the Company's subsidiary in Russia, reported revenues of RUB 6,084 million as compared to RUB 9,403 million in the previous year, reflecting the impact of challenging operating conditions for the first full year of operation since its inclusion in the OFAC's SDN list. The focus shift for this subsidiary is on domestic business in view of the prevailing conditions. VAW recorded a profit before tax of RUB 671 Million against RUB 1,777 million in FY 2024-25 (without exception) on account of restricted exports in the backdrop of challenging geo-political tensions.

CUMI (Australia) Pty Limited achieved a revenue growth from AUD 33 million in the previous year to AUD 36.3 million during the year under review. Despite a slowdown in the mining sector, the subsidiary witnessed good traction in project orders from key customers which helped the subsidiary achieve a profit after tax of AUD 3.6 million, compared to AUD 3.2 million in the previous year.

Sterling Abrasives recorded a revenue growth of 1.6%, with total sales of ₹1,360 million as compared to ₹1,338 million in the previous year. The profit after tax declined to ₹126 million, from ₹142 million in the previous year. While the domestic market, particularly the industrial segment, performed well, the export business was adversely impacted by tariff-related challenges in the U.S. market which led to the decline in profitability.

CUMI America Inc. reported sales of USD 17 million during the year under review, compared to USD 19 million in the previous year, largely due to the adverse impact of reciprocal tariffs announced by USA. The Company recorded a profit after tax of USD 1.4 million compared to a profit of USD 1.7 million in the previous year primarily owing to the tariff impact.

CUMI Middle East FZE recorded a decline in total income from USD 0.15 million to USD 0.13 million during the year under review. The subsidiary reported a loss of USD 0.02 million as at the same level of previous year. The performance is attributed largely owing to a change in its business model early during the year.

Southern Energy Development Corporation Limited (SEDCO), the power generation subsidiary of the Company, reported revenues of ₹155 million, as against ₹297 million in the previous year. The subsidiary had exited completely the gas based power business by end of December 2024 and hence the revenues during the year was driven by its solar business. The subsidiary recorded a profit after tax of ₹40 million, compared to a loss after tax of ₹11 million in the previous year, driven by effective project execution in its solar business and improved operating efficiencies.

Net Access India Limited, which provides IT facility management and other allied IT services grew 2.9% from ₹597 million to ₹614 million. The profits fell from ₹22.9 million to ₹18.6 million due to decline in revenue segments yielding high margins and increased operating expenses.

Silicon Carbide Products Inc. (SCP), USA, which specialises in the manufacture of high-quality Nitride Bonded Silicon Carbide (NbSiC) products recorded a good performance in the first full year since its acquisition during FY 2025. The subsidiary recorded revenues of USD 4.7 million and profit after tax of USD 0.3 million owing to the favourable product mix and effective cost management by the subsidiary.

CUMI International Limited, Cyprus recorded a dividend revenue of USD 0.5 million as against USD 4.4 million during the previous year.

PLUSS Advanced Technologies Limited recorded a revenue growth of 21.8% at a consolidated level from ₹806 million to

₹981 million. The subsidiary delivered Profit after tax of ₹18 million as against a loss after tax of ₹36 million during the previous year due to revenue growth which was primarily driven by growth in Polymer and Phase Change Material (PCM) businesses resulting from successful execution of strategic projects, newer opportunities and expanded market presence.

CUMI Awuko Abrasives GmbH (CAAG), delivered a flat revenue of €10.5 million in FY 26 as compared to €10.1 million during the previous year. The loss after tax is €18.6 million (including closure costs) in FY 26 against €10.2 million in FY 25. Considering the consistent underperformance of the subsidiary, a strategic review of the business was conducted towards end of the financial year. The continuous underperformance is attributed to several factors including a combination of structural and external factors viz. product and market conditions, global overcapacity & pricing pressure, geopolitical and macroeconomic pressures, increasing energy costs etc. After a review of the subsidiary's ability to turnaround, the parent - CUMI International Limited, decided to initiate closure of CAAG through a voluntary winding up process subject to the applicable laws in Germany.

Rhodius Abrasives GmbH, Germany, de-grew from a net revenue of €66.7 million in FY 2025 to €60.8 million in FY 2026. Rhodius incurred a loss after tax of €2.6 million against a loss after tax of €0.2 million in last year. The topline was impacted by a slew of factors including low market demand, transition in the logistic service providers, while the profitability was adversely impacted owing to increasing input costs in particular raw material & energy as well as severe pricing pressure.

Foskor Zirconia (Pty) Limited (FZL), South Africa, recorded revenues of ZAR 461 million, compared to ZAR 415 million in the previous year, representing a growth of 11.2%, primarily driven by higher sales volumes. However, the subsidiary reported a loss after tax of ZAR 160 million (including write down of various assets), as against a loss after tax of ZAR 27 million in the previous year primarily owing to the escalation in electricity/other input costs in South Africa and writing down of various assets. This coupled with intensifying global competition and foreign exchange fluctuations have made the operations unsustainable. FZL has not been able to achieve sustainable profitability since FY 2013, despite several strategic and operational restructuring initiatives undertaken in the past. The subsidiary's turnaround initiatives have been adversely impacted by prevailing market conditions, making continuation of operations unviable. Accordingly, the Board of the subsidiary, based on its Management's submission, has concluded that it is not in a position to continue operations and there is no realistic alternative and would be seeking requisite approvals in this process.

CUMI Europe s.r.o., Czech Republic, a step-down wholly owned subsidiary of the Company originally set up for marketing activities in Europe ceased operating during the year 2018. During the year under review, the voluntary de-registration of CUMI Europe s.r.o. was completed as per the Czech Republic laws.

CUMI Abrasives and Ceramics China Limited (CACCL), China is undergoing the process of de-registration as reported in the previous Board's Report of the Company and no operations were conducted in this subsidiary.

MMTCL, joint venture company recorded a sales of ₹2,562 million during the year, compared to ₹2,523 million in the previous year. The sales to customers went up by 4% while the sourcing by the Parent company from MMTCL came down resulting in a marginal growth of 1.5%. The subdued growth of topline resulted in lower profit of ₹410 million versus ₹477 million in last year. The Company expects a strong recovery in the coming year as project execution normalises.

CIRIA India recorded revenue of ₹1,106 million during the year, compared to ₹1,309 million in the previous financial year due to delayed project executions owing to factors at the customer-end such as site readiness on account of rescheduling of shutdowns. Profit after tax also reduced to ₹189 million from ₹234 million last year. The margins were affected by an unfavourable business mix, and by fulfilment of older orders at higher cost structures than expected. The Company remains focused on improving cost competitiveness, supported by a healthy order and enquiry pipeline.

Wendt had a muted growth of 1.2% to ₹2,339 million as compared to ₹2,311 million of last year on account of decreased exports and de-growth in machine building business. The margins were impacted during the year and the associate made a Profit after tax of ₹146 million as compared to ₹395 million during previous year. The profit erosion at consolidated level was primarily on account of expenses related to the newly formed subsidiary Wendt GmbH Germany. During the year, the German joint venture partner sold its entire stake of 37.5% held in the entity through an offer for sale mechanism on the floor of the stock exchanges. Effective 14th May 2025, Wendt India ceased to be a joint venture following the exit of Wendt Gmbh from its shareholding. Currently, the entity is an associate of the Company.

The Report on the performance and financial position of each of the subsidiaries, associate and joint venture companies included in the Consolidated Financial Statements and their contribution to the overall performance of the Company, is provided in Form AOC-1 and forms part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has established adequate internal financial controls both with reference to the financial statements as well as non-financial operating controls, which are commensurate with the size, scale and complexity of operations. The internal financial control framework ensures the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

The internal control systems are supported by clearly defined policies, procedures and authority matrices and are periodically reviewed by the management and the Audit Committee. The Company has an internal audit function supported by an external internal auditor. They evaluate the adequacy and operating effectiveness of the internal controls across the Company and report the findings to the Audit Committee, along with management responses and corrective actions taken.

During the year, the Board, on the recommendation of the Audit Committee had appointed M/s. R.G.N. Price & Co, Chartered Accountant as Internal Auditors of the Company.

Based on the assessment carried out by the management, internal audit reviews, and the audit conducted by the statutory auditors, the Board is of the opinion that the internal financial controls and internal control systems were adequate and operating effectively during the year under review.

A detailed analysis on the Framework, Systems, Testing and the role of Internal Audit Team and the Audit Committee of the Company on the Internal Controls of the Company is provided in the Management Discussion and Analysis Report - **Annexure A** forming part of this Annual Report.

RELATED PARTY TRANSACTIONS (RPT)

Policy on Related Party Transactions

In line with the requirements of the Companies Act, 2013 ('Act') and Regulation 23 of the Listing Regulations, the Company has a Policy for dealing with related parties. This Policy was last revised during the FY 2025-26 in line with the amendments introduced to the Listing Regulations by SEBI during the year.

The Policy on Related Party Transactions (RPT) of the Company is accessible on the website of the Company at this following link: https://www.cumi-murugappa.com/wp-content/uploads/2026/02/RPT-Policy-CUMI.pdf

Regulatory Requirement

The transactions of the Company with related parties during the year under review were broadly in the nature of sales, purchases, dividend income, management fees and other transactions including investments/corporate guarantees. All RPTs entered during the year under review by the Company were in the ordinary course of business at arm's length basis and in compliance with the provisions of the Act, the Listing Regulations, the Policy for dealing with related parties of the Company and the applicable Indian Accounting Standards.

Review & Approval Process

The Company reviews its RPTs duly factoring the processes and procedures established in line with the regulatory requirements. The Company duly updated its reporting mechanism of RPTs in line with the Industry Standards dated 14th February 2025 for disclosures relating to RPTs which came into effect from 1st September 2025. During the year under review, all the relevant stakeholders including the subsidiary companies both domestic and overseas were trained on this updated requirement and awareness sessions were held for aligning the reporting mechanism to the regulatory requirement as per Industry Standards.

The details of transactions proposed to be entered into with related parties are placed before the Audit Committee for approval on an annual basis before the commencement of the financial year. Thereafter, a statement containing the nature and value of the transactions entered into by the Company with related parties is presented for quarterly review by the Committee. Further, revised estimates or changes, if any to the proposed transactions for the remaining period are also placed for approval by the Committee on a quarterly basis. Besides, the RPTs entered during a year are also reviewed by the Board on an annual basis.

As detailed above, prior approval of the Audit Committee is obtained on a quarterly basis for transactions that are foreseen and are repetitive in nature. Omnibus approvals in respect of transactions that cannot be foreseen are also obtained as permitted under the applicable laws from the Audit Committee and the usage of these limits are periodically reviewed. The list of related parties is reviewed and updated periodically as per the prevailing regulatory requirements.

At the Audit Committee meeting held on 19th March 2025, the estimated transactions for the FY 2025-26 of the Company and 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.

At the Audit Committee meeting held on 23rd March 2026, the estimated transactions for the FY 2026-27 of the Company and 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 conducted in the subsidiary companies in the same manner as done for the parent Company (detailed above). The details in the new format as specified under the Industry standards were provided for the transactions approved by the Audit Committee after 1st September 2025.

Form AOC-2

All transactions with related parties under the Act, entered during the year under review 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 under review 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 under review to be disclosed under Sections 188(1) and 134(3) of the Act in Form AOC- 2. Form AOC-2 is enclosed as **Annexure B** to this report.

During the year under review, there were no materially significant RPTs 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.

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.

AUDITORS AND AUDIT REPORTS

Statutory Auditors

In line with the requirements of the Act, the Company with the approval of the shareholders at the Annual General Meeting held on 1st August 2022, had re-appointed M/s. Price Waterhouse Chartered Accountants LLP (Reg. No. FRN 012754N/ N500016) (PW) 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) to be held in FY 2027-28 at 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. The remuneration is decided by the Board for the subsequent years based on the recommendation of the Audit Committee. The remuneration paid to the Auditors for statutory audit in the FY 2025-26 is ₹89,00,000/- (excluding out of pocket expenses incurred by them in connection with the Audit and applicable taxes).

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 2026 is provided in the financial section of this Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their report.

The Auditors have in their Consolidated Report provided an emphasis of matter with respect to the business unviability of the subsidiaries of the Company viz., CUMI Awuko Abrasives GmbH, Germany and Foskor Zirconia Pty Limited, South Africa and its impact on the financial statements. The rationale for the same has been provided in this Report under section "HIGHLIGHTS OF FINANCIAL AND OPERATIONAL PERFORMANCE OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES".

The comment made by the Auditors in their Report on the standalone financial statements and the explanation to the same by Company is given below:

Auditors' Comment	Explanation
In respect to an accounting software of a third party service provider used for maintaining certain records, in the absence of the service organisation's auditor's report, the auditors are unable to comment on the audit trail (edit log) feature in the aforesaid accounting software.	Audit log functionality has been established at both the application and database levels for the third-party software. Further enhancements are being undertaken to augment database-level audit traceability through the capture of old and new value changes, thereby strengthening system controls, governance, and monitoring capabilities.

During the year under review, the Auditors have not reported any matter under Section 143(12) of the Act, and hence there are no details to be disclosed under Section 134(3) (ca) of the Act.

Cost Auditors

In line with the requirements of 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. The cost accounting records so maintained by the Company are required to be audited.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company had appointed M/s. S Mahadevan & Co. (Firm No. 000007), Cost Accountants, Chennai to conduct the audit of the cost accounting records maintained by the Company for FY 2025-26 at a remuneration of ₹5,00,000/-. Further, M/s. S Mahadevan & Co have been re-appointed by the Board to conduct the cost audit for the FY 2026-27 at the same remuneration of ₹5,00,000/- plus applicable taxes excluding out of pocket expenses incurred in connection with the audit.

The provisions of the Act mandates that the remuneration payable to the Cost Auditor is to be ratified by the shareholders. Accordingly, a resolution seeking the shareholders' ratification of the remuneration payable to the Cost Auditor for the FY 2026- 27 is included in the Notice convening the 72nd Annual General Meeting.

Secretarial Auditor

In line with the requirement of Regulation 24A the Listing Regulations pertaining to appointment of Secretarial Auditor, the shareholders of the Company at the 71st Annual General Meeting of the Company had approved the appointment of

M/s. Sridharan & Sridharan Associates as the Secretarial Auditor of the Company to hold office for a term of five (5) consecutive years from FY 2025-26 to FY 2029-30. Accordingly, M/s. Sridharan & Sridharan Associates, Practising Company Secretaries, Chennai is the Secretarial Auditor of the Company. The Secretarial Audit of the Company for the FY 2025-26 has been conducted by the Secretarial Auditor and the Secretarial Audit Report is annexed to and forms part of this Report as **Annexure C.**

The details of the qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditor in the Secretarial Audit Report and the explanations to the same by Company are given below:

Auditors' Comment	Explanation
Consequent to the resignation of Mr. Sushil Bendale, as the Chief Financial Officer, with effect from the close of business hours on 26th September 2025, the Company has not filled the resultant KMP vacancy within the prescribed timelines as per Section 203(4) of the Companies Act, 2013 and Regulation 26A(2) of SEBI Listing Regulations.	Mr. Sushil Bendale, CFO and Key Managerial Personnel stepped down from services of the Company at the close of business hours on 26th September 2025. The position remains vacant as at 31st March 2026, and the Company is in the process of identifying a suitable candidate in terms of the Senior Management criteria determined by the Board. Since the position became vacant, internal and external candidates were evaluated and a few have been shortlisted. The process for identifying and appointing a suitable candidate for this key position is in progress and will be completed shortly subject to the offer acceptance process.

In terms of Regulation 24A of the Listing Regulations, the Company does not have a material unlisted subsidiary incorporated in India. Material unlisted subsidiary for the purpose of the above mentioned Regulation is a subsidiary whose turnover/net worth exceeds 10% of the consolidated turnover/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 under Regulation 24A for any of the subsidiaries of the Company in India.

LOANS, GUARANTEES, DEPOSITS AND INVESTMENTS

The particulars of loans, guarantees and investments covered under Section 186 of the Act are given below:

(₹ Million)

Description	As on 31.03.2025	Movement (Net of Deletions)	As on 31.03.2026
Loans given by the Company	0	0	-
Corporate guarantee given by the Company	400.50	2,267.63	2,668.13
Investments made by the Company *	10,995.57	-2.67	10,992.90

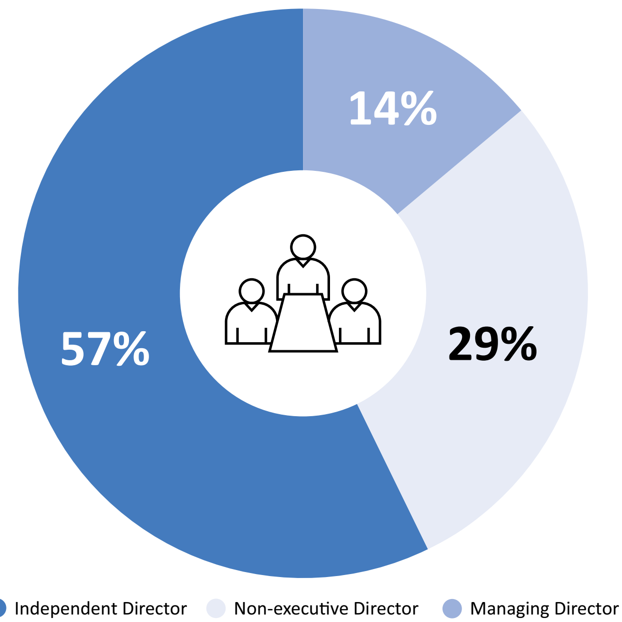
*includes fair valuation effect. Excludes an investment of ₹79.6 million in M/s. Grian Energy Private Limited (GEPL) for accessing the Contracted Capacity of around 10 MW in the Captive Power Plant of GEPL.

During the year under review, the Company has not accepted any fixed deposits from the public falling under Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. As on the Balance Sheet of 31st March 2026, there were no deposits which were unpaid or unclaimed or due for repayment. Hence, there has been no default in repayment of deposits or payment of interest thereon. Further, during the year under review, the Company has not accepted any deposits which are not in compliance with the requirements of Chapter V of the Act.

BOARD, COMMITTEES AND KEY MANAGERIAL PERSONNEL

Board of Directors and Key Managerial Personnel

Composition of Board of Directors



As at 31st March 2026, the Board of the Company comprised 7 (Seven) Directors, of which majority 4 (Four) are Independent Directors, 2 (Two) are Non-Executive Non-Independent Directors and 1 (One) is the Managing Director.

Mr. Muthiah Murugappan, Director (DIN: 07858587), 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 72nd Annual General Meeting for consideration and approval by the shareholders.

The Company deeply mourns the demise of Ambassador P. S. Raghavan who had been a Non-Executive Independent Director of the Company since 9th May 2017. Owing to his demise on 24th November 2025, Ambassador Raghavan ceased to be a Director of the Company. The Board places on record its profound gratitude and sincere appreciation for the invaluable guidance, counsel and contributions made by him during his tenure.

Following the change in the Board composition arising due to the demise of Ambassador Raghavan, Ambassador D.B. Venkatesh Varma was appointed by the Board of Directors as a Non-Executive Independent Director w.e.f 4th March 2026 based on the recommendation of the Nomination and Remuneration Committee.

Ambassador D. B. Venkatesh Varma is a former Indian Foreign Service officer (1988-2021) with deep expertise in India's foreign policy, security, defence, and civil nuclear affairs. He served in the Ministry of External Affairs, the Prime Minister's Office, the Office of the External Affairs Minister, and was India's Ambassador to the Conference on Disarmament in Geneva, to Spain, and to the Russian Federation until October 2021. A key member of the Indian negotiating team for the India-US Civil Nuclear Initiative, he has extensive experience in nuclear, missile, space, and disarmament issues and received the S.K. Singh Award for Excellence in the IFS in 2011. He holds an M.Phil in International Relations from Jawaharlal Nehru University and has lectured widely at leading international & Indian diplomatic and defence institutions. Ambassador Varma is a Distinguished Fellow at the Vivekananda International Foundation, visiting/adjunct Professor at several academic institutions, a Member of India's National Security Advisory Board since April 2025, and currently serves as Chair of the UN Secretary-General's Advisory Board on Disarmament Matters.

On 15th April 2026, vide a postal ballot process conducted as per the applicable provisions of the Act and Listing Regulations, the shareholders of the Company have approved the appointment of Ambassador D.B. Venkatesh Varma as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 consecutive years from 4th March 2026.

The current Board composition is in alignment with the requirements of the Listing Regulations.

Independent Directors

The Company has received declarations from all its Independent Directors as at 31st March 2026, confirming that they meet the criteria of independence prescribed both under the Act and the Listing Regulations. In the opinion of the Board, all the Directors appointed/re-appointed during the year under review are persons with integrity, expertise and possess relevant experience in their respective fields. The skill matrix of the Board is detailed in the Corporate Governance Report - **Annexure D** forming part of this Annual Report.

All the Independent Directors of the Company have registered their names in the Independent Director Databank as required under the Companies Act, 2013 and the Rules referred therein. The completion of the online proficiency self-assessment test is exempted for most of the Directors. Since Ambassador D.B. Venkatesh Varma has been appointed at the end of the year, he is expected to complete his proficiency self- assessment within the required timeline in the year 2026-27.

Key Managerial Personnel

As on the date of this Report, Mr. Sridharan Rangarajan, Managing Director, and Ms. Rekha Surendhiran, Company Secretary remain the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

During the year under review, Mr. Sushil Kishor Bendale stepped down as the Chief Financial Officer and Key Managerial Person with effect from close of business hours on 26th September 2025. The position remains vacant as at 31st March 2026 and the Nomination & Remuneration Committee of the Board is in the process of identification and recommending the appointment of a suitable candidate in line with the Senior Management criteria approved by the Board. The Board places on record its appreciation for Mr. Bendale's services during his tenure as the Chief Financial Officer of the Company.

There were no other changes in the Key Managerial Personnel of the Company during the year under review.

Board Meetings

During the year under review, 7 (Seven) meetings of the Board of Directors of the Company were held, the details of which are given in the Corporate Governance Report - **Annexure D** which forms part of this Annual Report.

Board Evaluation

Pursuant to the provisions of the Act 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 key aspects of the Board's functioning including its structure, composition, effectiveness, meeting cadence, quality of discussions, strategic oversights, governance practices, financial reporting, integrity, internal control mechanisms, and risk management practices. The evaluation of the Committees was based on their terms of reference fixed by the Board besides parameters such as the frequency of meetings, quality of deliberations, and effectiveness in discharging responsibilities, thus making a meaningful contribution.

The evaluation process is carried annually by means of a structured questionnaire 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 is based on attributes such as leadership qualities, strategic planning, communication, engagement with the Board etc.

The Chairman is evaluated based on the key aspects of his role which included leadership, ability to facilitate effective Board discussions, and overall governance contribution. 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 a separate meeting held during the year.

The Board evaluation is a secured, paperless process conducted in a confidential manner, in line with the Company's digital governance practices.

The Board members were satisfied with the way of the Board's functioning, experience, diversity, expertise and its engagement with the Management. The Board Committees were also found to be effective in terms of its composition, functioning and contribution.

The observations and suggestions from the FY 2024-25 evaluations have been actively implemented during the year reinforcing focus on accountability, transparency and continuous improvement.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Nomination and Remuneration Committee of the Board of Directors of the Company has formulated the criteria for Board nominations as well as the policy on remuneration (Remuneration Policy) for Directors and employees of the Company pursuant to Section 178(3) of the Act. The Remuneration Policy lays down broad guidelines for payment of remuneration to Executive and Non-Executive Directors within the limits approved by the shareholders 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. These criteria are aligned with the Company's commitment to having a diverse, competent, and effective Board.

The criteria for induction into Senior Management positions have also been laid down- ensuring a consistent leadership selection approach across levels.

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 Act 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 Corporate Governance Report - **Annexure D** which forms as part of this Annual Report may be referred to for further details regarding the Remuneration Policy.

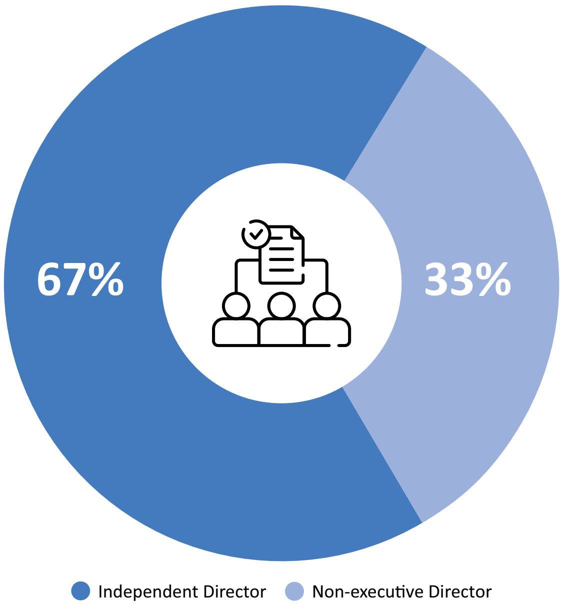
During the year, the Board Nomination Criteria and Remuneration Policy underwent an annual review by the Board of Directors of the Company and remains unchanged.

The Board Nomination criteria and the Remuneration policy is accessible on the website of the Company at this link: https://www.cumi-murugappa.com/wp-content/uploads/2019/02/Criteria-for-Board-Nomination.pdf

https://www.cumi-murugappa.com/wp-content/uploads/2025/04/Remuneration-Policy.pdf.

Audit Committee

Composition of Audit Committee



The Board of Directors of the Company have constituted the Audit Committee as required under the relevant provisions of the Act and the Listing Regulations. All the recommendations of the Audit Committee during the FY 2025-26 were accepted by the Board of Directors.

Detailed information regarding the composition, terms of reference, number of meetings held and other relevant particulars of all the Committees of the Board of Directors of the Company is provided in the Corporate Governance - **Annexure D**, which forms part of this Annual Report.

Those charged with Governance (TCWG)

During the year under review, in line with requirements laid down for companies vide a circular dated 7th January 2026 by the National Financial Reporting Authority (NFRA) to establish a structured and demonstrable framework for effective two-way communication between Statutory Auditors and Those Charged with Governance (TCWG), the Board of Directors of the Company based on the recommendation of the Audit Committee have approved a TCWG framework. The Audit Committee together with the Managing Director of the Company are collectively regarded as the TCWG of the Company as per this framework. The nodal persons of the TCWG are the Chairperson of the Audit Committee and the Managing Director.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Pursuant to and in alignment with the requirements of the Act and the Listing Regulations, the Company has constituted the Risk Management Committee (RMC), which is mandated to review the risk management plan and process of the Company. The details pertaining to the constitution, terms of reference of the RMC are set out in the Corporate Governance Report - **Annexure D** forming part of this Annual Report.

The Company has in place a comprehensive and structured Enterprise Risk Management (ERM) framework to systematically identify, assess, monitor and mitigate risks that can impact its business performance, strategic objectives and long-term sustainability, including risks that may threaten the existence of the Company. The risk management framework is aligned with the Company's business plans and long-term strategy, and enables informed decision-making through structured risk governance, transparent reporting and proactive mitigation planning.

The Board and the RMC exercise oversight over the ERM framework, which is supported by defined policies, automated systems and periodic reviews to ensure continued relevance in a dynamic operating and regulatory environment. The framework facilitates a holistic assessment of risks across business segments and functions, and supports the Company's focus on resilience, business continuity and sustainable growth amidst evolving macro-economic, geopolitical, technological and operational challenges.

The Company has a Risk Management Policy in place, which is regularly reviewed by the RMC. This Policy is applicable across all the Company's operations.

A detailed analysis of monitored risks and their mitigation plans are provided in the Management Discussion and Analysis Report - **Annexure A** forming part of this Report.

ENVIRONMENT, HEALTH AND SAFETY (EHS) & SUSTAINABILITY

The Company gives the highest priority to EHS and sustainability, recognising these as integral to responsible operations, risk management and long-term value creation. Environmental sustainability remains a key area of focus, guided by the Company's long-term vision of progressing towards a "sustainable future". Health & Safety (H&S) is embedded as a core organisational value, with the objective of achieving a workplace with "Zero Harm", supported by strong governance, leadership accountability and robust operating practices across all manufacturing locations.

The Company advanced initiatives relating to renewable energy adoption, energy efficiency, water stewardship and waste reduction. Targeted projects during the year contributed to significant reductions in Green House Gas emissions and waste intensity.

During the year under review, the Company further strengthened its EHS management framework through a structured EHS Excellence Model, covering both health, safety and environmental performance. The H&S Assessment covers 10 sections across 75 key requirements, while the Environment Assessment covers 5 sections across 25 key requirements. Pre-assessments were completed at all plants of the Company in FY 2025-26, with final assessments concluded in March 2026. This enables consistent measurement, identification of improvement opportunities and deployment of corrective actions. Safety performance showed sustained improvement, supported by Behaviour Based Safety initiatives, enhanced contractor safety controls, systematic focus on high risk activities and strengthened accident prevention mechanism. Environmental assessment enabled a systematic approach on the key areas set by the organisation in its long-term strategy enabling facilities to identify and execute improvement projects.

A key element of the Company's safety strategy was the cultural transformation driven by the Behaviour-Based Safety (BBS) programme, which resulted in a significant improvement in safe behaviour trends across the organisation. This cultural shift was complemented by risk reduction strategies, including the phased implementation of 360-degree machine guarding and electrical safety improvement. Furthermore, the Company strengthened its Lockout-Tagout (LOTO) systems across all major energy sources and enhanced fall protection through the installation of roof lifeline systems and skylight guards.

Employee participation and awareness programmes undertaken across locations further strengthened the culture of safety and sustainability. The Company also deepened its engagement with suppliers/value chain partners through awareness, launch of new supplier code of conduct and sustainability sourcing policy. This policy of the Company is uploaded and accessible on the website of the Company's website at this link: https://www.cumi-murugappa.com/wp-content/uploads/2026/05/Sustainable-Sourcing-Policy.pdf.

The Company's EHS and sustainability initiatives received external recognitions during the year, reflecting consistent progress and reinforcement of responsible manufacturing practices. Overall, the Company remains committed to continuous improvement in EHS performance and sustainability outcomes, aligned with regulatory requirements, stakeholder expectations and its long term strategic objectives.

The initiatives taken for energy conservation by the Company are detailed in **Annexure E** to this Report.

A detailed information on the H & S initiatives and framework of the Company is provided in the Management Discussion & Analysis Report - **Annexure A** forming part of this Annual Report.

ETHICS, VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Vigil Mechanism as envisaged in the Act read with the Rules prescribed thereunder, and the Listing Regulations is implemented through the Company's Whistle-Blower Policy.

The Whistle-Blower Policy of the Company is uploaded and accessible on the website of the Company's website at this link: https://www.cumi-murugappa.com/wp-content/uploads/2026/01/Whistle-Blower-Policy.pdf

The detailed information pertaining to the whistle blower and vigil mechanism is provided in the Corporate Governance Report - **Annexure D** forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

CSR Philosophy and Approach

The Corporate Social Responsibility (CSR) philosophy of the Company is built on the belief that long-term business sustainability is intrinsically linked to inclusive and responsible social development. Guided by its CSR Policy and overseen by the CSR Committee of the Board, the Company seeks to generate measurable and sustainable social impact through focused interventions in the areas of education, skill development, healthcare, community development, sports and rural upliftment, particularly in regions surrounding its manufacturing facilities and offices.

The Company adopts a structured and impact-oriented approach to CSR, with initiatives designed to address identified social needs, enable community self-reliance, and strengthen local ecosystems. CSR programmes are implemented either directly by the Company or indirectly through credible implementation agencies registered with the Ministry of Corporate Affairs (MCA), in compliance with Section 135 of the Act and the applicable CSR Rules.

CSR Governance and Spending Framework

As required under Section 135 of the Act, the Board of Directors of the Company have constituted the Corporate Social Responsibility (CSR) Committee. The primary function of the Committee is to assist the Board of Directors in formulating a Corporate Social Responsibility (CSR) Policy, review its implementation and progress from time to time and monitor Environment, Social and Governance (ESG) initiatives.

The CSR policy of the Company is accessible on the website of the at this link: https://www.cumi-murugappa.com/wp-content/uploads/2024/02/CSR-Policy-2021.pdf.

The CSR annual report for the year ended 31st March 2026 is annexed as **Annexure F** and forms part of this Report.

Detailed information regarding the composition, terms of reference, number of meetings held and other relevant particulars of the CSR Committee is provided in the Corporate Governance Report - **Annexure D** which forms part of this Annual Report.

The CSR Committee periodically reviews CSR performance, monitors utilisation of funds, and recommends the annual CSR action plan to the Board. For the FY 2025-26, the Committee recommended a CSR outlay representing two percent of the average net profits of the preceding three financial years, after adjusting excess CSR spend carried forward from the previous year. The Company has remained fully compliant with its statutory CSR obligations and continues to follow robust governance and monitoring mechanisms to ensure transparency, accountability and timely completion of approved projects.

Key Focus Areas and Sector-Wise Initiatives

Education and Skill Development

Education and skill development form a core pillar of the CSR initiatives of the Company. The CUMI Centre for Skill Development (CCSD) at Hosur and Kochi continue to provide technical skill training aimed at improving employability of youth from economically disadvantaged backgrounds.

The Company also supports access to quality education through partnerships with schools identified by implementing agencies, which cater to neighbouring communities including the underprivileged. During the year, the beneficiaries of the grants made by the Company include AMM Vellayan Chettiyar Higher Secondary School, Tiruvottiyur and TI School, Ambattur, Chennai. Targeted interventions such as teacher training programmes through the Madras Dyslexia Association and scholarships for higher education through initiatives like the Sugun Thomas Foundation further reinforce the Company's commitment to inclusive education.

Sustainability Initiatives

During the year under review, the Company extended support by providing electric vehicles to Kalamassery Municipality at Kochi, Kerala to facilitate a door-to-door domestic waste management system.

Healthcare Initiatives

Healthcare remains a key focus area of the CSR programme of the Company. The Company extends support to hospitals and medical institutions providing critical healthcare services, including Valliammai Achi Hospital at Nagercoil and GKNM Trust Hospital, Coimbatore, with a focus on paediatric and cancer care.

Support has also been extended to Cachar Cancer Hospital, Assam, to strengthen diagnostic and treatment infrastructure, and to specialised healthcare initiatives focused on providing life-saving medical interventions to underserved population.

Community Development and Local Engagement

The Company undertakes various community development programmes in and around its plant and office locations, addressing local needs such as access to healthcare, educational support and basic community infrastructure. These initiatives are designed to foster sustainable development and meaningful engagement with communities residing in the Company's areas of operation. The Company during the previous year had set up the CUMI-ASK (Attitude, Skill & Knowledge) Centre in Kerala, guided by 'For the People, By the People' approach to community upliftment. By engaging local government representatives, residents, partners, and beneficiaries, the Centre drives inclusive development across key focus areas including child development, youth empowerment, women's advancement, and elder-care.

Sports and Youth Development

Recognising the importance of sports in holistic development, the Company has supported the development of community sports infrastructure, including a multi-purpose sports ground through Rajagiri Outreach Society at Kochi. The facility is designed to support sports such as football and cricket, along with fitness and recreational amenities, benefiting children, youth, women and senior citizens from the local community.

Implementation, Monitoring and Compliance

The CSR activities of the Company are undertaken in strict adherence to the CSR Rules under the Act, with indirect CSR spends channelled only through MCA-registered implementing agencies meeting the prescribed eligibility criteria.

The Company obtains periodic utilisation certificates, monitors project progress, and ensures that all CSR expenditures are aligned with approved action plans.

The utilisation of funds is certified by the Managing Director. The CSR Committee regularly reviews implementation status to ensure regulatory compliance and effective impact.

Commitment Going Forward

The Company remains committed to strengthening its CSR initiatives with a focus on long-term social value creation, deeper community engagement, and alignment with national and regional development priorities. Through a combination of structured governance, focused sectoral interventions and responsible partnerships, the Company continues to embed social responsibility as a core element of its sustainability and growth strategy.

OTHER DISCLOSURES

Directors' Responsibility Statement

Pursuant to the provisions contained in Section 134(3)(c) of the Act, 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 2026, 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 of the Company 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.

HUMAN RESOURCES & ESOP

Human capital remains a critical enabler of the Company's sustainable growth and long-term value creation. During the year, the Company focused on developing employee capabilities with a sustained focus on leadership development, operational excellence, employee engagement and organisational resilience, in alignment with its long-term strategy.

Talent Acquisition & Talent Management

Developing a strong talent pipeline and future leadership capability remained a priority. The Company onboarded Graduate and Post Graduate Engineering Trainees to build middle management capacity. Hiring efficiency improved through lateral recruitment, internal transfers, and employee referrals, resulting in optimised sourcing costs. Structured assessment tools were introduced to improve hiring quality. Market competitiveness was reviewed through policy benchmarking by an external expert, followed by targeted compensation revisions.

Engagement with premier academic institutions continued through a structured Campus Connect programme, enhancing access to high-quality technical talent.

Employee Safety

Safety at the Company continued to evolve as a shared responsibility deeply embedded in everyday work practices. Anchored in the vision of Zero Harm, the Company strengthened its focus on building a strong safety culture across all plants and offices. During the year, emphasis was placed on engaging employees at the shopfloor through behaviour based safety practices, regular safety observations, and visible leadership involvement.

Safety training programmes and mock drills were conducted for employees and line managers to enhance awareness, capability, and safe decision making. Positive reinforcement played a key role, with initiatives such as Thank You cards and Safety Recognition Certificates encouraging safe behaviours and proactive intervention. Simple visual cues and concepts like Green Entry further reinforced safety consciousness at plant entry points.

Learning & Development

A comprehensive training calendar was implemented for FY 2025-26, aligned to both business priorities and employee development needs. The training programmes were systematically categorised under three key areas: Behavioural, Technical, and Organisational Development to ensure a balanced approach.

During the year, several programmes were organised, covering a wide spectrum of topics such as low-cost automation strategies, Geometric Dimensioning and Tolerancing (GD&T), statistical process control, advanced data analytics, Power BI, market analytics, as well as essential soft skills such as the art of feedback, creativity and innovation, high-impact presentations, negotiation and persuasion skills, time management, planning, and execution.

Shopfloor Training Initiatives

Focused training programmes were delivered for shopfloor employees to build technical and behavioural skills. Key topics included 5S, problem-solving techniques, Quality Control (QC) tools, Computer Numerical Control (CNC) programming, manufacturing processes, and material handling. Programmes also covered basic safety, behaviour-based safety, ISO awareness, and Total Productive Maintenance (TPM) to support operational performance and compliance. A total of 697 man-days of training were completed.

E-learning Initiatives

Digital learning continued to support accessibility and flexibility in employee development. Six mandatory e-learning modules were rolled out during the year, covering BEFASt behaviours, Digital Personal Data Protection awareness, POSH, Life Cycle Assessment, Information Security Management System (ISMS) Awareness, Sanction Screening Awareness, and onboarding. These modules addressed key compliance, behavioural, and sustainability requirements across the organisation.

CUMI IC Knowledge Academy (CIKA)

At the Industrial Ceramics division, the CUMI IC Knowledge Academy (CIKA) was established to serve as the nodal platform for knowledge management through structured master classes by industry experts, regular knowledge-sharing sessions, and curated access to technical journals. The Company recognises and appreciates the internal faculty and subject matter experts who played an important role in enabling knowledge-sharing and capability building across teams.

Employee Relations

The Company continued to focus on fostering constructive employee relations and maintaining a harmonious industrial environment across its operations. During the year, the Company engaged in structured and participative dialogue with employee representatives, resulting in the conclusion of two long-term Settlements across locations. These settlements reflect the commitment of the Company to balanced outcomes that support employee welfare, operational stability, and long-term business sustainability.

Employee Well-being

Well-being has always been a critical pillar of the people philosophy of the Company. As part of Aspiration 2030, the Company launched CUMI Vital, an integrated well-being initiative for employees across the Company.

Annual medical health check-ups were conducted across employee levels to promote preventive healthcare and enable early identification of health risks. Health initiatives such as blood donation camps, eye camps, dental check-ups, and orthopaedic camps were conducted across locations to support overall employee health.

Employee Engagement and Connect

The employee engagement at the Company is nurtured through meaningful cultural celebrations and structured connect initiatives that foster inclusivity, a strong sense of belonging, and shared pride across locations.

In addition to celebrations, the Company strengthened leadership and HR connect with employees through focused engagement initiatives.

- **HR Walk & Talk** - Direct engagement between Plant HR teams and employees through structured one-on-one interactions, enabling early identification and resolution of concerns.
- **Half Yearly Town Hall** - Managing Director's Half Yearly Town Hall Meet connecting all employees across the globe, including subsidiaries provided a feel of One CUMI.
- **BU Head Communication** - Monthly updates from Business Unit Heads is shared within BUs to provide visibility on performance, priorities, and developments.

Rewards & Recognition

The Rewards and Recognition (R&R) at the Company plays a vital role in reinforcing a high-performance culture by celebrating behaviours and outcomes that align with our values and long-term priorities. Through a structured and consistent framework, the Company recognises both individual contributions and team excellence across the organisation.

Individual Excellence is recognised through awards such as the Kaizen Award, Suggestion Award, Individual Excellence Award, You Made a Difference, Safety Motivational Award, Employee of the Month/Quarter, Leap Vistaar, Acharya Award, Shine Awards, and Long Service Awards, encouraging ownership, continuous improvement, safety consciousness, capability building, and value-based conduct.

Team Awards includes Team Excellence Award, Best Safety Plant Award, Operational Excellence Award, and special campaign-based recognitions reinforcing collaboration, operational discipline, and shared accountability.

During the year, the Company received external recognition from government authorities and industry bodies for its performance in environment, safety, health and operational excellence such as Green Champion Award for Super Refractory's environment initiatives, Rhodium Awards for MURI/ POKA YOKE, and Platinum Awards including Healthy Minds & Skilled Hands for non-manufacturing functions at Association for Promotion of Competitive and Responsible Enterprises (APCRE) Conference.

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) implemented in February 2017 with the approval of the shareholders currently governs the grant of options to employees. During the year under review, eligible employees were granted in aggregate 10, 09, 140 options under the ESOP Plan 2016. The disclosures with respect to options granted under the ESOP Scheme 2007 and ESOP Plan 2016 are duly provided in the Corporate Governance Report - **Annexure D** forming part of this Annual Report.

During the year under review, the Nomination and Remuneration Committee, with the aim of retaining talent & motivating the employees and nurturing an owner mindset in them, approved an initiative of a new sub scheme under ESOP Plan 2016 for the employees in the middle-level of the management.

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 and is accessible on the website of the Company at this link: https://www.cumi-murugappa.com/policies-disclosure.

Both ESOP Scheme 2007 and ESOP Plan 2016 are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

A detailed analysis of the material developments in the Human Resources and Industrial Relations of the Company during the year under review is provided in the Management Discussion and Analysis Report - **Annexure A** forming part of this Annual Report.

ANNUAL RETURN

The Annual Return of the Company in Form MGT-7 is uploaded and accessible in the website of the Company in this link: https://www.cumi-murugappa.com/wp-content/uploads/2026/07/Annual%20Return_2025-26.pdf.

SECRETARIAL STANDARDS

The Company has duly complied with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) during the year under review.

COMPLIANCE MANAGEMENT

The cloud based Compliance Management System of the Company tracks compliances across the various factories/ offices of the Company and has a comprehensive coverage of the various applicable laws including auto updation based on the regulatory changes from time to time. During the year under review, considering the intensifying geo-political situation globally and heightened sanctions regime, the Company has also initiated the introduction of a sanctions screening mechanism with a comprehensive suite of features designed to streamline compliance and enhance security measures to ensure adherence with the applicable international sanctions and mitigate the risks associated with the same.

CORPORATE GOVERNANCE REPORT

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 part of this Annual Report as **Annexure D**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING (BRSR)

Regulation 34 of the Listing Regulations mandates top 1,000 listed entities based on market capitalisation to submit a Business Responsibility and Sustainability Report ("BRSR") in the format as specified by SEBI from time to time.

The Company has prepared the BRSR for FY 2025-26 with an aim to provide standardised, transparent view of how it integrates responsible business practices into its operations and its commitment towards environmental sustainability, social impact, and governance (ESG) practices.

SEBI vide its circular dated 28th March 2025 mandated the top 500 listed companies (by market capitalisation) undertake assessment or assurance of the BRSR Core for the FY 2025-26.

Accordingly, the Company has undertaken an assurance of the BRSR core for the year. The Company appointed M/s. TUV India Pvt. Limited, a SEBI-empaneled assurance service provider, as the BRSR assurance service provider for providing reasonable assurance of the BRSR Core disclosures of the Company for the FY 2025-26.

The BRSR of Company for the year under review in terms of Regulation 34(2) of the Listing Regulations and the assurance report is annexed as **Annexure H** and forms part of this Annual Report and is also available on the Company's website.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has taken various initiatives pertaining to conservation of energy and technology absorption across its manufacturing facilities via its EHS Excellence Assessment model.

The detailed information on Energy Conservation, Technology Absorption, Expenditure incurred on Research & Development and forex earnings/outgo as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to and forms part of this Report as **Annexure E.**

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has duly complied with provisions relating to the constitution of the Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act).

The disclosure in relation to the provisions of the POSH Act for the FY 2025-26 is as below:

Particulars	Number of Complaints
Complaints of sexual harassment received in the year;	1
Complaints disposed off during the year	1
Cases pending for more than ninety days	Nil

THE MATERNITY BENEFIT ACT, 1961

The Company has duly complied with the provisions of the Maternity Benefit Act, 1961 has in place a Maternity Policy to support the health and work-life balance of women employees during and after pregnancy.

CEO/CFO CERTIFICATE

Mr. Sridharan Rangarajan, Managing Director, has provided 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.

OTHER CONFIRMATIONS

The Company states that there were no disclosures or reporting requirements in respect of the following items during the year under review and accordingly confirms that:

i. there was no issue of equity shares with differential rights as to dividend, voting or otherwise;

ii. there has been no change in the nature of business of the Company;

iii. there was no revision of financial statements and Board's Report of the Company during the year under review;

iv. the Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable;

v. neither any application under the Insolvency and Bankruptcy Code, 2016 (IBC) was made on the Company during the year under review nor any proceeding under the IBC was initiated or is pending as at 31st March 2026;

vi. there is no plan to revise the financial statements or Report in respect of any previous financial year;

vii. there were no material changes and commitments affecting the financial position of your Company between end of financial year and the date of report; and

viii. 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.

ACKNOWLEDGEMENT

The Board of Directors place on record its sincere appreciation to all stakeholders, including the Central and State Government Authorities, Regulatory Bodies, Stock Exchanges, Financial Institutions, Analysts, Advisors, Local Communities, Customers, Vendors, Business Partners, Shareholders, and Investors for their continued support, trust, and confidence during the year under review.

The Board of Directors also acknowledge and would like to place on record their sincere appreciation for the commitment and dedication of all the employees of the Company for their continued efforts in achieving good results.

On behalf of the Board

Chennai
May 14, 2026

M M Murugappan
Chairman

Annexure A
Management Discussion and Analysis Report

This Report on Management Discussion and Analysis forms part of the Board's report for the financial year ended 31st March 2026

GLOBAL & INDIAN BUSINESS ENVIRONMENT

Global economic growth moderated during the year 2025 amid elevated geopolitical tension, persistent trade related friction, and tight financial conditions. At the start of 2025, global growth had been estimated at around 2.8%, reflecting concerns over tariff escalation and policy uncertainty; however, economic activity proved more resilient than anticipated, and global GDP growth ultimately realised at 3.4%, supported by strong services demand and front-loaded investment.

Looking ahead, global growth is projected to ease to around 3.1% in 2026, weighed down by the impact of the West-Asia conflict, trade fragmentation, and heightened uncertainty. While near-term risks remain elevated, productivity gains from accelerating adoption of artificial intelligence and increased technology investments could support medium-term growth. Inflationary pressures, remain above historical averages. Global headline inflation is expected to rise modestly in 2026 before moderating in 2027.

Against this backdrop, India continues to display resilience. The Indian economy grew by approximately 7.7% in FY 2025-26. GDP growth is projected at 6.5%-6.9% in FY 2026-27 and FY 2027-28, supported by domestic demand, infrastructure investment, and structural reform progress. While consumption remains strong at the moment aided by lower GST rates, RBI rate cuts, controlled food inflation and healthy agricultural trends, there are headwinds and risks arising from the ongoing West-Asia conflict, and the widely predicted 'super' El Niño phenomenon. Despite the current ceasefire in West Asia, a resumption of prolonged conflict could lead to higher fuel costs, and a weaker Indian Rupee, and thereby increase inflation and weigh on consumption.

BUSINESS SEGMENTS OVERVIEW

The businesses of the Company grew steadily in a challenging economic environment. A business wise overview and performance is detailed below:

Abrasives

Business Overview

The Abrasives Business operates in the field of surface engineering, offering precision, functional, and durable surface solutions through the manufacture and distribution of rigid and flexible abrasives and adjacent products. Its portfolio comprises Bonded Abrasives, Coated Abrasives, Super Abrasives, Metal Working Fluids, and allied surface finishing solutions.

FY 2025-26 was a year of disciplined execution that laid a solid foundation for the Business's long-term aspirations. During the year, the Business sharpened its market focus through targeted go-to-market (GTM) initiatives, strengthened customer and channel engagement, and enhanced execution capabilities across the Industrial, Precision, and Retail segments to support scalable and sustainable growth. The Business also commenced commercial production at its Thin Wheels facility at Hosur, using the production lines acquired from DRONCO GmbH, Germany. This highly automated plant will become the Business's Centre of Excellence for thin wheels, and has been certified by the Organisation for the Safety of Abrasives (oSa).

Financial Performance

(₹ Million)

Particulars	Standalone			Consolidated		
	2025-26	2024-25	Change (%)	2025-26	2024-25	Change (%)
Revenue	12,696	11,954	6	22,706	21,594	5
Segment results (PBIT)	1,945	1,929	1	966	1,514	-36
Capital employed	5,981	5,326	12	15,849	15,216	4
Share to total revenue of CUMI (%) (without eliminations)	42	43		44	45	
Share to segment results (PBIT) of CUMI (%)	37	45		24	28	

Performance Overview

The first half of the year remained challenging due to aggressive import-led competition, elevated channel inventory levels, and liquidity constraints across distribution channels. These challenges were further compounded by pressure on the Exports segment arising from U.S. tariffs.

However, the demand environment improved gradually during the second half of the year, particularly following the GST rate rationalization, enabling the Business to deliver 6.2% growth for the full year. Performance was supported by several go-to-market initiatives, including channel expansion and sustenance programmes across both established and relatively new markets, secondary sales activation programmes, and multiple new product launches. New products contributed approximately 16.5% of total Abrasives revenue, strengthening the Business's competitiveness.

Exports recorded positive performance across select markets and product segments. The South East Asian region delivered strong growth over the previous year, driven by robust demand for products serving the Automotive and Aerospace segments.

Despite these gains, overall exports declined by 4.2% year-on-year as the Company discontinued exports to Russia in view of the prevailing sanctions, and as sales to the U.S. markets were impacted by the reciprocal tariffs.

Manufacturing capacity was strengthened through investments in finishing, conversion, and niche technologies including Hot Press and Internal Grinding. In March 2026, the Greenfield Thin Wheels project at Hosur, commenced commercial production. The Business continued to focus on manufacturing excellence and unit cost optimisation through cross-functional collaboration, delivering encouraging results.

The segment wise performance of Abrasives is detailed below:

Industrial Segment

The Industrial segment strengthened its position in core markets by expanding its presence across Class A and B cities, and key industrial clusters, increasing its reach in demand-dense regions. Dealer productivity increased through structured, dealer-led growth and sustenance programmes, while the customer base expanded through deeper engagement with strategic accounts, thereby enhancing share of wallet. Downstream penetration also improved through systematic activation of sub-dealers, strengthening the business's presence across critical and high-potential locations.

Precision Segment

The Precision segment accelerated its transition to a Key Account Management (KAM)-led operating model, strengthening engagement with direct accounts, as well as dealer- managed accounts. A proactive customer acquisition approach helped on-board new customers and reduce concentration risk. Solution-led selling was strengthened through product introductions for MSMEs, closer collaboration with grinding machine OEMs, and targeted import-substitution initiatives in niche application segments.

Retail Segment

The Retail segment strengthened distribution coverage and frontline productivity through new dealer onboarding, improved territory coverage, and stronger operating discipline. Visibility and control across the channel improved significantly through the digital enablement of secondary sales, providing greater transparency, enhanced analytics, and stronger decision-making capabilities. In addition, structured, state-wise market share improvement programs were launched in underpenetrated regions, delivering encouraging early traction and establishing a strong foundation for future growth.

Overall, the year witnessed meaningful progress in execution discipline, channel strength, and customer engagement. Investments in capability building, digital infrastructure, and structured market programs have positioned the Abrasives business to improve consistency in performance, and sustain its competitive advantage.

Strategic Focus

Execution in the Abrasives business was guided by clear priorities: winning in chosen markets, deepening customer engagement, strengthening distribution as a competitive moat, and building execution excellence. These priorities translated into sharper market segmentation, structured go-to-market models, and stronger operating discipline across the business.

The Abrasives business continues to strengthen its distribution network while focusing on innovative and cost-competitive product development. Expansion into under-penetrated domestic markets, development of new products and strategic sourcing of complementary product portfolios remain key priorities in addressing competition from imports.

Competitive Positioning and Industry Dynamics

The Company continues to be a major player in the Indian Abrasives Industry, serving a diverse set of end-user industries including Automotive, Construction, Bearings, Woodworking, Heavy engineering, Foundry, and Forgings.

The global Abrasives market, estimated at USD 48.2 billion in 2025, is expected to grow at a CAGR of 5.0% to reach USD 64.6 billion by 2031. The Indian Abrasive Industry is estimated at USD 1.1 billion in 2025 and is expected to grow at ~ 8-9% to reach USD 1.8 billion by 2031. The Indian Abrasives Industry continued to expand steadily, supported by growth in the industrial and infrastructure sectors.

Opportunities & Threats

Opportunities

- Technological shifts towards high-performance and super abrasives, coupled with increasing emphasis on eco-friendly and recyclable products, are reshaping competitive differentiation.
- Sustainability-related investments are becoming critical to meeting regulatory requirements and evolving customer expectations.

Threats

- Pricing pressure from low-cost imports.
- Entry of players from adjacent product segment impacting market pricing.
- Intensifying competition in technology-led products.
- Volatility in raw material prices, particularly aluminium oxide, silicon carbide and chemicals.
- Availability of flexible labour, reinforcing the need for automation and labour-mix optimisation.

Business Outlook

Industrial activity softened temporarily towards the end of FY 2025-26, but structural growth drivers such as manufacturing localisation, infrastructure build-out, EV adoption, and precision engineering remain strong.

The Automotive sector is expected to normalise in FY 2026-27, while demand from construction and infrastructure sectors is likely to remain strong, supported by public sector capex and consumer demand. Continued focus on expanding railway infrastructure, strengthening indigenous defence manufacturing, and accelerating the adoption of high-precision and automated production processes is expected to drive demand for high-performance abrasives, as manufacturers prioritise efficient and consistent grinding and finishing solutions to meet tight tolerance requirements, improve productivity, and maintain repeatable quality.

Recent Free Trade Agreement (FTA) signed by the Indian Government strengthen opportunities in export-oriented manufacturing, however, the ongoing uncertainty around U.S. tariff policies remain a key risk that could potentially impact export competitiveness and demand visibility.

The conflict in West Asia towards the end of the year caused some disruption in March 2026, with cost pressures emerging in subsequent periods due to rising input, fuel, and packaging costs. At the same time, demand for locally manufactured abrasives is expected to strengthen due to import-related supply uncertainties.

Ceramics Segment (Including Industrial Ceramics and Refractories)

Industrial Ceramics

Business Overview

The Industrial Ceramics business manufactures advanced ceramics and high-performance materials for demanding and mission-critical applications. With over 30+ unique formulations, its products deliver exceptional performance in wear resistance, electrical insulation, corrosion resistance, and personnel and vehicle protection. The business serves a broad range of industries including Mining and Mineral processing, Power and Energy systems, Mobility (electric vehicles and ICE vehicles), Semiconductors and Electronics, Aerospace and Defence. The business is built on a strong foundation of technology, advanced manufacturing, design, and application engineering.

The business has a strong global presence, with exports contributing about 75% of the overall revenues. Its operations are supported by manufacturing facilities in India, and a service and distribution network spanning key focus markets, including the USA, Australia, Europe and other parts of the world. The business has three broad product segments, namely wear protection, precision engineered ceramics, and metallized ceramics.

The Wear Ceramics and services business address critical wear applications across Mining and Mineral Processing, Steel, Power, Cement and, General bulk material handling. During the year, the business continued to innovate through a solutions-led approach through onsite wear audits and design-based differentiation, enabling customers to improve equipment performance, and extend asset life. Despite a challenging operating environment marked by project deferments and delays in maintenance activities, the business remained focused on innovation and customer support across Australia, India, and the USA.

The precision engineered ceramics business serves demanding applications across Solid Oxide Fuel Cells, hydrogen electrolysers, mobility and other advanced industrial sectors. A strong focus on product development and continuous process innovation enabled the division to introduce new products in collaboration with leading global customers across the U.S., Japan and India.

The Metallized Cylinders business is a global major, and a strategic supplier to global OEMs in the field of power distribution and vacuum electronics. With the objective of becoming a leader in metallized alumina cylinders for vacuum interrupters, the business continues to expand its capabilities and capacities.

During the year, the business established dedicated facilities for the manufacture of advanced ceramic components for semiconductor wafer fabrication equipment, as well as advanced ceramics for personnel and vehicle armour protection in the defence sector. Work is also underway to build capabilities in advanced electronic components, through partnerships with leading global technology companies. In addition, the business is expanding into AMB/DBC (Active Metal Brazed, Direct Bonded Copper) substrates and brazed assemblies for power electronics. These initiatives are closely aligned with its aspiration of becoming a leading global player in advanced ceramics.

Financial Performance

(₹ Million)

Particulars	Standalone			Consolidated		
	2025-26	2024-25	Change (%)	2025-26	2024-25	Change (%)
Revenue	10,001	9,387	7	12,680	11,601	9
Segment results (PBIT)	2,145	2,331	-8	2,562	2,865	-11
Capital employed	6,168	5,319	16	9,336	8,061	16
Share to total revenue of CUMI (%) (without eliminations)	33	34		25	24	
Share to segment results (PBIT) of CUMI (%)	41	55		63	53	

Performance Overview

The business delivered stable growth in FY 2025-26 despite significant global headwinds and market volatility. While project execution and regular maintenance activities were deferred across core end-user industries, the year also witnessed the emergence of significant opportunities in high-growth sectors such as Artificial Intelligence (AI) data centres.

Consequently, segments serving sustainable power generation, through platforms like Solid Oxide Fuel Cells, and power distribution recorded strong growth during the year. In particular, the Engineered Ceramics business for Solid Oxide Fuel Cells witnessed significant growth, while Metallized Cylinders for Vacuum Interrupters continued to deliver steady growth. The Wear Ceramics business, however, was impacted by the deferment of projects and a slowdown in maintenance activity across the Mining and Mineral processing, and Thermal power industries. On the Exports side, the Wear Ceramics business was also impacted by uncertainties around U.S. tariffs.

Strategic Focus

As a part of the Company's long-term aspirations, the business has articulated a clear roadmap to becoming a leading global player in advanced ceramics. This roadmap focuses on strengthening its core segments, while building a strong presence in high-growth, emerging segments such as Semiconductors, Electronics, Aerospace and Defence. To support its strategic direction in core segments, the business plans to significantly expand its metallized cylinder capacity, and to enhance its production facilities to meet the growing demand for SOFCs. In the emerging segments, the business deployed significant capital expenditure and resources during FY 2025-26 to establish dedicated facilities for Semiconductor Wafer Fabrication components and Aerospace Defence applications. Importantly, leading global OEMs were onboarded as key customers, and anchor customers across the emerging programmes, with product qualifications successfully completed for serial supply. In the electronics segment, significant progress was made in finalising a technology partnership, with the partner expected to be onboarded from FY 2026-27 onwards.

Competitive Positioning and Industry Dynamics

The competitive position of the business continued to vary across product segments against the backdrop of subdued performance and customer caution in select core end-markets. In the Indian and Australian markets, wear-led applications such as mining and metals, and thermal power witnessed soft demand, with the deferment of projects and maintenance activities, and intensifying price-based competition in Wear Ceramics, particularly from low-cost imports and regional fabricators. In Metallized Cylinders, competitive intensity remained moderate and was primarily governed by installed capacity, stringent qualification requirements and high levels of OEM lock-in. Accordingly, the small business focused on incremental capacity expansion, yield improvement, and deepening its share with existing OEMs. In Engineered Ceramics, the competitive intensity remained moderate to high, with differentiation increasingly determined by process maturity, field reliability and proven scale-up capability. In the emerging segments of Semiconductors, Aerospace and Defence, and Electronics, competitive intensity remained high, characterised by leading global ceramic manufactures with deep intellectual property portfolios and long qualification histories. During the year, the Business remained focused on a capability-first approach, partnership-led development and phased customer-led market entry.

Opportunities and Threats

Opportunities:

- Power Transmission & Distribution: Growth supported by grid modernisation and sustainability initiatives, including renewable energy integration and the phased replacement of Sulphur Hexaflouride-based equipment.
- SOFC: Accelerated demand driven by AI data centres and the broader hydrogen transition.
- Semiconductors: Upcycle in wafer fabrication equipment driven by advanced packaging and AI-led fab expansion.
- Electronics: Growth led by EV power modules, healthcare and defence applications.
- Defence: Sustained tailwinds from higher defence spending and localisation initiatives.

Threats:

- Global disruptions and market fragmentation arising from trade tensions, tariffs, and geopolitical conflicts.
- Continued price-led competition in Wear Ceramics from low-cost imports and regional fabricators.
- Capacity constraints in Metallized Cylinders, necessitating continuous yield improvement and capacity expansion.
- Long qualification cycles in emerging segments such as - Semiconductors, Electronics and Defence.

Business Outlook

The outlook for the Industrial Ceramics business remains stable and positive, supported by selective growth tailwinds in Power, Clean energy, Electronics, and Semiconductor-related applications, even as certain core wear-led end-markets continue their gradual recovery.

Demand drivers in Power T&D are expected to remain favourable, supported by grid modernisation initiatives and the ongoing transition away from SF6-based solutions.

In Engineered Ceramics, the SOFC ecosystem is witnessing accelerated adoption, driven by rising power requirements for AI data centres and the broader energy transition, creating a significant opportunity to scale platform-led solutions with customers.

In parallel, electronics applications are expected to expand on the back of increasing adoption of EV power modules and growing demand from Healthcare, Aerospace and Defence applications. The Semiconductor value chain is also poised for growth, supported by advanced packaging requirements and AI-led fab investments, with the conversion of opportunities contingent on product qualification milestones and customer programme timelines.

Competitive intensity is expected to remain elevated across select verticals, particularly in wear applications.

Accordingly, the business intends to prioritise disciplined execution of capacity expansion and yield improvement initiatives, capability build-out in emerging verticals, and a structural cost reset and solution-led mix improvement in Wear Ceramics to enhance competitiveness and protect margins.

Refractories and Composites

Business Overview

The Company's Super Refractories business offers a comprehensive portfolio of thermal protection, corrosion protection, and composite material solutions for critical industrial applications, underpinned by over six decades of engineering expertise and application know-how.

The Business's thermal protection portfolio comprises specialised fired and monolithic refractories engineered to perform reliably under severe thermal, mechanical, and process conditions. These solutions serve a broad range of industries, including Iron & Steel, Non-ferrous metals, Cement, Glass, Carbon black, Fertilisers, Chemicals, Energy, and allied process industries, where performance consistency, and lifecycle reliability are critical.

The Business's corrosion protection portfolio address chemically aggressive and structurally demanding environments across industries such as fertilisers, non-ferrous metals, chemicals, steel, recycling, and metal recovery. The portfolio comprises chemical-resistant linings, masonry systems, protective coatings, and Fiber Reinforced Polymer (FRP) process equipment, designed to safeguard assets, enhance operational reliability, and extend equipment life in highly corrosive operating environments.

The composites portfolio spans structural and advanced composites, supporting demanding applications in renewable Energy, Mobility, Aerospace and Defence, and specialised industrial segments. The business delivers precision-engineered fibre-reinforced components and carbon-fibre-based structural solutions, combining advanced materials, manufacturing expertise, and application engineering capabilities to address complex customer requirements.

Performance Overview

The Super Refractories business delivered a resilient and balanced performance in FY 2025-26 despite uneven market conditions characterized by uncertainty in investment cycles, project delays, and geopolitical disruptions. While refractories business was impacted by these factors, the corrosion protection business emerged as a principal growth driver, supported by robust order pipeline and strong project execution.

Operationally, the business remained focused on managing execution peaks, maintaining customer engagement, and ensuring high service levels across critical applications. As deferred investments began to materialise during the latter part of the year, the business further strengthened its execution capabilities across complex domestic and international projects, reinforcing its execution credentials and expanding its portfolio of customer references.

Performance in the Refractories business was selective and application-driven, reflecting customers' prioritisation of critical assets and high-value applications over broad-based volume growth. Growth during the year was supported by exports of fired refractories, with significant contributions from project orders in the Glass, Carbon black, and Iron & Steel industries. The business also recorded healthy demand from glass applications, particularly for high-purity and engineered products, as well as from chemical processing applications operating under demanding thermal and service conditions. Furnace and heat treatment applications benefited from refurbishment and maintenance activities, while energy and power applications were supported by lifecycle-based maintenance demand. In addition, the business strengthened its market reach through its network of dealers and associates. Performance across the remaining refractory portfolio was mixed, reflecting the timing of customer investments and varying levels of competitive intensity across end-markets.

Corrosion Protection was the principal growth driver during the year, supported by sustained demand across a diverse set of industrial applications. Growth was led by the Fertilisers and Chemicals sectors, where activity remained strong in highly corrosive process environments, and by the non-ferrous industries, reflecting deeper penetration into equipment protection and asset life extension applications. Petrochemical applications also scaled up during the year, expanding the addressable market, while defence-related requirements reinforced the strategic relevance of the business's advanced and structural composites portfolio.

Strategic Focus

The strategy of the Super Refractories business, in line with the long-term aspirations of the Company, lays a clear emphasis on value-accretive and sustainable growth. The strategic focus is on deepening the shift from volume-led to solution-led engagement through the following priorities:

- Increasing the share of engineered fired products in the Glass, Ceramics, and Chemical processing industries, where performance consistency, reliability, and lifecycle value outweigh price-based competition;
- Strengthening and expanding the monolithic refractories portfolio in the Iron & Steel and Cement industries through

customised solutions, service-led engagement, and long-term supply arrangements that enhance customer retention and campaign performance;

- Expanding the corrosion protection business through deeper participation in the fertilisers, chemicals, and non-ferrous industries, while broadening its domestic and global market presence; and
- Selectively scaling the structural and advanced composites portfolio through programme-led opportunities, while maintaining disciplined capital allocation and a strong focus on risk-adjusted returns.

This strategy is underpinned by strong manufacturing discipline, deep application engineering capabilities, and a growing base of international reference projects, providing a clear and credible pathway toward the businesses' long-term aspirations.

Competitive Positioning and Industry Dynamics

The Indian Super refractories market continues to face intense competition, particularly in standard products used in the iron & steel and cement industries, exerting sustained pressure on pricing. At the same time, customers in sectors such as Glass, Chemicals, Fertilisers, Energy, and allied industries are increasingly prioritising performance, reliability, and long-term value, especially for critical and high-severity applications.

Within this operating context, the Super Refractories business of the Company is positioned as a capability-led, solutions-oriented player, differentiated from commodity suppliers. The business leverages strong material science expertise, deep process understanding, and application engineering capability to deliver customised fired refractories, specialised monolithics, advanced corrosion protection systems, and high-performance composite solutions tailored to demanding operating environments. These application-led solutions enable customers to achieve consistent performance, extended equipment life, and reliable operations.

Supported by ongoing innovation, a growing international footprint, and a deliberate shift toward solution-based customer engagement, the Super Refractories business is well positioned to grow profitably and remain resilient across competitive and cyclical market conditions, while sustaining a differentiated value proposition built on expertise, execution, and long-term customer partnerships.

Opportunities and Threats

Opportunities

- Greater focus on niche products - Increasing demand for specialised, high-performance refractory products where quality, reliability, technical expertise and application support are key differentiators.
- Solutions-led approach - Transitioning from one-time product sales to customised solutions, long-term supply contracts, and value-added service offerings, strengthening customer relationships and retention.
- Deeper customer engagement - Increasing share of business with existing customers through integrated offerings spanning design, supply, installation, and maintenance.
- Stable volume growth - Selective expansion through repeat business and planned customer investments, supported by consistent execution and delivery reliability.
- Future growth platforms - Scaling advanced and structural composites as focused, high-value growth platforms while protecting the core business.
- Broader market presence - Expanding export markets, increasing import substitution, and developing application-specific solutions across industries.
- Cost and supply resilience - Enhancing sourcing flexibility, material design, and process efficiency to mitigate raw material price volatility and strengthen supply chain resilience.

Threats

- Price-driven competition from low-cost domestic and overseas suppliers in standard refractory products.
- High competition in monolithic refractories due to low barriers to entry, leading to aggressive pricing and margin pressure.
- Project-based margin pressure arising from competitive intensity in corrosion protection projects.
- Execution-intensive composite markets characterised by high efficiency requirements, tight delivery timelines, and long qualification cycles.
- Geopolitical and trade risks impacting exports and supply chains through uncertainties, tariffs, and trade restrictions.

Business Outlook

Demand for the business's refractories, corrosion protection, and composites portfolio is driven by sustained expansion across core industries and is increasingly shaped by value-led-growth, performance, and lifecycle efficiency. Iron & steel remains the largest end market, supported by infrastructure development, manufacturing growth, and India’s aspiration to expand steelmaking capacity to 300 million tonnes.

While volumes continue to matter, customer preferences are steadily shifting toward engineered, high-purity, application-specific refractory solutions that deliver longer campaign life, improved reliability, and lower total cost of ownership. This transition is reinforced by emerging low-carbon ironmaking routes, such as, gas-based Direct Reduced Iron (DRI), Electric Arc Furnace (EAF) steelmaking, and hydrogen-enabled processes, which create incremental opportunities for advanced, high-purity refractories tailored to new operating environments and cleaner process flows.

Beyond Steel, sectors such as Cement and Glass, which are expected to grow at ~7%-8%, and ~5% -7% respectively, provide a broad and resilient demand base, supported by infrastructure growth and periodic rebuild cycles. While Cement remains cost-sensitive, customers are increasingly adopting performance-oriented monolithic and fired refractory products that enhance kiln life and reduce downtime.

Non-ferrous metals, particularly aluminium and copper, are projected to grow at ~7-10%, driven by electrification, renewable energy, and electric mobility, creating opportunities for high-performance refractories and corrosion protection systems across smelting and downstream processes. In parallel, expanding refining, petrochemical, and fertiliser industries continue to support demand for anti-corrosive linings and FRP composite solutions. The circular economy, including recovery of non-ferrous and battery materials, is further intensifying demand for chemical-resistant linings and composites to protect assets and enable efficient recycling.

Together, these trends reinforce the Company's positioning as a solution-led provider of high-performance, sustainable materials, aligned to customers' evolving needs for reliability, efficiency, and long-term asset protection.

Electrominerals Segment

Business Overview

The Electrominerals business (EMD) specialises in the production and distribution of high-performance grains and powders, and caters to the requirements of Abrasives, Refractories, Polishing, Auto- component, Car detailing, Electronics, Friction, Composites, Wooden laminates and Semiconductor industries. With a comprehensive portfolio spanning bauxite, fused aluminas, silicon carbide, fine powders, zirconia and ceramic grains, the business has established a strong market position in India and built a significant presence in global markets.

The global demand for industrial minerals is driven by a shift toward high-purity materials and sustainable supply chains. As global manufacturers seek to diversify away from traditional sourcing hubs, India's position as a reliable, quality-focused source of supply has strengthened. The global fused minerals demand is experiencing steady growth driven by expanding industrial applications in manufacturing.

The business maintains a leading position in domestic markets and a strong competitive position in global markets through its diverse portfolio and specialised processing capabilities. Its competitive advantage is rooted in its ability to meet stringent international standards including REACH compliance, adapting quickly to changing trade regulations, and accelerating product qualification enabling market share gain in high-entry-barrier markets such as Europe.

EMD is successfully transforming from a bulk mineral producer into a technology-first materials solutions provider. This transition is underpinned by an integrated innovation ecosystem, leveraging partnerships with Maker Village and the Digital University of Kerala to bridge the gap between mines and market and accelerate product development. Sustainability has also emerged as a key differentiator, with the introduction of low-carbon minerals as a distinct product category in FY 2025 -26. By optimising its fusion process at Cochin, the Business is able to offer minerals with a certified lower carbon footprint. In addition, the business is increasingly focused on delivering high-purity, application-engineered materials rather than conventional chemistry-based products, enabling customers to enhance the performance and service life of their end products.

During the year, the business undertook capital expenditure to enhance the capacity of a 2.0 MVA furnace to a 4.5 MVA furnace, and to add tunnel and rotary kilns to expand its treatment facilities. In addition, work commenced on a 110 KV substation to support future fusion capacities. Investments were also made towards establishing pilot facilities for high-purity silicon carbide (HpSiC). During the year, the business achieved 5N purity in HpSiC, and identified the technology route towards achieving 6N purity HpSiC. The business entered into a technology partnership with CSIR-CGCRI for the development of ceramic powders for SOFCs and SOECs. The business also entered into a technology partnership for the development of nitrides.

Financial Performance (₹ Million)

Particular	Standalone			Consolidated		
	2025-26	2024-25	Change (%)	2025-26	2024-25	Change (%)
Revenue	9,060	8,155	11	16,318	15,736	4
Segment results (PBIT)	821	626	31	909	1,774	-49
Capital employed	4,089	3,472	18	11,458	9,847	16
Share to total revenue of CUMI (%) (without eliminations)	30	29		32	33	
Share to segment results (PBIT) of CUMI (%)	16	15		23	33	

Performance Overview

During the year, the business delivered a resilient performance achieving a healthy balance between volume growth and value realisation. Sales demonstrated consistent quarter-on-quarter and year-on-year growth. Through its agility in responding to market trends, the business was able to increase its share of Exports to over 30%.

Despite global supply chain volatility and competitive pressures from low-cost imports, the division successfully pivoted towards high-value speciality grains and optimised its product mix to sustain margins.

Strategic Focus

EMD has set ambitious expansions plans over the next few years. Major expansions include addition of capacity in fused alumina business primarily in expanding capability in treated products. It also aims to expand the Zirconia portfolio with capability additions in furnacing and grain processing. The business will add significant process capability in its Thermal Spray portfolio with end-to-end process revamp and addition of exclusive integrated furnacing and an automated grain processing facility. The Company has also made significant progress in capacity expansion for HpSiC 5N purity and advanced nitrides manufacturing. These are expected to be completed in FY 2026-27.

Competitive Positioning and Industry Dynamics

The Electrominerals industry is experiencing increased competitive intensity, particularly in India, with the emergence of several local manufacturers driven by robust demand from Refractory and Abrasives segments, which continue to be the primary end-use applications for electrominerals. This growth in domestic manufacturing capacity has intensified competition on pricing and availability. At the same time, customers are placing higher emphasis on quality consistency, process reliability, and assured supply, especially for critical applications, leading to a gradual shift towards capability-led suppliers.

Within this competitive landscape, EMD is well positioned through its integrated manufacturing footprint, strong process know-how, and long-standing customer relationships across key end-user industries. A key competitive advantage is the Company's secure access to energy, including investments in renewable energy projects, which supports cost stability, operational reliability, and sustainability objectives. Strengthened with continuous investments in technology and R&D, the business holds a competitive edge and is able to sustain competitive performance in a dynamic market environment.

Opportunities & Threats

Opportunities

- Integrated manufacturing process with end-to-end process capability.
- Growing Demand from clean energy and electrification.
- Import substitution and localisation in India.
- Expansion of downstream end use industries such as steel, refractories, chemicals etc.

Threats

- Regulatory Shifts: Changes in international trade duties and carbon emission norms require constant monitoring. The strategy is to stay ahead of compliance requirements to turn potential barriers into competitive advantages.
- Supply Chain Volatility: Fluctuations in energy costs and raw material availability are managed through strategic sourcing and continuous improvements in energy-efficient manufacturing processes.

Business outlook

The industry outlook remains positive, supported by increased infrastructure spending and the global transition toward greener manufacturing technologies. The business expects to benefit from tightening environmental regulations and rising demand for high-performance materials across the Energy, Aerospace, and other advanced manufacturing sectors. To support this opportunity, the business is undertaking strategic capacity expansion in treated grain facilities, which is expected to ease the capacity constraints in the Zirconia and Treated Alumina portfolios. With the new treatment facilities scheduled to commence commercial production over FY 2026-27, the business will be well positioned to meet the anticipated growth in demand. The business also expects to sustain its export momentum by leveraging evolving global supply chains and expanding its presence in international markets. Product approvals and growing acceptance among global customers are expected to further support export growth. At the same time, the business remains focused on strengthening operational resilience through cost optimisation, greater sourcing flexibility, and the effective use of local manufacturing capabilities and global sourcing to mitigate the impact of energy costs, raw material volatility, and logistics disruptions.

FINANCIAL PERFORMANCE AND ANALYSIS OF THE COMPANY

During the year under review, the Standalone revenues increased by 9% to ₹30,244 million from ₹27,837 million in the previous year. On a standalone basis, the Abrasives grew at 6% to ₹12,696 million from ₹11,954 million in the previous year, the Ceramics segment grew at 7% to ₹10,001 million from ₹9,387 million in the previous year and the Electrominerals segment grew at 11% to ₹9,060 million from ₹8,155 million in the previous year.

During the year under review, the consolidated revenues stood at ₹51,494 million which grew by 7% from ₹48,335 million in the previous year driven by the Ceramics segment followed by Abrasives and Electrominerals. On a consolidated basis, the Electrominerals segment grew at 4% to ₹16,318 million from ₹15,735 million in the previous year, the Ceramics segment grew at 9% to ₹12,680 million from ₹11,601 million in the previous year and Abrasives at 5% to ₹22,706 million from ₹21,594 million in the previous year.

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

(₹ Million)

Financial position	Standalone			Consolidated		
	31.03.2026	31.03.2025	%Change	31.03.2026	31.03.2025	%Change
Net Fixed assets (including goodwill and Right of use asset)	8,216	6,646	24%	20,471	18,344	12%
Investments - Non current	10,993	10,996	0%	1,988	2,014	-1%
Other assets:						
- Inventories	4,669	4,421	6%	11,172	10,550	6%
- Trade receivables	5,448	4,519	21%	8,908	7,662	16%
- Cash and cash equivalents	2,029	858	136%	6,979	3,779	85%
- Other assets	1,371	1,224	12%	3,387	4,084	-17%
Total assets	32,726	28,664	14%	52,905	46,433	14%
Liabilities (Other than loans)	3,630	3,081	18%	9,772	8,472	15%
Net assets	29,096	25,583	14%	43,133	37,961	14%
Sources of funding:						
Total equity attributable to owner	29,096	25,583	14%	38,998	35,286	11%
Non - Controlling interest	-	-	-	1,085	1,472	-26%
Loan outstanding:						
- Long term borrowings	-	-	-	258	249	4%
Payable within one year				-	-	
- Short term borrowings	-		-	2,792	954	193%
- Lease liabilities	-	-	-	-	-	
Total loans	-	-	-	3,050	1,203	154%
	29,096	25,583	14%	43,133	37,961	14%
Loans (net of cash and cash equivalents)	(2,029)	(858)	136%	(3,929)	(2,576)	52%

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	
	2025-26	2024-25	2025-26	2024-25
Cash flow from Operations	4,140	3,031	5,386	5,020
Taxes paid	(1,125)	(1,127)	(1,713)	(1,978)
Cash flow from operating activities	**3,015**	**1,904**	**3,673**	**3,042**
Capital Expenditure (Net of disposal)	(2,317)	(1,835)	(3,074)	(2,768)
Cash flow from other investing activities	1,214	(228)	904	(1,058)
Cash flow from investing activities	**(1,103)**	**(2,063)**	**(2,170)**	**(3,826)**
Cash flow from financing activities	**(741)**	**(709)**	**1192**	**(1,099)**
Net increase/(Decrease) in Cash & Cash equivalents	1,171	(868)	2,695	(1,883)
Net Cash and Cash equivalents at the beginning of the year	**858**	**1,726**	**3,779**	**5,549**
Effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies	-	-	505	113
Cash and Cash equivalents at the end of the year	**2,029**	**858**	**6,979**	**3,779**

MANUFACTURING CENTRE OF EXCELLENCE (MCOE) - IMEX LED PROGRESS

The Company continues to strengthen its manufacturing competitiveness through the Integrated Manufacturing Excellence (IMEx) framework. IMEx provides a common operating backbone across businesses, integrating people capability, process discipline, technology adoption and targeted capital investments to deliver sustained improvements in quality, delivery reliability and cost competitiveness.

During the year, manufacturing initiatives focused on stabilising core operations, enhancing equipment reliability, improving process flow and selectively expanding capacity, aligned to long term business requirements.

IMEx in execution: key highlights

Reimagining the Operator and Process Discipline

Shopfloor execution was strengthened through improved standard operating procedures, Jishu Hozen practices and visual management systems, enhancing safety, quality ownership and early abnormality detection. Select automation, error proofing mechanisms and inspection support systems were implemented to reduce manual variation while retaining process ownership.

Turbocharging Plant Performance through Process and Capacity Augmentation

Across businesses, capital investments were undertaken to improve throughput, consistency, energy efficiency and infrastructure robustness:

- In **Electrominerals**, furnace capacity expansion, treated alumina facilities (rotary and tunnel routes) and a 110 kV substation upgrade have been initiated and are currently underway. These investments are expected to strengthen melting capability, improve product consistency and enhance power reliability.
- In **Abrasives**, capacity and process investments in thin wheels and key manufacturing areas, including curing and pressing, improved throughput and process stability.
- In **Industrial Ceramics**, investments spanning Semiconductor, Defence, Electronics and Automotive applications enhanced precision capability, product range and layout flow, supported by advanced cutting and processing equipment.
- In **Super Refractories**, automation in batching, tamping, material storage (Automated Storage and Retrieval Systems) and composite processing improved consistency, handling efficiency and space utilisation.

These investments were complemented by focused loss reduction, maintenance strengthening and energy optimisation initiatives.

Empowered Teams and Capability Building

Cross-functional teams were deployed for commissioning, stabilisation and ramp-up of new assets. Capability was strengthened through the Manufacturing Excellence Academy, combining Lean, technical and problem-solving skills, ensuring effective absorption of new technologies and processes.

Lean and QRM as Core Enablers

Lean principles remained the primary execution engine, supported by Quick Response Manufacturing (QRM) practices in select areas. Value stream analysis, loss monitoring and standard work updates enabled improved flow, reduced variability and enhanced responsiveness.

Digital and Infrastructure for Sustained Performance

Digital initiatives, including advanced inspection systems, equipment monitoring solutions and integrated production planning tools, enhanced visibility and data-driven decision making. Infrastructure upgrades ensured readiness for future scale while maintaining operational resilience.

Outcomes and Outlook

Manufacturing performance was tracked through structured governance covering key parameters such as equipment effectiveness, delivery performance, quality, yield, lead time and cost. The year saw improvements in yield, lead times in select value streams, energy efficiency and successful commissioning of key capacity and automation projects, alongside safety and quality recognitions.

Going forward, MCOE will focus on strengthening quality systems, deepening Lean adoption, scaling digital enablement and progressing IMEx maturity assessments to sustain and build upon these gains.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS AND ENTERPRISE VALUE ADDITION

Key Financial Ratios on a standalone basis

Parameter	2025-26	2024-25	Favourable/ (Adverse) in %
R O C E (%)	18.1	16.7	**8.2**
Debt Equity (times)	-	-	**-**
PBT (%) to Sales	17.4	15.3	**13.6**
Asset turnover (times)	1.54	1.68	**(8.3)**
Receivable turnover (days)	60	54	**10.4**
Inventory turnover (days)	55	53	**3.7**
Interest Coverage Ratio (times)	3,241	2,548	**27.2**
Current Ratio (times)	3.8	3.6	**4.7**
Operating Profit Margin (%)	12.8	13.9	**(8)**
Net Profit Margin (%)	13.8	11.6	**18.7**
Return on Net Worth (%)	15.2	13.2	**15.4**

During the year under review, the Company had an improvement in key ratios such as Return on Capital Employed (ROCE), Profit Before Tax (PBT) to Sales ratio, Net Profit Margin, Return on Net Worth and Interest coverage ratio, primarily driven by enhanced overall profitability.

Other key ratios, including Asset Turnover, Receivables Turnover, Inventory Turnover, and the Current Ratio, also recorded a marginal increase, attributable to a proportionately higher growth in the underlying asset base compared to sales.

However, the Operating Profit Margin experienced a marginal decline due to a slight reduction in operating-level profitability.

Enterprise Value Addition on a standalone basis

The Company has been able to continuously add value, the summary of which is given below:

(₹ Million)

Particulars	2025-26	2024-25	2023-24	2022-23	2021-22
Generation of Gross Value added (excludes exceptional items(net))	**9391**	**7985**	**7963**	**7201**	**6275**
Breakup on Application of Value added	-	-	-	-	-
Payment to Employees and Directors	3196	2925	2606	2389	2169
Payment to Shareholders (on payment basis)	762	761	665	665	569
Payment to Government	1098	1063	1123	1050	899
Payment to Lender	-	-	-	-	-
Towards replacement and expansion	4335	3236	3569	3097	2638
	9391	7985	7963	7201	6275

Notes:

1. Gross value added is Revenue Less Expenditure (excluding depreciation + expenditure on employee & directors service + long term interest).
2. Payment to Government is Current tax + Dividend distribution tax.
3. Towards replacement and expansion is Retained earnings + Depreciation + Deferred tax.

OUTLOOK AND FUTURE STRATEGY

Global outlook

The global economic outlook for 2026 remains fragile, shaped by a mix of supportive factors and emerging risks. Growth is projected at around 3.1%, slightly lower than recent years, as the positive momentum from technology investments, accommodative financial conditions, and policy support is partly offset by rising geopolitical tensions, particularly the conflict in the West-Asia. This conflict has introduced uncertainty through its impact on commodity prices, inflation expectations, and financial markets, leading to a modest upward revision in global inflation to about 4.4% in 2026. While the baseline assumes that disruptions will ease by mid-2026, risks remain tilted to the downside, especially if the conflict intensifies or persists, which could further slow growth and increase inflation. At the same time, opportunities from AI-driven productivity gains and easing trade tensions could provide some upside, but overall, the global economy is expected to grow at a slower and more uncertain pace compared to historical trends.

Amidst this environment of heightened global volatility and rising cost pressures, the Reserve Bank of India has projected India's real GDP growth for FY 27 at 6.9%. Growth is expected to be supported by resilient domestic demand, the interim trade agreement with the United States and the resulting favourable tariff environment, as well as progress on the Free Trade Agreement with the European Union.

The growth trajectory is further underpinned by continued emphasis on infrastructure and public capital expenditure, with a focus on strategic areas such as high-speed rail projects, development of rare earth corridors, Semiconductor Mission 2.0, and carbon capture initiatives.

Following the outbreak of the Iran conflict, fuel prices have increased, with some supply constraints on the PNG side. Furnaces across divisions have the flexibility to operate on dual nozzle systems, using liquid fuels or gas interchangeably. Price increases have been observed across commodities and packaging materials, particularly in petroleum derivatives, including acrylics, latex, resins, packaging plastics, polymers, and formaldehyde. Alumina prices have remained relatively soft through the first half of the year; however, the return of aluminum capacities could influence alumina pricing going forward.

For businesses dependent on imported speciality alumina, a structured indigenisation program is underway, supporting the development and qualification of domestic alternatives for critical grain requirements.

On the logistics front, freight and insurance have moved upward, and in certain cases, shipping timelines have extended. Input cost inflation is expected to be passed through to the market in a phased manner to balance demand conditions while maintaining market competitiveness. On the currency front, the Indian Rupee has depreciated sharply to hit record lows, thus impacting the cost of all imported materials. Input cost increase will be pushed to the markets in a phased manner, to manage demand and market share. Despite the increase in input costs, the availability of raw materials remains stable, supported by the long-standing relationships of the Company with key suppliers.

Long-term aspiration

During FY 2023-24, the Company articulated its long-term vision, Aspirations 2030, to drive sustainable value creation by becoming a global, innovation-led, digital-first organisation and an employer of choice, alongside consistent financial growth. The strategy is anchored on seven pillars covering organisation, growth, innovation, manufacturing excellence, sales and marketing, and cross-enterprise enablers, supported by a robust governance and performance review framework. Across businesses, initiatives are underway to strengthen go-to-market execution, enhance manufacturing and cost competitiveness, scale exports, expand value-added and future-ready portfolios, and enter high-potential sectors such as Electronics and Semiconductors, enabled by digital transformation and Industry 4.0 practices. These efforts are complemented by a strong focus on ESG, safety, and cultural transformation through BEFASt behaviours, as well as comprehensive people and leadership development initiatives, positioning the Company to deliver on its long-term aspirations in a disciplined and sustainable manner.

RISKS, CONCERNS AND MITIGATION MEASURES

Enterprise risk management

The Company has a robust Enterprise Risk Management process to identify, evaluate and mitigate risks impacting business including those which may threaten the existence of the Company. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risk trends, exposure, and potential impact analysis at a Company level as also separately for the business segments.

The Company also has developed a structured risk management policy encompassing the risk management objectives, principles, process, responsibility for implementation, maintenance of risk registers, review of risk movements, risk reporting framework etc. The Risk Management Committee continues to review the risks and mitigation plan as per the adopted Charter and Risk Management Policy. The Enterprise Risk Management (ERM) framework is completely automated.

During the year under review, the risk management policy and framework was reviewed with the involvement of external expertise. It was updated to align with the recent developments in external environment including increasing geo-political risks and the consequent business challenges faced. This covered the Risk governance including governance structure and Risk assessment scales. The Risk registers relating to Businesses and functions were updated as per current risk environment. The risks were assessed and scaled on pre-determined parameters for impact, likelihood and velocity. Mitigation measures were implemented, reducing the risks to a lower (residual) level.

Cybersecurity framework

The Cyber security framework is aligned with the overall digital strategy and roadmap; and has been identified for transformation as part of long term aspiration of the Company. Cybersecurity is embedded within the ERM framework. The Company has adopted a risk-based cybersecurity approach aligned with globally recognised frameworks such as National Institute of Standards and Technology (NIST) Cybersecurity Framework and International Organisation for Standardisation ISO 27001. This IT security framework is commensurate with size and operations of the Company. Its implementation is in progress and will extended to global entities in a phased manner. The Company is partnering with external expertise to assist in deployment of this framework for both IT and OT capabilities. Cybersecurity insurance is in place to offset financial risks.

Key initiatives undertaken during the year under review:

- Enterprise application security (ERP, MES, CRM);
- IT-OT Integrated Security, Threat Detection & Security Operations Centre (SOC) Maturity;
- Vulnerability Management & VAPT (Vulnerability Assessment and Penetration Testing);
- Data Protection & DPDP Compliance measures; and
- Cyber Awareness & Culture building.

The Company remains committed to building a resilient and secure digital ecosystem to support its growth ambitions while safeguarding critical assets, operations, and stakeholder trust.

Forex and commodity risks and hedging

The Company deals with multiple currencies and is thus exposed to exchange risk on account of adverse currency movements. Foreign Exchange risk in 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 there is a natural hedging mechanism at a Company level.

The Company's input materials are not commoditised and do not warrant any specific hedging to be undertaken. With respect to output materials, adverse impact of changes in commodity prices on user industries could impact the sales which are mitigated by the development of alternate products, establishing a new range of applications etc. The other mitigation measures for dealing with increase in fuel costs, non-availability of raw materials etc., have been dealt with separately in this Report.

Mitigation Measures

India's economic growth faces challenges with downside risks to its outlook for the coming year.

Higher energy costs and supply disruptions from the Middle East conflict pose risks. The war has driven up prices across a wide range of raw materials, increasing the likelihood of higher inflation.

Other critical risks include a potential monsoon deficit affecting the rural economy, heightened global geopolitical tensions and slowing external demand. High import tariffs, particularly from the US pose a risk to exports and external demand. Additionally, a slowdown in the Chinese economy could further impact global trade dynamics.

With this background, the Company is well aware and is taking appropriate steps through scenario planning for business continuity and resilient growth while tapping potential new business opportunities. Risk management forms an integral part of the Company's business plan and long term aspirations.

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 is driving manufacturing transformation through a structured operational Integrated Manufacturing Excellence (IMEx) program.

The requirements of power for the Company are largely driven by the requirements of EMD. The requirement for electricity is managed by purchase from respective State Electricity Boards, sourcing through open access arrangements and own generation through solar power plants. Utilisation of power remains one of the key factors which can impact profitability either favourably or adversely based on the changes in the power cost. Pending the extension of the tenure for the hydroelectric project in Kerala and the closure of the gas based electricity business in SEDCO, the Company continues to look for opportunities to add to its captive power generation including green initiatives such as Solar power. In this direction, the Electrominerals business has commissioned a 1.8 MW ground mounted solar power system at its plant in Edappally. Additionally, the business has entered into a power purchase agreement to procure solar power supply of up to 11 MW. Parallel efforts are underway across businesses to increase the share of cleaner energy sources by exploring similar power purchase arrangements with third party providers in India. The requirement of fuel is driven by the high-temperature processes in the Abrasives and Ceramics businesses and any increase in the cost of fuel impacts profitability. Hence, the Company has put in place plans and implemented energy conservation measures to improve its competitiveness. **Annexure E** of the Directors' Report provides a detailed information on the energy conservation measures undertaken by the Company.

The Company uses various raw materials such as Bauxite, Alumina, Calcined Alumina, Zirconia sand, 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 price volatility is also addressed by moving towards index based pricing. The severe price discrimination in the markets caused by players in geographies outside India is impacting the business and there is a need for suitable policy interventions to protect the local manufacturers. The changes in geo-political situation affects the sources of supply and plant capacity utilisation. This risk is being mitigated by reducing dependency of legacy products and by accelerating product development for new and emerging applications. This risk is also addressed by developing those speciality products through existing domestic players.

The high dependency on a few large customers leading to concentration risk, with loss of one or more customers could lead to substantial drop in revenues. To address this, derisking strategies have been formulated as part of long-term strategy by identification of multiple pathways for growth including new/emerging applications thus reducing dependency on one or two segments/customers. The Company has a system of continuous monitoring of pricing trends, including imports, to proactively manage risk related to competition and potential dumping practices. The Company engages with experts to upgrade product portfolio and developing new products with a focus on consistent performance.

As a risk mitigation measure to address cyber security threats, the Company does quarterly penetration assessment testing for all internal 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. As a part of cyber security initiatives, data security and protection against the risk of phishing and malware attacks were given priority. Endpoint protection solutions, including antivirus and security software, are deployed across Company systems to prevent unauthorised intrusions and enhance threat detection. Awareness mailers were disseminated across to mitigate risk of such attacks, and a requisite infrastructure upgrade to support remote working conditions in a secured manner was initiated.

The priority for the Company continues to be the safety and health of all its employees and other stakeholders with minimal disruption to operations. Behaviour-based safety processes have been introduced to enable core teams (operations, maintenance) to observe and intervene in the event of unsafe behaviours. This system fosters a strong safety culture, reduces injuries, and empowers employees to take ownership of their own safety and that of their colleagues.

The risks across operations, human resources, IT, supply-chain etc., which were identified earlier and which could potentially impact in the event of an emerging variant or any subsequent pandemic, and the mitigation plans continue to be on the risk radar of the Company.

INTERNAL CONTROL SYSTEMS & FRAMEWORK

Internal Control Framework

The Company has established a robust Internal Control Framework designed to provide reasonable assurance regarding the achievement of operational efficiency, reliability of financial reporting, compliance with applicable laws and regulations, and safeguarding of assets.

The internal control framework is aligned with globally accepted principles and comprises the following key constituents:

- **Control Environment:** Integrity, ethical values, defined organisational structure, clear assignment of authority and responsibility, and oversight by the Board and Audit Committee.
- **Risk Assessment:** Periodic identification and assessment of financial, operational, compliance and strategic risks, and determination of appropriate mitigation controls.
- **Control Activities:** Clearly defined policies, standard operating procedures, approval mechanisms, segregation of duties, preventive and detective controls.
- **Information and Communication:** Timely generation, capture and communication of relevant information to enable effective decision-making and control monitoring.
- **Monitoring Activities:** Continuous monitoring through management reviews, internal audits, and corrective action tracking.

Internal Control Systems

The Company maintains adequate and effective internal control systems that are commensurate with the nature of its businesses, the scale of operations, geographical spread, and organisational complexity. The control systems are designed to support diverse operations across manufacturing, trading, and service activities.

The internal controls ensure the following:

- Efficient and orderly conduct of business
- Accuracy and completeness of accounting records
- Timely preparation of reliable financial information
- Compliance with internal policies and statutory requirements
- Protection of Company assets and resources

The key components of Internal Financial Control (IFC) followed by the Company are as follows:

- Entity Level Controls (ELC)
- Process Level Controls (PLC)
- Transaction-Level Controls
- General IT Controls

The IFC is dynamic and is periodically reviewed and strengthened in response to changes in business processes, regulatory requirements, and emerging risks.

Testing of Internal Controls for Effectiveness

The effectiveness of internal controls is evaluated on an ongoing basis through multiple layers of review, including:

- Management self-assessments and periodic control reviews
- Risk-based internal audits conducted as per an annual audit plan approved by the Audit Committee
- Testing of key internal financial controls with reference to the Financial Statements by an External Audit Firm
- Statutory Auditor review and reporting under the applicable provisions of the Companies Act, 2013

Any control gaps or improvement areas identified during testing are documented, and time-bound corrective actions are implemented and monitored to closure.

Role of Internal Audit and Audit Committee

The Internal Audit function of the Company:

- Conducts audits based on a risk-based internal audit plan, approved by the Audit Committee of the Board
- Reviews adherence to internal controls, policies, procedures and regulatory requirements
- Evaluates adequacy and operating effectiveness of internal controls

The Audit findings, observations and recommendations are periodically presented to the Audit Committee of the Board of Directors of the Company.

The Audit Committee oversees and provides guidance on the adequacy and effectiveness of the internal control environment and risk mitigation framework.

Adherence to Observations and Continuous Improvement

Management is responsible for ensuring that audit observations and guidance provided by the Internal Auditors, Audit Committee and Board are:

- Appropriately addressed through corrective and preventive actions

- Implemented within agreed timelines
- Periodically reviewed for effectiveness

The status of implementation is tracked and reported to the Audit Committee until full resolution.

The internal control framework is continuously updated and strengthened based on audit learnings, management feedback and evolving risk scenarios.

HUMAN CAPITAL

Human capital remained central to delivering the Company's Aspirations 2030 agenda, with focused HR interventions aligned to business performance and operational priorities. The Company's HR approach can be summarised in the acronym "FACED to Perform", consisting of Focus on the Factory, Acquisition of Talent, Rewarding Career Paths, Enhanced Employee Experience, and Development of Talent to build a High-Performance Organisation. FY 2025-26 carried this work forward, with sharper alignment to business priorities and long-term strategy.

Focus on factories and operational effectiveness

Industrial Engineering [IE] Study

As part of the Factory Focus strategic pillar, Industrial Engineering (IE) study was completed at certain plants to enhance operational efficiency and productivity. The study focused on analysing existing processes and workforce deployment to determine the optimal manpower mix aligned with current and future operational requirements.

Building IR capability of Factory Managers

Industrial training sessions were conducted for shopfloor line managers and plant HR heads across manufacturing locations. These programs built capability in workforce management and improved understanding of compliance requirements.

Smart Talent Acquisition

The Company continued its focus on hiring fresh talent from campus and grooming them for higher responsibilities. This year, hiring from premier institutes was emphasised for Post Graduate Engineering Trainee roles.

A structured Campus Connect programme was implemented with ceramic engineering institutions, supported by an annual engagement calendar. Initiatives included case study competitions, industrial visits, webinars, knowledge sessions, and guest lectures.

The Company's flagship year-long development journey, Your Own Learning Opportunities (YOLO), continued to equip Trainee Engineers with strong technical fundamentals, hands-on exposure to manufacturing systems, problem-solving capabilities, and a deeper understanding of the business.

Rewarding Career Paths

Organisation Effectiveness Study was carried out across three of the four business units to build robust organisation structures aligned to future growth aspirations, while ensuring optimal spans of control and enhanced career growth opportunities for role holders.

During the year, the Company partnered with a leading HR consulting firm to conduct a comprehensive benefits benchmarking exercise aimed at further evolving the Company's total benefits and reward framework. The findings from the study will be used to make future amendments to employee policies.

The Company also introduced the "Own the Future ESOPS" (Employee Stock Option Scheme) for middle and top management employees, reinforcing a culture of ownership while recognising contributions towards achieving the Company's Aspirations 2030 goals.

Improved employee Experience

Employee Health & Well-being

Employee health and well-being remained an integral part of the Company's human capital approach and social sustainability agenda. The CUMI Vital framework provided a structured and holistic programme covering physical, mental, financial, and social well-being across locations.

During the year, key initiatives such as the 12-Week Fitness Journey and 21-Day Mind Reset Challenge drove strong engagement across locations, helping employees build sustainable health habits, improve fitness awareness and enhance mental resilience. Annual health check-ups further enabled early identification of risk factors and informed interventions.

Employees and their families also benefit from access to 24/7 professional mental health support (Employee Assistance Program), reinforcing a culture of care and psychological safety.

On the social well-being front, the CUMI Champions League (CCL) created a vibrant platform for collaboration and inclusion, with widespread participation across sports and locations.

Talent Development

As part of its long-term people capability strategy, the Company established the foundation for the CUMI Management Development Centre (MDC). The MDC is designed following an academy-based model, with the primary focus on nurturing leadership, promoting functional excellence, and instilling high-performance behaviours.

The MDC comprises of three distinct academies: the Manufacturing Academy, the Sales Academy, and the Leadership Academy; each academy tailored to address specific developmental needs-strengthening manufacturing skills, elevating sales capabilities, and cultivating leadership qualities respectively.

Manufacturing Leadership Program

The Manufacturing Leadership Programme was launched under the Manufacturing Academy with a focus on improving shopfloor leadership, operational effectiveness, and continuous improvement aligned with the IMEx framework.

Sales Excellence Academy

Under the Sales Excellence Academy, Key Account Managers were trained and certified in Value Selling to improve sales effectiveness and customer engagement. A structured programme for dealership staff on the "Art of Selling" improved capability in both counter and field sales.

The Salesforce Innovation Centre visit was aimed to enable the successful implementation of Salesforce platform for the Company, provide sales and marketing leaders with hands-on exposure to Salesforce's latest innovations, best practices, and strategic approaches.

Emerging Leaders Program (ELP)

During the year, the Company successfully concluded the Emerging Leaders Program (ELP), an intensive 11-month leadership development initiative delivered in partnership with Shiv Nadar University Chennai (MBA program). Five high-impact projects were recognised for their innovation and business relevance. Graduation certificates were awarded to participants, acknowledging their development into becoming strategic, purpose-driven leaders.

In recognition of its innovative design and execution, the Emerging Leaders Program was presented at the 34th National Awards for Innovative Training Practices organised by the Indian Society for Training & Development (ISTD). The initiative earned the Company the distinction of "Promising Innovator" in the Private Organisations (Manufacturing) category, reinforcing the Company's commitment to building strong internal leadership capability.

Self-Development Program

Under the CUMI Self-Development Policy, the Company partnered with BITS Pilani to sponsor higher education programmes for employees. Over the last five years, several employees completed B.Tech, M.Tech, and MBA programmes from this premier institute.

High Performance Teams

The goal cascade process was completed in a timely manner across all Business Units, enabling stronger alignment between organisational priorities and individual objectives. The Company has a robust Annual Performance Management System (PMS) focused on driving alignment, transparency, and continuous feedback across the organisation.

During the year, leadership-led communication initiatives, including CHRO briefing sessions, employee Open Houses, targeted feedback training programmes, and focused communication campaigns, helped drive greater awareness and engagement with the PMS. These initiatives contributed to an improvement in employee satisfaction with the PMS, with scores increasing from 77% to 81% during the year.

Focused efforts were undertaken during the year to further embed shared leadership behaviours across the Company through the BEFASt framework - Bold and timely decision-making, Embracing change with a solutions-driven mindset, Fairness to all stakeholders, Accountability in decision-making and execution, and Standing Up for each other. The initiative covered 90% of management staff across business units. Change management workshops were conducted across Business Units in India to align leadership mindsets and behaviours with organisational priorities.

Communication that Connects, Engages, and Inspires

Over the last year, Communication at the Company has evolved from information dissemination to purposeful, employee-centric storytelling that builds connection and pride.

Leadership communication was strengthened through Half-Yearly Communication Meets led by MD, creating alignment, transparency, and open dialogue across the Company. CUMI *Samachar* continues to provide regular updates on business performance and organisational priorities.

On LinkedIn, a people-and-culture led narrative helped grow our follower base reinforcing the Company's employer brand and external visibility. Communication played a key role in culture change initiatives, supporting the rollout of BEFASt. Messages were designed to be simple, visual, and inclusive, ensuring relevance across corporate and shopfloor audiences. From manufacturing excellence to well-being, learning, and sports, stories are now told through those who live them every day.

The total staff on rolls of the Company (including Joint Ventures and Subsidiaries) as at 31st March 2026 was 5,921 with 4,022 employees in India (previous year 6,260 with 4,004 employees in India).

Employee Health & Safety

Philosophy

The Company is committed to being an eco-friendly organisation by safeguarding the environment and ensuring occupational health and safety of its employees and other interested parties. It makes efforts to create, maintain and continuously improve the health and safety working conditions.

The Company's vision is to achieve a workplace with "ZERO HARM". The Company is committed to strengthening the safety culture and continuously enhancing its systems, leadership and performance to be recognised as a best-in-class organisation for safety excellence.

EHS Excellence Framework

The Company's Health & Safety Excellence is anchored in the vision of Zero Harm. The framework is built on two core pillars -

Safe Behaviour and Safe Conditions - ensuring a balanced focus on people, leadership and systems. It provides a structured and consistent approach to managing health and safety across all locations, strengthening safety culture, risk control and performance improvement. The framework is guided by the Spirit of the Murugappa Group's Five Lights - Integrity, Responsibility, Passion, Respect and Quality - embedding safety as a fundamental way of working at the Company.

Safety Governance and Leadership

The Environment, Health & Safety (EHS) function of the Company was formally constituted in April 2024, as a dedicated corporate function with a clear mandate to inculcate a safety culture across all business units. Business Unit Heads have been made fully accountable for their division's safety performance. At a Group level, policies and standards are regularly reviewed and refreshed whilst Corporate EHS assessments are made against the policies and standards with the close involvement of the Business Units.

Behaviour Based Safety (BBS) Programme

The BBS programme is the cornerstone of the Company's safety culture transformation which bridges the gap between line management and workers in observable, everyday safety behaviours. In order to enhance behavioural safety, Line organisation teams have been trained and coached to regularly carry out behaviour observations in the shop floor. They observe and appreciate safe behaviour and intervene in the event of unsafe behaviour. The senior management conducts regular reviews of the BBS performance. Safety performance remains the highest priority on the agenda at management meetings. A majority of senior managers have a portion of their variable compensation tied to the achievement of safety performance targets.

Occupational Health and Work Environment

The Company has developed and implemented a variety of programmes to ensure that it provides the employees a healthy and safe work place. These include the monitoring occupational health hazards such as noise, dust levels and volatile organic compounds. Occupational health and personal safety management is blended at all the plants of the Company.

Safety Management

The Company has achieved significant milestones in its high-impact safety programs, successfully completing Phase 1 and 2 of the 360 Degree Machine Guarding Programme, while formalising daily safety-checking routines. Looking ahead to FY 27, Phase 3 will further strengthen the program. Parallelly, the Fall Hazard Protection initiative of the Company continues to target the reduction of height-related risks through engineered solutions; having secured roof access and skylights in early phases, the Phase 3 strategy of the Company now prioritises the implementation of robust safety infrastructure for ladders and platforms across all premises.

Process Safety

During the previous financial year, the Company completed a structured Process Risk Assessment of all process equipment and identified critical concerns that can lead to process safety failures. During the year under review, all critical concerns identified have been completed in Phase 1 and focus is on Phase 2 where lower risk concerns are being addressed. Priority actions included installation of pressure switches, venting systems, interlocking of safety devices and provision of gas detectors.

On behalf of the Board

Chennai
May 14, 2026

M M Murugappan
Chairman

DISCLAIMER

Certain statements in the Management Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual performance could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability, variation in input costs, pricing pressure, changes in Government regulations, geo-political situation, tax regimes, economic developments globally and other incidental factors.

Annexure B

Form No. AOC-2

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 transactions under fourth proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Name of the Company: Carborundum Universal Limited

1. Details of contracts or arrangements or transactions not at arm's length basis

Number of contracts or arrangements or transactions not at arm's length - **NIL**

CIN/ FCRN/ LLPIN/ FLLPIN/ PAN	Name of Related Party	Nature of Relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of Contracts/ Arrangements/ Transactions	Salient terms including value	Justification	Date of Board Approval	Amount paid as advances	Date of Shareholders Resolution	SRN of MGT-14
NIL										

2. Details of material contracts or arrangements or transactions at arm's length basis

Number of material contracts or arrangements or transactions at arm's length basis - **NIL**

CIN/FCRN/LLPIN/ FLLPIN/PAN	Name of Related Party	Nature of Relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of Contracts/ Arrangements/ Transactions	Salient terms including value	Date of Board Approval	Amount paid as advances
NIL							

On behalf of the Board

Chennai
May 14, 2026

M M Murugappan
Chairman

Annexure C

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st March 2026

[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
Dare House, No. 234, N.S.C. Bose Road, Parrys,
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** [CIN: L29224TN1954PLC000318] (hereinafter called "the Company") for the financial year ended 31st March 2026. 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 31st March 2026 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 31st March 2026 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 explanations given to us, we believe that the systems and mechanisms established by the Company are 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) (as amended) and Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. (hereinafter referred to as "Listing Regulations")

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as mentioned above except to the extent as mentioned below:

Consequent to the resignation of Mr. Sushil Bendale, Chief Financial Officer, one of the Key Managerial Personnel with effect from the close of business hours on 26th September 2025, the Company has not filled the resultant vacancy within the prescribed timelines as per Section 203(4) of the Companies Act, 2013 and Regulation 26A(2) of SEBI Listing Regulations.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Independent Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all Directors before the schedule of the Board /Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Meeting convened at shorter notice/agenda and Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013, Secretarial Standards on Meetings of Board of Directors and Listing Regulations are complied with.

During the year under review, the Board/ Committee Meetings convened through Video Conferencing and the Directors/ Members who have participated in the Board/Committee meetings through Video Conferencing were in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities pertaining to Board/ Committee meetings, General Meeting 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 Meetings, the number of votes cast against the resolution(s) by the members have been recorded.

We further report that based on review of compliance mechanism established by the Company and to the best of our information and according to explanations given to us by the Management and on the examination of relevant documents and records on test basis and also on the basis of the Compliance certificates issued by the Company Secretary under various statutes as mentioned above in clause (vi) and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws.

We further report that the above-mentioned Company being a listed entity this report is also issued pursuant to Regulation 24A of the Listing Regulations as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th February 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanations provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of the Listing Regulations as amended during the period under review.

We further report that with effect from 05th February 2025, Volzhsky Abrasive Works, Russia (VAW), one of the Company's unlisted material subsidiary incorporated outside India, does not have an Independent Director of the listed holding company on its Board, as required under Regulation 24(1) of the Listing Regulations.

In this regard, the Company has informed that it has obtained an exemption order from SEBI on 09th June 2025 under Regulation 102 of Listing Regulation, exempting it from the requirement of appointing at least one Independent Director of the Company on the Board of its unlisted material subsidiary, VAW, subject to the condition that such exemption shall be valid until the earlier of the following:

a. The name of VAW is removed from the Specifically Designated Nationals and Blocked Persons list (SDN List) of US Department of Treasury's Office of Foreign Assets Control (OFAC)'s or

b. VAW no longer remains a "material subsidiary" of the company.

However, the Company is meeting this requirement in CUMI International Limited, Cyprus, which is the other material subsidiary.

We further report that during the audit period, the Company had

1. Completed the acquisition of ₹7,96,00,000/- in the equity capital in Grian Energy Private Limited (GEPL) aggregating to 4.19%.
2. Obtained approval from the Board of Directors at their meeting held on :-
   a. 07th August 2025 to provide a credit facility for an amount not exceeding Euro 5.5 Million to Rhodius Abrasives GmbH.
   b. 30th October 2025 to provide in favour of Citibank N.A for an amount not exceeding Euro 15 Million to CUMI Awuko Abrasives GmbH.
3. Obtained approval from the Board of Directors at their meeting held on 30th October 2025 for a capital infusion of a sum not exceeding 16 Million USD (approximately ₹141 Crores) in CUMI International Limited.
4. Intimated the Voluntary Dissolution of CUMI Europe s.r.o., Czech Republic a step-down wholly owned subsidiary of Carborundum Universal Limited, as per the applicable Laws of the Czech Republic on 31st December 2025.

For SRIDHARAN & SRIDHARAN ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
MANAGING PARTNER
CP No. 3239
FCS No. 4775
PR NO.6333/2024

PLACE : CHENNAI **UIN : P2022TN093500**
DATE : 14TH MAY 2026 **UDIN: F004775H000362541**

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
Dare House, No. 234, N.S.C. Bose Road, Parrys,
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 SRIDHARAN & SRIDHARAN ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
MANAGING PARTNER
CP No. 3239
FCS No. 4775
PR NO.6333/2024
UIN : P2022TN093500
UDIN: F004775H000362541

PLACE : CHENNAI
DATE : 14TH MAY 2026

Annexure D
Corporate Governance Report

[Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Corporate Governance constitutes the cornerstone of a successful, resilient, and sustainable organisation. It refers to the system of rules, processes, and practices through which a company is directed, managed, and controlled. At its core, Corporate Governance provides a structured framework encompassing relationships, systems, and decision-making processes that guide the Company's operations and its engagement with stakeholders.

An effective governance framework enables the Company to set clear objectives and pursue them responsibly within the prevailing social, regulatory, and market environment, while fostering prudent management, robust internal controls, and comprehensive disclosures. The Company believes that sound governance practices are essential for building trust, safeguarding stakeholder interests, and supporting long-term growth.

Corporate Governance involves the alignment of interests among various stakeholders, including shareholders, management, employees, customers, suppliers, regulators, and the wider community. It permeates every sphere of management, ranging from strategic planning, internal controls, and risk management to performance evaluation and transparent corporate disclosures. The overarching objective is to promote effective and prudent management, which is essential for achieving long-term value creation and sustainable growth.

The Organisation for Economic Co-operation and Development (OECD) recognises that robust Corporate Governance fosters an environment of trust, transparency, and accountability, which is critical for encouraging long-term investment, enhancing financial stability, and reinforcing business integrity. The OECD Principles of Corporate Governance are structured around six key pillars:

- Ensuring the basis for an effective Corporate Governance framework
- Protecting the rights of shareholders
- Ensuring equitable treatment of shareholders
- Recognising the role of stakeholders in Corporate Governance
- Promoting disclosure and transparency
- Defining the responsibilities of the Board

Adherence to these principles strengthens governance practices, supports inclusive and sustainable growth, and reinforces stakeholder confidence in the organisation.

1. CORPORATE GOVERNANCE PHILOSOPHY OF CUMI

Carborundum Universal Limited ("CUMI" or "the Company"), a part of the Murugappa Group, is committed to upholding the highest standards of Corporate Governance across all its operations and processes. Transparency, robust internal controls, effective risk management, ethical conduct, and responsible stakeholder engagement form the cornerstone of the Company's governance framework.

The Board of Directors recognises that governance expectations continue to evolve and remains committed to continuously reviewing and strengthening governance practices to comply with both the letter and spirit of applicable laws, while adhering to the Company's strong ethical values. The Company believes that sound Corporate Governance is fundamental to sustained superior performance, long-term value creation, and responsible stewardship toward all stakeholders.

Governance at CUMI is driven by an experienced Board, supported by Independent Directors and specialised Board Committees, which provide oversight across key areas of strategy, risk, compliance, and performance. Despite a dynamic and challenging external environment shaped by global uncertainties and geopolitical developments, the Company's resilient performance underscores its continued commitment to governance excellence, sustainability, and ethical business practices.

The Company also views meaningful Corporate Social Responsibility initiatives as an integral component of its governance framework, contributing to long-term societal value alongside business growth. The Company's ethical and responsible behaviour complements its corporate culture which is guided by the following norm:

"The fundamental principle of economic activity is that no man you transact with will lose; then you shall not."

The Corporate Governance philosophy of the Company is driven by the fundamental principles of:

- Adhering to the governance standards beyond the letter of law;
- Maintaining transparency and high degree of disclosure levels;
- Maintaining a clear distinction between personal and corporate interest;
- Having a transparent corporate structure driven by business needs; and
- Ensuring compliance with applicable laws.

The above principles not only enable the Management in leading from the front in uncertain volatile business conditions but also provides the leadership with cautious optimism and confidence to not only survive in a tough phase but emerge stronger.

The Company's constant endeavour for corporate excellence has been well recognised through incessant awards and accolades reiterating its commitment to governance standards.

The Company constantly strives to benchmark its governance standards with global industry standards. The prestigious recognitions in the recent past in governance matters reflects strong leadership, strategic focus, and operational excellence. The Company remains committed to responsible, sustainable, and efficient growth.

2. BOARD OF DIRECTORS

The Board of the Company being mindful of its fiduciary responsibilities is committed to upholding the highest standards of Corporate Governance and acting in the best interests of all stakeholders. It provides strategic direction, reviews performance, and oversees the implementation of key initiatives, with a strong focus on long-term value creation.

The Independent Directors bring objective judgment and independent perspectives to Board deliberations. The day-to-day management of the Company is entrusted to the Managing Director, supported by an experienced management team, under the overall supervision of the Board. Ethical and lawful conduct remains a core value shared by the Board, Senior Management, and employees of the Company.

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 accessible on the website of the Company at this link: https://www.cumi-murugappa.com/wp-content/uploads/2025/11/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 safeguarding the long-term interests of all stakeholders, ensuring effective oversight of the Company's affairs, and exercising sound and informed business judgment in the conduct of the Company's business.

2.1 Composition

The Board has been constituted in compliance with the regulatory requirements and in a manner that preserves its independence and ensures an appropriate separation between the functions of governance and management. The Directors are eminent professionals with collective expertise across diverse domains, including technology, engineering, banking, foreign affairs, management, legal, and compliance.

Directors are appointed based on their qualifications, experience, and demonstrated capabilities, bringing varied perspectives that enhance the quality of Board deliberations. The Board has adopted a Board Diversity Policy to ensure an optimal composition, enabling an effective blend of skills, experience, and background.

The composition of the Board of the Company comprises an appropriate mix of Executive and Non-Executive Directors, including Independent Directors and a Woman Director, which supports balanced decision-making and reinforces high standards of corporate governance in addition to due compliance with the requirements of the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

As at 31st March 2026 the Board comprises seven (7) Directors with four (4) of them being Independent Directors as detailed below:

NAME OF DIRECTOR	DIN	CATEGORY
M M Murugappan	00170478	Chairman - Promoter & Non-Executive Director
Sujjain S Talwar	01756539	Non-Executive & Independent Director
Usha Rajeev	05018645	Non-Executive & Independent Director
Sriram Viji	03630636	Non-Executive & Independent Director
Ambassador D B Venkatesh Varma[$]	11564227	Non-Executive & Independent Director
Muthiah Murugappan	07858587	Non-Executive & Non-Independent Director
Sridharan Rangarajan	01814413	Managing Director

[$]Ambassador D B Venkatesh Varma was appointed as an Independent Director on the Board of the Company effective 4th March 2026.

The particulars of directorships held by the Directors of the Company in other listed entities, excluding the Company, as at 31st March 2026, are given below:

Name of Director	Company Name	Category
M M Murugappan (MMM)	1. Cholamandalam Financial Holdings Limited 2. Cholamandalam MS General Insurance Company Limited (Debt Listed) 3. Cyient Limited	Non-Executive and Non-Independent Chairman
	Rane Holdings Limited	Non-Executive and Independent Director

Name of Director	Company Name	Category
Sujjain S Talwar (SST)	1. Elantas Beck India Limited	Non-Executive and Independent Director
	2. Alkem Laboratories Limited	
Usha Rajeev (UR)	Elantas Beck India Limited	Non-Executive and Independent Director
Sriram Viji (SV)	TSF Investments Limited (formerly known as Sundaram Finance Holdings Limited)	Non-Executive and Non-Independent Director
DB Venkatesh Varma (DBV)	Nil	Nil
Muthiah Murugappan (MM)	E.I.D Parry (India) Limited	Whole time Director and CEO
	Mahindra and Mahindra Limited	Non-Executive Independent Director
Sridharan Rangarajan (SR)	1. Cholamandalam Financial Holdings Limited	Non-Executive and Non-Independent Director
	2. E.I.D Parry (India) Limited	
	3. Cholamandalam MS General Insurance Company Limited (Debt Listed)	
	4. Wendt (India) Limited	

The Board composition of the Company underwent the following changes during the year ended 31st March 2026:

Name of Director	Category	Nature of change
P S Raghavan	Independent Director	Deceased on 24th November 2025
DB Venkatesh Varma	Independent Director	Appointed on 4th March 2026

The Company has received the requisite declarations from all its Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 (Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors, at its meeting held on 14th May 2026, took note of and recorded the declarations so received.

In the opinion of the Board, the Independent Directors of the Company satisfy the conditions of independence specified under the Listing Regulations and are independent of the management.

The Company operates as a material science and technology-driven organisation, and accordingly, the presence of Directors with technical expertise in engineering and technology is of critical importance in guiding the Company's operations, innovation agenda, and strategic direction.

In view of the nature, scale, and global footprint of the Company's business, the Board is also required to possess a diverse range of skills and expertise, including in the areas of foreign affairs, finance, banking, legal, compliance, and general management. Such diversity enables the Board to effectively oversee complex business operations, address regulatory and geo-political considerations, and support sustainable growth.

The Directors of the Company are appointed based on their qualifications, experience, and demonstrated competencies, with a view to maintaining an optimal balance of diversified expertise on the Board. This balanced composition enhances the quality of deliberations and strengthens the Board's ability to provide effective guidance and oversight.

The matrix outlining the skills, expertise, and competencies identified by the Board as necessary for the effective functioning of the Board, in the context of the Company's businesses and sectors of operation, along with those available with the Board, is set out below:

Sl. No	Key Skills & competencies	Description	MMM	SST	UR	SV	DB V	MM	SR
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.	✓			✓	✓	✓	✓

Sl. No	Key Skills & competencies	Description	MMM	SST	UR	SV	DB V	MM	SR
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.	✓	✓	✓	✓		✓	✓

Board Meetings

The Board meets at regular intervals and operates in accordance with a clearly defined schedule of matters reserved for its consideration and decision, ensuring effective oversight and control over the Company's significant strategic, financial, operational, and compliance-related matters. The Board's responsibilities include setting performance targets, reviewing operational and financial performance against approved benchmarks, formulating and monitoring strategy, approving investments, ensuring the adequacy of financial resources, overseeing risk management, and reporting to shareholders.

The Board is periodically briefed on key business developments and is provided with comprehensive presentations and information on the Company's operations, financial performance, and other material matters. In addition, updates on statutory compliance, minutes of meetings of the Board Committees, summaries of significant decisions taken by the Boards of subsidiary companies, and information required under the Listing Regulations are placed before the Board on a quarterly basis. The Board reviews compliance with applicable laws from time to time and provides appropriate guidance and directions wherever necessary. Timely and relevant information is made available to Directors to facilitate effective participation and informed decision-making. The Board is also kept apprised of progress relating to inorganic growth initiatives and plays an active role in setting the Company's long-term strategy and reviewing initiatives undertaken to achieve the same.

The Company has established processes to keep the Board informed about risk identification, assessment, and mitigation measures. The Board reviews significant business risks identified by management and the associated mitigation plans on an annual basis, in addition to periodic reviews conducted by the Risk Management Committee of the Board, thereby ensuring a robust and proactive risk governance framework.

The Board periodically reviews matters placed before it and oversees the overall performance of the Company, including the review and approval of quarterly financial statements, business plans, and capital expenditure. Board meeting dates are scheduled in advance for the entire calendar year to facilitate maximum participation by the Directors.

During the year ended 31st March 2026, seven (7) Board meetings were held on 12th May 2025, 7th August 2025, 8th October 2025, 30th October 2025, 29th January 2026, 4th March 2026 and 25th March 2026. The details of the attendance at the meetings of the Board and the last Annual General Meeting, together with the particulars of other directorship, committee membership/ chairmanship, are as follows:

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 (Total meetings held)	Attendance at last AGM	Shares held in CUMI
M M Murugappan DIN -00170478	Promoter & Non-Executive Director	6(4)	7	4(2)	7(7)	Yes	6,91,340
Sujjain S Talwar DIN - 01756539	Non-Executive & Independent Director	3	4	5(2)	7(7)	Yes	Nil
Usha Rajeev DIN - 05018645	Non-Executive & Independent Director	3	0	3(3)	7(7)	Yes	Nil
Sriram Viji DIN - 03630636	Non-Executive & Independent Director	5	5	0	7(7)	Yes	Nil
Ambassador D B Venkatesh Varma[$] DIN - 11564227	Non-Executive & Independent Director	1	0	0	-	NA	Nil
Muthiah Murugappan DIN - 07858587	Non-Executive & Non-Independent Director	3	3	4(1)	7(7)	Yes	Nil
Sridharan Rangarajan DIN - 01814413	Managing Director	10(1)	3	6(1)	7(7)	Yes	2,88,364

[$] Ambassador D B Venkatesh Varma was appointed as an Independent Director on the Board of the Company effective 4th March 2026.

(a) Excluding Alternate Directorships and Directorships in Foreign companies, Private companies (which are not subsidiary or holding Company of a Public Company) and Section 8 companies; the other Directorships also includes positions held in Advisory Boards.

(b) Only Audit & Stakeholders Relationship Committee of Public companies;

(c) Inter-se relationship between Directors - Mr. Muthiah Murugappan is the son of Mr. M M Murugappan, Chairman and is one of the promoters of the Company;

(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.

In accordance with the provisions of the Act and applicable regulations, the Company facilitates the participation of Directors in Board and Committee meetings through video conferencing or other audio-visual means. During the year under review, the meetings of the Board and Committees were conducted in a hybrid mode, comprising both physical presence and participation through video conferencing.

In accordance with Regulation 24 of the Listing Regulations, at least one Independent Director of the Company is required to be appointed on the Board of an unlisted material subsidiary as defined therein, whether incorporated in India or outside India. Basis this criteria, CUMI International Limited (CIL), Cyprus, and its subsidiary Volzhsky Abrasive Works (VAW), Russia, are the only subsidiaries of the Company that qualify as material subsidiaries and, accordingly, fall within the scope of the requirement for Board representation.

Mr. Sujjain Talwar, an Independent Director of the Company continues to be the nominated director on the Board of CIL as per the requirements of Regulation 24 of the Listing Regulations.

VAW, a material subsidiary of the Company is included in the "Specially Designated Nationals and Blocked Persons list" (SDN list) of the Office of Foreign Assets Control (OFAC) of the US Department of Treasury from 10th January 2025. Considering the potential secondary sanctions risk for the Company and the individual director, no nominations have been made to the Board of VAW. The Company has obtained an exemption from SEBI in this regard specific to VAW.

M/s. Rhodius Abrasives GmbH (formerly CUMI Abrasives GmbH (RAG)) which was incorporated in 2022 is a material subsidiary as per Regulation 16 (1) (c) of the Listing Regulations but does not meet the threshold as prescribed under Regulation 24 of the

Listing Regulations. The Board continues to review the significant transactions and arrangements of the unlisted subsidiary companies besides being apprised of their business plan and performance.

Policies

In line with the provisions of the Act, Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable regulations, the Company has formulated the following policies, which are accessible on the website of the Company at this link: https://www.cumi-murugappa.com/policies-disclosure/:

a) Environment, Occupational Health and Safety (EHS) Policy
b) Sustainability Policy
c) Policy on Related Party Transactions
d) Disclosure under ESOP Regulations
e) Employee Stock Option Plan 2016
f) Code for Practices & Procedures for Fair Disclosure of UPSI
g) Familiarisation Programme
h) Remuneration Policy
i) Criteria for Board Nomination
j) Policy on material subsidiaries
k) CSR-Policy
l) Whistle Blower Policy
m) Code of Conduct
n) Policy on Preservation and Archival of Documents
o) Anti-Bribery and Anti-Corruption Policy
p) Antitrust and Fair Trade Policy
q) Dividend Distribution Policy
r) Business Responsibility Policy
s) Contact details of KMP under Regulation 30(5) of Listing Regulations
t) Policy for Determination of Materiality
u) Equal Employment Opportunity Policy
v) Policy against Human Trafficking and Child Labour
w) Stakeholder Grievance Redressal Policy

The aforesaid policies are periodically reviewed by the Board of Directors of the Company to ensure their continued relevance, adequacy and alignment with applicable regulatory requirements. Additionally, the Company has established guidance manuals to facilitate effective implementation of the Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges, the Policy on Dealing with Related Parties, and the Risk Management Policy, all of which are also subject to periodic review to reflect evolving regulatory expectations and business requirements.

During the year under review, the Board has reviewed all the aforesaid policies of the Company and approved revisions to them as was required.

Meeting of Independent Directors

Besides the formal Board meetings, the Independent Directors hold meeting(s) without the participation of Non-Independent Directors and members of the Management.

During the year under review, the Independent Directors met on 24th March 2026 to assess the quality, quantity and timeliness of flow of information between the Management and the Board. The Independent Directors and Board of Directors at its next meeting in May 2026 would be reviewing the performance of Non-Independent Directors and Chairman considering views of the Executive and Non-Executive Directors respectively.

Familiarisation program for the Board

The Company provides its Directors with adequate opportunities to familiarise themselves with the Company, its management, and its operations. At the time of appointment, each Director is issued a formal letter of appointment along with a Directors' Handbook, which outlines the role, functions, duties, and responsibilities expected of a Director. The Handbook also contains details of compliance obligations and disclosure requirements applicable under the Act, the Listing Regulations, and other relevant regulations.

Newly inducted members of the Audit Committee are additionally provided with an Audit Committee Manual, which broadly covers the regulatory framework in India, the Company's prevailing practices, and relevant Indian and global best practices. These handbooks and manuals are periodically reviewed and updated to reflect changes in regulatory requirements and internal policies, and revised versions are circulated to all Directors from time to time. Further, the Code of Conduct, which sets out the Company's values, ethical principles, and the duties and responsibilities of Directors, including Independent Directors, is provided at the time of induction and is affirmed annually. Directors also have unrestricted access to and opportunities for interaction with senior management as and when required.

As part of the induction process, newly appointed Directors are presented with a Corporate Dossier that traces the Company's journey over more than seven decades and provides an overview of its business model, product portfolio, and value chain. The Managing Director makes a detailed presentation at the first Board meeting attended by the new Director, or at a mutually convenient time, covering the Company's businesses, manufacturing locations, organisational structure, operating environment, and key market dynamics. Exclusive plant visits are also arranged to familiarise newly inducted Directors with the Company's operations.

To ensure continuous familiarisation, the Company periodically organises plant visits for existing Directors as well. These visits enable Board members to gain deeper insights into the Company's businesses and products, interact with teams at operating locations, and understand ongoing and planned technology initiatives aimed at supporting future growth and operational excellence.

During the year under review, a visit for the Board of Directors to the emerging facilities of the Company in Hosur viz. Semicon facility & Defence facility in Industrial Ceramics and Project Chakra (Thin Wheels) facility in Abrasives had been organised on 24th March 2026. During this visit, the Board members who participated in the session were taken to the facilities and briefed about the capabilities of the facility as well as the team. Further on 24th March 2026 and 25th March 2026, detailed sessions by the four businesses and the corporate functions of the Company encompassing IT, Human Resources, Manufacturing centre of excellence, EHS, Risk Management & taxation as well as Compliance & legal highlighting the performance for the FY 2025-26, the intended plan for FY 2026-27 as well as the ground work for the next FY 2027-28 were held to set the context for the business plan 2026-27.

Given the dynamic regulatory environment, the Board is apprised of regulatory developments and changes impacting the Company on a quarterly basis. Where warranted by the significance or urgency of such developments, updates are also provided to the Board on an ad hoc basis. The Board is periodically briefed on potential inorganic growth opportunities, as well as the status and integration progress of acquisitions undertaken by the Company. In addition, Directors are updated from time to time on their roles, responsibilities, and liabilities in relation to subsidiary companies, with particular emphasis on overseas entities. The Board also receives regular updates on technological advancements, innovation initiatives, and safety measures implemented across the Company's businesses, enabling effective oversight and informed decision-making.

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 fulfil their role as a Director of the Company.

The details of the familiarisation programme is uploaded and accessible on the Company's website at this link: https://www.cumi-murugappa.com/wp-content/uploads/2026/07/Familiarisation%20Programme%202025-26.pdf

Performance Evaluation of the Board of Directors

During the year under review, 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 forming part of this Annual Report.

Committees of the Board of Directors

The Board of the Company has constituted various Committees of Board in compliance with the provisions of the Act and Listing Regulations for support in discharging its responsibilities and to deal with specific areas/activities. Each of the Committee is guided by its Charter or Terms of Reference, which provides the scope, powers, duties and responsibilities.

As at 31st March 2026, there are six Committees constituted by the Board viz. Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Investment Committee (non-statutory committee). The Company Secretary acts as the Secretary to these 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. The recommendations of the Committees are submitted to the Board for consideration & approval and the minutes of all meetings of the Committees are presented before the Board for review and noting. During the year under review, all the mandatory recommendations made to the Board of the Company by each of the Committees were duly accepted.

Additionally, 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 under review.

Audit Committee

Key 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.

Pursuant to the extant regulatory requirement, only the Independent Directors of the Audit Committee vote and approve the related party transactions at its meetings. Other Directors of the Committee do not participate on voting and approval of related party transactions.

Composition & Meetings of the Audit Committee

As at 31st March 2026, the Audit Committee comprised 2(two) Independent Directors and 1 (one) non-Independent Director all of whom are financially literate. The Chairman of the Board, Managing Director, the Statutory Auditor, Internal Auditor and members of the Senior Management are invited to attend meetings of the Committee. The Cost Auditor is invited to attend the meeting(s) 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 under review, the Audit Committee of the Company held separate discussions with the Statutory Auditors of the Company. Further, the Audit Committee basis the discussion held with the Statutory Auditors of the Company have formulated TCWG framework to comply with the requirements posed by the National Financial Reporting Authority via its circular dated 7th January 2026.

During the year under review, Mr. P S Raghavan, member of the Audit Committee, ceased to be a member of the Committee with effect from 24th November 2025 owing to his demise. Consequently, the Committee was reconstituted by the Board of Directors at its meeting held on 4th March 2026 and Mr. Muthiah Murugappan was inducted as the member of the Committee with effect from 4th March 2026 in place of Mr. P S Raghavan.

The Committee met five (5) times during the year under review on 12th May 2025, 7th August 2025, 30th October 2025, 29th January 2026 and 23rd March 2026 for reviewing, approving and recommending the various matters as per the terms of reference of the Committee. During the year for enhanced monitoring & reporting of transactions with Related Parties, SEBI had prescribed the minimum information to be placed before the Audit Committee and Shareholders. The Committee was appraised of this development, and effective 1st September 2025, information was provided to the Audit Committee in the prescribed format wherever applicable. The Company also held awareness sessions for its domestic and overseas subsidiaries in this regard. The composition of the Committee and attendance of the members at the meetings held during the year under review are given below:

Name of Member	Category	No. of meetings held	No. of meetings attended
Usha Rajeev, Chairperson	Independent Director	5	5
Sujjain S Talwar	Independent Director	5	5
P S Raghavan*	Independent Director	3	3
Muthiah Murugappan#	Non-Independent Director	1	1

* Ceased to be a member w.e.f. 24th November 2025

\# Appointed w.e.f. 4th March 2026

Nomination and Remuneration Committee

Key Terms of Reference

The role of the Nomination and Remuneration Committee (NRC) 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; and

(l) recommend to the Board the appointment and remuneration payable to Senior Management etc.

The NRC has established the criteria for determining the qualifications, positive attributes, and independence of Directors, as well as the criteria for appointments to senior management positions, in accordance with the provisions of Section 178(3) of the Act. The NRC has also laid down the framework and parameters for the evaluation of the Board and its Committees. The performance evaluation of the Board, including that of the Independent Directors, is conducted in line with the evaluation framework detailed in the Directors' Report forming part of this Annual Report.

Basis the recommendation of the NRC, the Company also has in place a Board approved policy on the remuneration for Directors, Key Managerial Personnel (KMP) and other employees which is accessible on the website of the Company at this link: https://www.cumi-murugappa.com/wp-content/uploads/2025/04/Remuneration-Policy.pdf

Board Diversity Policy

The Company recognises and values the benefits of having a diverse Board, and the Board Diversity Policy sets out the Company's approach in this regard. The Company believes that a well-balanced and diverse Board, comprising individuals with appropriate qualifications and a broad range of experience relevant to its businesses, is integral to its long-term success and an important contributor to sustaining competitive advantage.

In accordance with the Policy, the Board is structured to achieve an optimal blend of skills, experience, and perspectives, with members possessing complementary knowledge and expertise in areas such as business strategy, finance, banking, foreign affairs, legal and regulatory matters, marketing, manufacturing, and technology. This diversity of competencies enhances the quality of Board deliberations and strengthens effective decision-making and governance.

Criteria for Board Nomination

The NRC is responsible for identifying and recommending suitable candidates for appointment as Directors, as well as for evaluating the performance and continued association of incumbent Directors. In accordance with the provisions of Section 178 of the Act and the Listing Regulations, the NRC has prescribed criteria for such appointments and re-appointments.

The criteria, inter alia, cover qualifications relating to personal attributes, experience and background, fit and proper requirements, positive attributes, and standards of independence to be considered for nomination to the Board or re-appointment of Directors.

Criteria for Senior Management

The NRC is also entrusted with the responsibility of identifying individuals who are qualified to be appointed to Senior Management positions. The NRC has prescribed criteria covering, inter alia, personal attributes, competencies, experience, and professional background to be considered while recommending candidates for such roles.

During the year under review, there were no changes effected in the Company's leadership team apart from the resignation of Mr. Sushil Kishor Bendale, Chief Financial Officer and KMP of the Company w.e.f 26th September 2025.

There were no new appointments made to the leadership team of the Company during the year under review.

Composition & Meetings of the NRC

As at 31st March 2026, the NRC comprises four (4) members, majority of them being Independent Directors.The Committee met five (5) times during the year under review on 12th May 2025, 7th August 2025, 30th October 2025, 29th January 2026 and 4th March 2026.

During the year under review, Mr. P S Raghavan, Chairman of the NRC, ceased to be a member of the Committee with effect from 24th November 2025 owing to his demise. Consequently, the NRC was reconstituted by the Board of Directors at its meeting held on 4th March 2026 and Ms. Usha Rajeev and Mr. Sriram Viji, Independent Directors of the Company, were inducted as the members of the Committee with effect from 4th March 2026.

The composition of the Committee and attendance of members at the meetings held during the year under review are given below:

Name of Member	Category	No. of meetings held	No. of meetings attended
Sujjain S Talwar, Chairman$	Independent Director	5	5
P S Raghavan*	Independent Director	3	3
M M Murugappan	Non-Independent Director	5	5
Usha Rajeev#	Independent Director	NA	NA
Sriram Viji#	Independent Director	NA	NA

* Ceased to be a Chairman and member w.e.f. 24th November 2025

Appointed w.e.f. 4th March 2026

$ Appointed as Chairman w.e.f. 4th March 2026

Risk Management Committee

Key Terms of Reference

The Board of Directors has constituted a Risk Management Committee (RMC) in compliance with the provisions of the Act and the Listing Regulations to oversee and monitor the Company's risk management framework.

The RMC is responsible for reviewing the Company's risk management framework periodically to ensure that it remains comprehensive and robust. RMC periodically reviews the processes for systematic identification, assessment, and mitigation of business risks, evaluates critical risk exposures through focused analysis and qualitative reviews, and reports significant developments and mitigation measures to the Board.

In addition, RMC reviews risks associated with information security and cyber security to ensure that appropriate controls and safeguards are in place, thereby strengthening the Company's overall risk governance and resilience.

The RMC has formulated a risk management policy for the Company 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 Company has a robust Enterprise 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.

The Company has a developed Cyber security framework which is aligned with the overall digital strategy and roadmap; and has been identified for transformation as part of Long term strategy. This framework is commensurate with size and operations of the Company. Cybersecurity is embedded within the ERM framework. The Company has adopted a risk-based cybersecurity approach aligned with globally recognised frameworks such as National Institute of Standards and Technology (NIST) Cybersecurity Framework and International Organisation for Standardisation ISO 27001.

Composition & Meetings

As at 31st March 2026, the Committee comprises three (3) members with two (2) Independent Directors and the Managing Director. The Management Committee members comprising the Senior Management executives are invited to the meetings of the RMC.

During the year under review, Mr. P S Raghavan, Chairman of the RMC, ceased to be a member of the Committee with effect from 24th November 2025 owing to his demise. Consequently, the RMC was reconstituted by the Board of Directors at its meeting held on 4th March 2026 and Ambassador D B Venkatesh Varma, Independent Director of the Company, was inducted as a member of the Committee with effect from 4th March 2026.

The Committee met two (2) times during the year under review on 6th October 2025 and 25th March 2026. The composition of the Committee and attendance of members at the meetings held during the year under review are given below:

Name of Member	Category	No. of meetings held	No. of meetings attended
Usha Rajeev, Chairperson$	Independent Director	2	2
P S Raghavan*	Independent Director	1	1
Amb. DB Venkatesh Varma#	Independent Director	1	1
Sridharan Rangarajan	Managing Director	2	2

$ Appointed as Chairperson w.e.f. 4th March 2026

* Ceased to be Chairman and member w.e.f. 24th November 2025

Appointed w.e.f. 4th March 2026

Stakeholders Relationship Committee (SRC)

Key Terms of Reference

The terms of reference of this Committee includes:

a) formulation of investor servicing policies;

b) review of redressal of investor complaints;

c) approval / overseeing of transfers, transmissions, transpositions, splitting, consolidation of securities;

d) issue of share certificates, demat / remat requests;

e) review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent;

f) consideration and resolution of the grievances of security holders of the Company and to determine, monitor and review the standards for resolution of stakeholders grievance;

g) review measures taken for effective exercise of voting rights by shareholders;

h) 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;

i) review of share transfers to the Investors Education and Protection Fund 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;

j) allotment of shares on exercise of Options by employees under the Employees Stock Option Scheme / Plan; and

k) performing other functions as delegated to it by the Board from time to time.

Composition & Meetings

As at 31st March 2026, the Committee comprises three (3) members with the Chairman of the Committee being a Non-Executive Director, one (1) Independent Director and the Managing Director.

During the year under review, Mr. P S Raghavan, ceased to be a member of the Committee with effect from 24th November 2025 owing to his demise. Consequently, the SRC was reconstituted by the Board of Directors at its meeting held on 4th March 2026 and Mr. Sujjain S Talwar, Independent Director of the Company, was inducted as a member of the Committee with effect from 4th March 2026.

The Committee met four (4) times during the year under review on 12th May 2025, 7th August 2025, 30th October 2025 and 29th January 2026.

The composition of the Committee and attendance of members at the meetings held during the year under review are given below:

Name of Member	Category	No. of meetings held	No. of meetings attended
M M Murugappan, Chairman	Non-executive Director	4	4
P S Raghavan*	Independent Director	3	3
Sujjain S Talwar#	Independent Director	NA	NA
Sridharan Rangarajan	Managing Director	4	4

* Ceased to be a member w.e.f. 24th November 2025

Appointed w.e.f. 4th March 2026

During the year under review, there were 3 investor grievances received and all have been resolved as detailed below:

Sl. No	Grievance Platform	Nature of grievance	Resolution
1	RTA's Scores portal	Delay in response to a query related to dividend payment	A grievance was lodged by a shareholder through the SEBI SCORES portal against M/s. KFin Technologies Limited, the Company's Registrar and Share Transfer Agent (RTA), regarding a delay in response to a query related to dividend payment. The RTA has provided the necessary clarification to the shareholder, and the grievance has since been closed on the RTA's SCORES portal.
2	Online Dispute Resolution (ODR) portal	1. Transmission / IEPF related Documentation 2. Non-receipt of Physical Annual Report	**1. Transmission / IEPF-related Documentation** A complaint was received regarding the alleged request by RTA for excess or irrelevant documents for processing a transmission of shares and claim to the Investor Education and Protection Fund (IEPF) Authority. Upon advising the shareholder on the requisite documentation, the required documents were submitted, and the complaint was resolved. **2. Non-receipt of Physical Annual Report** A complaint was lodged through the SEBI ODR Portal regarding non-receipt of the physical copy of the Annual Report. As the shareholder's email ID was registered with the Company, only the soft copy had been sent in accordance with the statutory requirements. The Company, upon receipt of the grievance through the ODR Portal, promptly dispatched the physical copy of the Annual Report to the shareholder, and the grievance was resolved.

All the grievances have been resolved to the satisfaction of the shareholders and there were no investor service complaints pending as at 31st March 2026.

Ms. Rekha Surendhiran, Company Secretary, continues to be the Compliance Officer for the purpose of compliance with the requirements of the Listing Regulations.

M/s. KFin Technologies Limited, Hyderabad, is the Company's Registrar and Share Transfer Agent (RTA). The contact details are available in the General Shareholder Information section of this Corporate Governance Report.

Corporate Social Responsibility Committee (CSR)

Key Terms of Reference

The Board has constituted a CSR Committee which is constituted and governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and the Listing Regulations for assisting the Company in discharging its Corporate Social Responsibility. The Board has approved a CSR policy formulated and recommended by the Committee which is uploaded and accessible on the website of the Company at this link: https://www.cumi-murugappa.com/policies-disclosure/.

The functions of the Committee inter alia includes recommending the annual action plan and the amount of expenditure to be incurred on the CSR activities during the year and monitoring the implementation of CSR activities as per the CSR policy of the Company from time to time.

Composition & Meetings

As at 31st March 2026, the CSR Committee comprises one (1) Independent Director, one (1) Non-Executive Non-Independent Director and the Managing Director as its members.

During the year under review, Mr. P S Raghavan, ceased to be a member of the Committee with effect from 24th November 2025 owing to his demise. Consequently, the CSR Committee was reconstituted by the Board of Directors at its meeting held on 4th March 2026 by retaining the composition of the CSR Committee as it is without Mr. P S Raghavan.

The Management Committee members are invited to the meetings. The Committee met three (3) times during the year under review on 12th May 2025, 30th October 2025 and 29th January 2026.

The composition of the Committee and attendance of members are as follows:

Name of Member	Category	No. of meetings held	No. of meetings attended
Sujjain S Talwar, Chairman	Independent Director	3	3
P S Raghavan*	Independent Director	2	2
Muthiah Murugappan	Non-executive Director	3	3
Sridharan Rangarajan	Managing Director	3	3

* Ceased to be a member w.e.f. 24th November 2025

SENIOR MANAGEMENT

Particulars of Senior Management including the changes therein since the close of the previous financial year

During the year under review, there has been only one change in the Senior Management, the details of which have been disseminated to the shareholders in pursuant to Regulation 30 of the Listing Regulations within the timelines mandated and is provided below.

The list of Senior Management as on the date of this report is given below:

Name	Designation
C Srikanth	Business Head - Abrasives
M V Sivakumaran	Business Head - Electrominerals
Prathap Kumar	Business Head - Industrial Ceramics
Raghavendra Pai	Business Head - Super Refractories and Prodorite
Shyam C Raman	Chief Human Resources Officer
P Padmanabhan	Chief Risk Officer and Head - Global Taxation
Rekha Surendhiran	Company Secretary
Ajit Kolhe	Head - Information Technology
R Rammohan	Head- EHS
Koshy Abraham	Head - Manufacturing Centre of Excellence

The changes in the Senior Management since the close of the previous financial year:

Name	Date of change	Designation	Nature of change	Reason for change
Mr. Sushil Kishor Bendale	26th September 2025	Chief Financial Officer and KMP	Resignation	Resigned as Chief Financial Officer and KMP of the Company w.e.f. 26th September 2025 for opportunities outside the Company

DIRECTORS' REMUNERATION

Policy

The strength and continuity of an organisation depend significantly on its ability to attract, retain, and motivate competent human capital. The Remuneration Policy of the Company, formulated by the Nomination and Remuneration Committee, provides a comprehensive framework governing the remuneration of members of the Board as well as all employees, including Key Managerial Personnel and Senior Management.

The Policy is aligned with the principles and objectives set out under Section 178 of the Act and the Listing Regulations, and is designed to ensure that remuneration is reasonable and competitive to attract and retain competent talent. It establishes a clear linkage between remuneration and performance, while maintaining an appropriate balance between rewarding short-term achievements and supporting long-term value creation and sustainability.

The compensation of an Executive Director comprises a fixed component and a performance incentive based on certain pre-agreed parameters. Mr. Sridharan Rangarajan, Managing Director, is the only Executive Director of the Company. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The Managing Director is not paid sitting fees for any Board/Committee meetings attended by him. He is 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. Sridharan Rangarajan, Managing Director, during the year is given in this Report. 2,89,600 fresh option grants were made to Mr. Sridharan Rangarajan under the ESOP 2016 during the year under review.

The compensation of Non-Executive Directors is structured as a commission on profits. Notwithstanding the shareholder approval for payment of commission up to 1% of the Company's net profits, the Board has limited the commission payable to a fixed amount, subject to the prescribed ceiling. The commission payable is subject to periodic review, considering factors such as the performance of the Company, the extent of involvement and time devoted by the Directors, and the responsibilities entrusted to them under relevant statutory and regulatory frameworks. Considering the significant enhancement of the roles, duties and responsibilities of the Non-Executive Directors under the existing regulatory regime, the Board had reviewed the compensation structure on 8th May 2023 and revised the commission payment for the Independent Directors during FY 23-24. During the year under review, there was no revision in the compensation structure of Non-Executive Directors.

In line with evolving industry practices, the Company has adopted a differentiated approach to payment of commission to Directors, based on the time commitment and level of involvement in the affairs of the Company.

Considering the size and nature of the Company's operations, as well as the extensive experience that Mr. M. M. Murugappan, Chairman, possesses in the field of engineering and industry leadership, he devotes a significant amount of time to matters relating to the Company's operations. In addition to providing strategic guidance and advisory support on key management and business matters, he is actively involved in developing and managing relationships with the Company's business partners, both in India and overseas.

The Chairman also plays a central role in shaping and sustaining the Company's organisational culture, which is critical to achieving consistent and superior performance. Further, he spends considerable time on technology-related matters impacting the Company's businesses and on representing the Company at various forums, including industry bodies, academic institutions, and engagements with senior government and regulatory authorities in India and internationally.

Under his Chairmanship, the Company has achieved significant global growth, with revenues increasing from approximately ₹4,060 million to over ₹50,000 million, underscoring the scale and impact of his leadership and contributions to the Company. Under his Chairmanship, the Company has grown organically and inorganically which will augur well for the future growth of the Company.

Mr. Sujjain S Talwar, Independent Director of the Company, is a Director on the Board of CUMI International Limited, Cyprus, a wholly owned material subsidiary of the Company. Owing to the increased time and efforts spent by him, a differential commission is paid to him as well.

The Non-Executive Directors are also paid sitting fees within the limits prescribed under the Act for every Board/ Committee meeting attended by them.

Remuneration for FY 2025-26

Non-Executive Directors

The details of managerial remuneration for the year is given below.

(₹ Million)

Name	Sitting Fees	Commission@
M M Murugappan, Chairman	0.62	10.00
P S Raghavan*	0.62	0.98
Sujjain S Talwar	0.84	2.00
Usha Rajeev	0.66	1.50
Sriram Viji	0.35	1.50
DB Venkatesh Varma#	0.08	0.12
Muthiah Murugappan	0.49	1.50
Total	**3.66**	**17.60**

*Ceased to be a director w.e.f. 24th November 2025

Appointed as a director w.e.f. 4th March 2026

@ will be paid after the adoption of accounts by shareholders at the 72nd Annual General Meeting.

Executive Director - Mr. Sridharan Rangarajan, Managing Director

(₹ Million)

Fixed Component	Salary & Allowances	27.77
	Retirement benefits*	4.97
	Perquisites	0.03
Variable Component	Incentive(a)	8.94

*includes contribution to National Pension System of PFRDA.

(a) Represents incentive paid during the financial year 2025-26 in respect of the financial year 2024-25.

(b) As per the terms of his remuneration, the Executive Director is eligible for an annual incentive based on a balanced scorecard which comprises Company financials, Company scorecard and personal objectives. For the financial year 2025-26, a sum of ₹10.86 million has been provided in the accounts for this purpose payable to Mr. Sridharan Rangarajan. The actual amount will be decided by the Nomination and Remuneration Committee in August 2026. Please refer Annexure G for further details.

(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. Sridharan Rangarajan under the Employee Stock Option Scheme 2007 (grants under the scheme discontinued since February 2012). 289,600 options were granted under the ESOP Plan 2016 during the year.

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
	05-Aug-11 (i)
Options granted	264,000
Options vested	200,080
Options cancelled	31,680
Options lapsed	32,240
Options exercised	200,080
Options outstanding	-
Exercise Price	146

Particulars	Employee Stock Option Plan 2016				
	04-Feb-17 (ii)	14-Feb-18 (ii)	02-Aug-21 (ii)	30-Oct-25A (ii)	30-Oct-25B (ii)
Options granted	68,940	19,344	272,000	193,000	96,600
Options vested	68,940	19,344	272,000	-	-
Options cancelled	-	-	-	-	-
Options lapsed	-	-	-	-	-
Options exercised	68,940	19,344	-	-	-
Options outstanding	-	-	2,72,000	193,000	96,600
Exercise Price	257.55	367.2	672.95	932.15	932.15

(i) The first vesting is exercisable over a period of 3 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 5 years from the date of vesting.

Note: ESOP scheme 2007 is no longer in existence as the vesting and exercise schedules have lapsed.

GENERAL BODY MEETINGS

Details of previous three Annual General Meetings

Following is the summary of the previous three Annual General Meetings (AGM) of the Company, which were conducted through Video Conference:

Financial Year	Date	Time	Venue
2022 - 2023	02.08.2023	3.00 PM (IST)	AGM conducted through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')
2023 - 2024	30.07.2024		
2024 - 2025	07.08.2025		

Special Resolutions passed during the previous three Annual General Meetings

Sl No.	Item of business	Passed on
1.	Remuneration to Non-executive Directors	02.08.2023
2.	Approval for payment of commission to Mr. M M Murugappan	02.08.2023
3.	Appointment of Mr. Sriram Viji as an Independent Director	30.07.2024
4.	Appointment of Ms. Usha Rajeev as an Independent Director	30.07.2024
5.	Approval for payment of commission to Mr. M M Murugappan	30.07.2024
6.	Approval for payment of commission to Mr. M M Murugappan	07.08.2025

Postal Ballot

During the year under review, the Company issued a Postal Ballot Notice to the Members of the Company on 16th March 2026 seeking approval for appointment of Ambassador D B Venkatesh Varma as an Independent Director vide a Special Resolution, in compliance with the provisions of the Companies Act, 2013 / Listing Regulations. The results of the Postal Ballot were declared on 16th April 2026.

Details of Special Resolution passed through Postal Ballot	Voting Pattern
Appointment of Ambassador D B Venkatesh Varma as an Independent Director of the Company for a period of five consecutive years effective 4th March 2026.	Resolution passed by 99.99% majority

Mr. R Sridharan, Practicing Company Secretary of M/s. R Sridharan & Associates, Company Secretaries, Chennai (Membership No. FCS 4775 and CP No. 3239), was appointed as the scrutinizer for the above postal ballot for carrying out the postal ballot process in a fair and transparent manner.

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

None of the items to be transacted at the ensuing 72nd Annual General Meeting are required to be passed by special resolution through postal ballot.

There are no proposals 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.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has in place a Whistle Blower Mechanism in compliance with the provisions of the Listing Regulations, to provide a mechanism for Directors, employees and other stakeholders to report genuine concerns relating to unethical behaviour, actual or suspected fraud, or violation of the Code of Conduct of the Company.

The mechanism provides adequate safeguards against victimisation of persons who avail of the facility and also enables direct access to the Chairperson of the Audit Committee in appropriate cases. The policy lays down a well-defined process for receipt, examination and resolution of complaints and provides for oversight by an Ombudsperson.

Pursuant to the provisions of the Act, the Whistle Blower Policy extends to the Directors of the Company. In respect of concerns raised by members of the Board, the Chairperson of the Audit Committee acts as the designated authority.

Further, in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Whistle Blower Policy also provides a framework for reporting instances of potential leakage or misuse of Unpublished Price Sensitive Information (UPSI).

The Whistle Blower Policy is accessible on the website of the Company at this link: https://www.cumi-murugappa.com/wp-content/uploads/2026/01/Whistle-Blower-Policy.pdf.

It is hereby affirmed that no person was denied access to the Audit Committee during the year.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for the Prevention of Insider Trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, with the objective of regulating trading in the securities of the Company by its Directors, Promoters and designated employees.

The Code, inter alia, mandates pre-clearance of trades for all transactions undertaken by Directors, Promoters and designated employees (collectively referred to as "Designated Persons") and prohibits them from dealing in the Company's securities while in possession of Unpublished Price Sensitive Information (UPSI). Trading in the Company's securities is also prohibited during periods when the Trading Window is closed.

During the year under review, the Audit Committee reviewed compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and also evaluated the adequacy and effective functioning of the systems of internal control implemented for the prevention of insider trading.

The Company Secretary is responsible for the implementation and administration of the Code. The Company has an online compliance monitoring system in place to facilitate effective tracking of transactions and adherence to the Code by Designated Persons.

The Company has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, which is available on the Company's website. To ensure continuous awareness, periodic automated communications on applicable do's and don'ts are circulated to Designated Persons. Further, as part of the induction process, employees who are identified as Designated Persons are provided with a structured briefing on their obligations under the Code and the applicable regulatory framework. The Company periodically reviews its Prevention of Insider Trading system and over the last few years has transitioned to a new technology with advanced features as per the requirements of the SEBI (PIT) Regulations. During the year under review, the periodic reminders and awareness sessions for the Designated Persons continued to be made to sensitise the employees via email posters, audio awareness sessions, webinars etc., on the significance of the regulatory requirements.

The Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company is accessible on the website of the Company at this link: https://www.cumi-murugappa.com/wp-content/uploads/2025/04/code-for-practices-and-procedures-for-fair-disclosure-of-UPSI.pdf. This code was last reviewed by the Board of Directors on 25th March 2026.

DISCLOSURES

The Company has complied with the requirements of Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the continuing vacancy in the office of the Chief Financial Officer, the status of appointment and reasons for the delay in filling the vacancy having been disclosed in the Board's Report.

Disclosure relating to fee paid to Statutory Auditors

During the year under review, the Company and its subsidiaries have made payments to M/s. Price Waterhouse Chartered Accountants LLP, the Statutory Auditors, and to other firms or entities forming part of the same network. The disclosures are based on the information and confirmations furnished by the Statutory Auditors regarding the firms and entities falling within the said network.

(₹ Million)

PW/ Network firm	Nature of service	Name of the Company	Amount
Price Waterhouse Chartered Accountants LLP	Statutory Audit	Carborundum Universal Limited	8.50
	Tax Audit		1.20
	Limited review and Other certification		2.30
	Out of Pocket expenses		0.60
Price Waterhouse Chartered Accountants LLP	Statutory Audit	PLUSS Advanced Technologies Limited	0.99
	Tax Audit		0.22
	Limited review and Other certification		0.70
	Out of Pocket expenses		0.62

PW/ Network firm	Nature of service	Name of the Company	Amount
Price Waterhouse Coopers GmbH	Statutory Audit including limited review and other audit related services	CUMI Awuko Abrasives GmbH	13.2
Price Waterhouse Coopers GmbH	Statutory Audit including limited review and other audit related services	Rhodius Abrasives GmbH	18.5

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 Act.

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 Management Discussion & Analysis Report forming part of this Annual Report. The Company does not have any exposure hedged through commodities and hence disclosure in terms of Regulation 34(3) read with clause 9(n) of Part C of Schedule V of the Listing Regulations does not arise.

Disclosure on Credit Ratings

During the year, no credit ratings were obtained by the Company nor were there any revisions. The credit ratings of the Company, 'A1+' for short-term borrowings and 'AA+ Stable' for long-term borrowings were re-affirmed by CRISIL.

Loans and advances in the nature of loans to firms/ companies in which Directors are interested

During the year under review, the Company did not extend any loans or advances to firms/companies in which Directors are interested in terms of Section 184 of the Act.

Details of Material Subsidiaries

Name of Material Subsidiary	Date & Place of Incorporation	Name and Date of Appointment of Auditor
CUMI International Limited	7 June 2007, Limassol, Cyprus	P. Constantinou & Co Ltd, Certified Public Accountants 12 March 2008
JSC Volzhsky Abrasive Works	22 April 1961, Volzhsky city, Russia	ERCON Ltd 27 June 2023

The Policy on Material Subsidiary is available on the website of the Company at https://www.cumi-murugappa.com/wp-content/uploads/2025/04/Policy-on-material-subsidiaries.pdf

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) and are also uploaded and accessible on the website of the Company at this link: https://www.cumi-murugappa.com/regulation-46-of-sebi-lodr-regulations/. Press releases are given to all important dailies.

In addition to the above, the Company participates in the earnings call with various Investors, Analysts and Broking Houses. The Company also makes a presentation at the Investors and Analysts meets, the particulars of which are disclosed to the Stock Exchanges before such participation, as required under the Listing Regulations. The recordings and transcripts of the earnings call are hosted on the website of the Company for information of the Investors as required under the provisions of the Listing Regulations.

Social media has emerged as an important medium of communication and engagement with investors, shareholders, employees and other stakeholders. Accordingly, the Company disseminates its announcements and key communications through its official corporate social media channels, including Youtube, Twitter (X), LinkedIn and Facebook.

MANAGEMENT DISCUSSION & ANALYSIS

A separate Management Discussion & Analysis (MD&A) Report providing the information required to be provided as per the requirements of the Listing Regulations forms part of the Annual Report.

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. Quarterly financial updates are sent to the Shareholders via email.

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 them. Other non-mandatory requirements have not been adopted at present.

CEO/CFO CERTIFICATION

In the absence of Chief Financial Officer as on date of this Report, the 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 has been duly obtained from Mr. Sridharan Rangarajan, Managing Director.

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.

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.

GENERAL SHAREHOLDER INFORMATION

General Shareholder Information is provided as a separate annexure to this Corporate Governance Report.

OTHER DISCLOSURES

a. During the year under review, there were no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of applicable related party transactions are filed with the stock exchanges based on the statutory requirements and are duly made available in the financial statements of the Company forming part of this Annual Report.

b. 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.

c. During the year under review, no funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of the Listing Regulations.

d. Please refer to the Board's Report forming part of this Annual Report for the disclosures regarding reporting of complaints relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

e. There are no non-compliances pertaining to the requirement of corporate governance report of sub-paras (2) to (10) of Para C of Schedule V of the Listing Regulations.

f. As per the information available with the Company as on date of this Report, there are no agreements entered into by the shareholders, Promoters, Promoters Group entities, related parties, Directors, Key managerial personnel, employees of the Company, its subsidiaries and associates Companies which are binding the Company in terms of Clause 5A of Para A of Part A of Schedule III of the Listing Regulations.

SHARE HOLDERS SATISFACTION SURVEY

As part of its continued focus on strengthening shareholder engagement, the Company revamped its shareholder survey during the year. The revised survey was rolled out with the objective of obtaining structured and actionable feedback from shareholders. An intimation regarding the same was duly sent to the shareholders.

The online survey has been made available on the Company's website and can be accessed at https://www.cumi-murugappa.com/survey/index.php

Shareholders who have not yet participated are encouraged to access the survey through the above link and share their valuable feedback. The responses received will assist the Company in further enhancing overall shareholder experience.

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 22nd September 2025 and other applicable circulars issued in this regard 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. Further, a letter providing the web-link, including the exact path, where complete details of the Annual Report is available will be sent to those shareholder(s) who have not registered their email addresses. Shareholders holding shares in physical mode are requested to furnish their e-mail addresses with 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 further advised to update their Permanent Account Number (PAN) and bank account details to facilitate seamless electronic credit of dividends. In terms of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, notified on 19th November 2025, the issuance of physical dividend warrants and cheques has been discontinued. Accordingly, dividend payments shall henceforth be made only through electronic modes.

As per Securities and Exchange Board of India (SEBI) master circular no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026 it is 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. The forms for updation of the aforesaid details are available on the website of the Company at https://www.cumi-murugappa.com/part-4-investor-services/.

Shareholders are requested to submit Form ISR-1 to update their PAN and other KYC details with the Registrar and Share Transfer Agent (RTA) of the Company. In cases where there is a mismatch in the signature of the holder as per the records of the RTA, shareholders are required to furnish a banker's attestation of signature in Form ISR-2 along with an original cancelled cheque bearing the name of the shareholder. To avoid multiple correspondences and ensure timely updation, shareholders are advised to submit the duly filled Form ISR-1 together with Form ISR-2 and the original cancelled cheque with the shareholder's name printed thereon for signature validation. Shareholders are also requested to submit Form SH-13, duly filled, for registration of nomination in their folios. In case shareholders wish to opt out of the nomination facility, Form ISR-3 may be submitted to the RTA.

Shareholders may also note that pursuant to the SEBI Listing Regulations effective from 1st April 2019, requests for transfer of securities in physical form are not processed unless the securities are held in dematerialised form with a Depository. Accordingly, Members may effect transfer of shares only after dematerialisation of their physical holdings and are therefore encouraged to convert their holdings into demat form at the earliest.

Shareholders may send correspondences in respect of their holdings to M/s. KFin Technologies Limited at their contact details provided below:

Mr. S R Ramesh, Deputy Vice President,
M/s. KFin Technologies Limited
Registrar and Share Transfer Agent
Unit: Carborundum Universal Limited
Selenium Tower B, Plot Nos. 31 & 32, Financial District
Nanakramguda, Serilingampally, Hyderabad,
Telangana - 500 032, India (IN)
Toll Free No.: 1800 309 4001
Email: einward.ris@kfintech.com

In line with regulatory facilitation measures, SEBI has permitted a special window for a period of one year from 5th February 2026 to 4th February 2027 for re-lodgement of transfer requests and dematerialisation of physical securities, in respect of cases where such requests were lodged prior to 1st April 2019 but were returned due to deficiencies. Eligible Members are encouraged to avail this opportunity within the stipulated timeline to regularise their holdings.

Further, in accordance with SEBI requirements, the Company is mandated to undertake enhanced due diligence in respect of transactions relating to physical folios of shareholders. Members are therefore advised to ensure that all requisite documentation and compliance requirements are duly completed to facilitate timely processing.

Members are also requested to note that pursuant to an amendment in the Finance Act, 2020, with effect from 1st April 2020, dividends declared by the Company will be taxed in the hands of the recipient of dividend i.e. shareholders. Hence, all dividends declared after 1st April 2020 by the Company have been paid/will be paid to the Members after deducting tax at the applicable rate of interest prescribed under the Income Tax Act, 1961. Members may note that in the absence of PAN, the Company would be required to deduct tax at a higher rate prescribed under the Income Tax Act, 1961. Hence, Members who have not furnished their PAN to the Company are requested to immediately submit a copy of their PAN to the Company. Members seeking non-deduction of tax on their dividends may submit Form 121 (erstwhile form 15G / 15H) to the Company on a yearly basis. The format of Form 121 is available at https://www.cumi-murugappa.com/investor-services/.

Members may contact the Company Secretary at contact numbers provided in the General Shareholder Information in case of any clarification with respect to the dividends declared by the Company.

Shareholders may contact the Investor Services team in case of any query regarding their holdings in the Company.

On behalf of the Board

Chennai
May 14, 2026

M M Murugappan
Chairman

CORPORATE GOVERNANCE CERTIFICATE

The Members
CARBORUNDUM UNIVERSAL LIMITED
Dare House, No. 234, N.S.C. Bose Road, Parrys,
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 Dare House, No. 234, N.S.C. Bose Road, Parrys, Chennai - 600001, 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 2026. 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 with the conditions specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations, 2015 as amended for the financial year ended 31st March 2026 except to the extent that the Company has not filled the vacancy in the office of the Chief Financial Officer, one of the Key Managerial Personnel within a period of three months with effect from the close of business hours on 26th September 2025 as per Regulation 26A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the compliance requirement under Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 05th February 2025, Volzhsky Abrasive Works, Russia (VAW), one of the Company's unlisted material subsidiary incorporated outside India, does not have an Independent Director of the listed holding company on its Board, as required under Regulation 24(1) of the Listing Regulations.

In this regard, the Company has informed that it has obtained an exemption order from SEBI on 09th June 2025 under Regulation 102 of Listing Regulation, exempting it from the requirement of appointing at least one Independent Director of the Company on the Board of its unlisted material subsidiary, VAW, subject to the condition that such exemption shall be valid until the earlier of the following:

a. The name of VAW is removed from the Specifically Designated Nationals and Blocked Persons list (SDN List) of US Department of Treasury's Office of Foreign Assets Control (OFAC)'s or

b. VAW no longer remains a "material subsidiary" of the company.

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.6232/2024
UIN : S2003TN063400
UDIN: F004775H000362583

PLACE : CHENNAI
DATE : 14TH MAY 2026

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
Dare House, No. 234, N.S.C. Bose Road,
Parrys, 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 **Dare House, No. 234, N.S.C. Bose Road, Parrys, 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 2026** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such other statutory authority.

S.NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF INITIAL APPOINTMENT
1.	00170478	M M Murugappan	Non-Executive - Non Independent Director-Chairman	17/10/1996
2.	01756539	Sujjain Talwar	Non-Executive - Independent Director	09/05/2017
3.	03630636	Viji Sriram	Non-Executive - Independent Director	01/08/2024
4.	05018645	Usha Rajeev	Non-Executive - Independent Director	01/08/2024
5.	07858587	Muthiah Murugappan	Non-Executive - Non Independent Director	01/08/2024
6.	01814413	Sridharan Rangarajan	Executive - Managing Director	01/07/2021
7.	11564227	Bala Venkatesh Varma Datla	Non-Executive - Independent Director	04/03/2026

Ensuring the eligibility, for the appointment/ continuity, of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
FCS No. 4775
CP No. 3239
PR NO. 6232/2024
UIN: S2003TN063400
UDIN: F004775H000362627

PLACE : CHENNAI
DATE :14TH MAY 2026

General Shareholder Information

A. Corporate Information

1. Registered office
"Dare House", No. 234,
N.S.C Bose Road, Parrys, Chennai 600 001;
Tel No.:+91-44-30006161;
E-mail: cumigeneral@cumi.murugappa.com;
Website: www.cumi-murugappa.com

2. Corporate Identification Number
L29224TN1954PLC000318

3. Auditors

Statutory Auditor
Price Waterhouse Chartered Accountants LLP,
7th and 10th Floor, Menon Eternity, 165, St. Mary's Road,
Alwarpet, Chennai - 600 018

Cost Auditor (for the FY 2025-26)
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 2025-26)
M/s. RGN Price & Co.
861, Anna Salai, Mount Road, Anna Salai,
Triplicane, Chennai - 600002

Secretarial Auditor (for the FY 2025-26)
M/s. Sridharan & Sridharan Associates, Company Secretaries
12/37, A3, Sri Sai Kripa, Unnamalai Ammal Street,
T. Nagar, Chennai 600017

4. Address for correspondence
Rekha Surendhiran, Company Secretary & Compliance Officer
Carborundum Universal Limited, "Dare House", No. 234,
N.S.C Bose Road, Parrys, Chennai 600 001;
Tel No.:+91-44-30006161; Fax:+91-44-30006149;
E-mail: rekhas@cumi.murugappa.com
Investor Relationship Officer
Jully H Jivani,
Carborundum Universal Limited,
"Dare House", No. 234,
N.S.C Bose Road, Parrys, 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. S.R. Ramesh, Deputy Vice President

6. Financial Year

1st April to 31st March

7. Cost Audit Report

The Cost Audit report for financial year 2024-25 had been filed on 4th September 2025 through XBRL mode as mandated by the Ministry of Corporate Affairs within the due date.

8. Plant Locations

(a) Plant locations of Carborundum Universal Limited

Tamil Nadu - Abrasives Plant
- 655, Tiruvottiyur High Road, PB No. 2272, Tiruvottiyur, Chennai - 600019
- Plot No. 48, SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District
- Plot No. 98, SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District.
- C-4 & C-5, Kamarajar Salai, MMDA Industrial Complex, Maraimalai Nagar - 603209, Kancheepuram District
- F-1/2, F2-F5, SIPCOT Industrial Park, Pondur "A" Village, Sriperumbudur - 602105, Kanchipuram District

West Bengal - Abrasives Plant
- Jhautala More, Gopalpur Chandigarh, P.O. Ganga Nagar, Kolkata - 700132

Uttarakhand-Abrasives Plant
- K3, ASAHI Industrial Estate, Latherdeva Hoon, Mangalore Jhabrera Road, P.O. Jhabrera, Tehsil Roorkee, Haridwar District - 247665

Tamil Nadu - Industrial Ceramics Plant
- Plot No. 47, 48 (part), SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District

Tamil Nadu - Refractories Plant
- Plot No. 102 & 103, SIPCOT Industrial Complex (Phase II), Ranipet - 632403
- Serkadu Village, Vinnampalli Post, Katpadi Taluk, Vellore District - 632516

Madhya Pradesh-Refractories & Prodorite Plant
- Plot Nos. 35, Adhartal Industrial Estate, Jabalpur - 482004
- Plot Nos. 37, Adhartal Industrial Estate, Jabalpur - 482004
- Plot Nos. 48-51, Adhartal Industrial Estate, Jabalpur - 482004

Kerala - Electrominerals Plant
- PB No. 1, Plant 1, Kalamassery Development Plot P.O., Kalamassery - 683104, Ernakulam District

- PB No. 1, Unit II, Kalamassery Development Plot P.O., Kalamassery - 683104, Ernakulam District
- PB No. 3, Nalukettu, Koratty - 680308, Thrissur District
- Plot No. 7, Cochin Special Economic Zone (CSEZ), Kakkanad - 682037, Kochi
- Plot No. 18, Cochin Special Economic Zone (CSEZ), Kakkanad - 682037, Kochi
- Maniyar Hydroelectric Works, Maniyar P.O., Vadasserikkara, Pathanamthitta District - 689662
- Plot Nos. 2 & 3, Carborundum Universal SEZ, Kalamassery Development Plot, Kochi - 683104
- Plot Nos. 4 & 5, Carborundum Universal SEZ, Kalamassery Development Plot, Kochi - 683104
- Plot No. 8, Carborundum Universal SEZ, Kalamassery Development Plot, Kochi - 683104

Gujarat-Electrominerals

- P.B. No. 2, Okha Port P.O., Devbhumi Dwarka District - 361350

(b) Plant locations of Subsidiaries/Joint Ventures

Sterling Abrasives Limited

- Plot No. 57, 58, 59 and 64 Opp. Umberto Ceramics, Village - Galesara, Galteshwar Road, Taluka: Prantij. Dist Sabarkantha, Gujarat, India

Southern Energy Development Corporation Limited

- Plot no. 29, Nallur PO, Aadichapuram, (Via) Mannargudi Taluk, Tiruvarur District - 614717, Tamil Nadu, India

Murugappa Morgan Thermal Ceramics Limited

- Plot No. 26 & 27, SIPCOT Industrial Complex, Ranipet - 632403, Tamil Nadu, India
- Plot No. 681, Moti Bhoyan Village, Sanand-Kalol Highway, Kalol Taluk, Gandhinagar Dist., Gujarat - 382721, India

Wendt (India) Limited

- 69/70, SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District, Tamil Nadu, India
- Ground Building No. 35, Indrayani Nagar Road, Bhosari, Pimpri Chinchwad, Pune, Maharashtra-411026

JSC "Volzhsky Abrasive Works"

- 404119, Russian Federation, Volgograd region, city of Volzhsky, F. G. Loginova st., 169, Russia

Foskor Zirconia (Pty.) Ltd

- 27 Selati Road, Phalaborwa, South Africa, 1389

CUMI (Australia) Pty Ltd

- 7 Bowden Way, Beresfield, NSW 2322, Postal Address: PO Box 142, Carrington, NSW, 2294, Australia
- 1/253 Beringarra Ave, Malaga, WA 6090, Postal Address: PO Box 2538, Malaga, WA 6944, Australia
- 20 Waurn St, North Rockhampton, QLD 4701, Postal address: PO Box 6494, Central QLD Mail Centre, Rockhampton, QLD 4702, Australia
- 14 Corporation Avenue, Paget QLD 4740, Australia

Wendt Grinding Technologies Ltd.

- 109/21 Moo 4, Eastern Seaboard Industrial Estate (Rayong), Tambol Pluakdaeng, Amphur Pluakdaeng, Rayong 21140, Thailand

Wendt GmbH

- Tempelsweg 24a, 47918 Tonisvorst, Germany

PLUSS Advanced Technologies Limited

- Plot No. 35, Section-14 G C Bawal, Rewari, Haryana - 123501
- Plot No. 17, Section-6 G C Bawal, Rewari, Haryana - 123501
- Sy. No. 605, 8-122, Deveryamzal Village, Shameerpeth Mandal, Medchal - Malkajgiri, Telangana - 500078

CUMI AWUKO Abrasives GmbH

- Hedemündener Str. 9 34346 Hann. Münden Germany

Rhodius Entities

- Rhodius Abrasives GmbH, Brohltalstr. 2, 56659 Burgbrohl, Germany
- Rhodius Nederland B.V, Het Rietveld 55A, 7321 CT Apeldoorn, Nederlands
- Rhodius France S.A.R.L. 1 Allee Theodore Monod, 76160 Saint Martin du Vivier Frankreich, France
- Rhodius Korea INC. Rm. 205 MEGA PLUS, Yeongil-ro, Yeongtong-dong, Schleifwerkzeuge, Yeongtong-gu GmbH & Co. KG, 443-470 Suwon, Seoul Republic of Korea
- Rhodius South America Assessoria Tecnica e Schleifwerkzeuge Commercial em Abrasives, Rua das Carmelitas no. 2350, CEP 81.650-060 Curitiba Estado do Parana Brasilien, Brazil

Silicon Carbide Products, LLC

- 361, Daniel Zenker Dr, Horseheads, NY 14845, United States

B. STOCK MARKET INFORMATION

1. Listing on stock exchanges and stock code

Stock Exchange	Stock Code
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051	CARBORUNIV
BSE Limited 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) of the Company: 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

C. Other Information

1. Share Capital Details

(a) Outstanding shares

The total number of outstanding shares as on 31st March 2026 is 190,492,502. All the shares have been fully paid up. As on 31st March 2026, 189,566,989 equity shares constituting 99.51% 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. Further, the shares of the Company were not suspended from trading at any time during the year.

(b) Shareholding Pattern/Distribution as on 31st March 2026

(i) Shareholding Pattern

Category	% to total paid up capital
Promoter/Promoter Group	38.89
Foreign Institutional Investors	10.73
Financial Institutions including Insurance Companies	0.49
Non-resident (NRI's / OCBs)	1.66
Mutual Funds	27.75
Banks	0.01
Indian Bodies Corporate, AIFs & QIBs	3.46
Individuals	15.92
Others - Trusts/ Clearing Members/IEPF	1.09
Total	**100.00**

(ii) Distribution of Shareholding

Sl. No.	Category (Shares)	No. of holders	% to holders	No. of Shares	% to Equity
1.	1 -500	60256	91.47	3138252	1.65
2.	501 -1000	1971	2.99	1561524	0.82
3.	1001 -2000	1344	2.04	2076889	1.09
4.	2001 -3000	568	0.86	1465526	0.77
5.	3001 -4000	622	0.94	2337536	1.23
6.	4001 - 5000	166	0.25	765267	0.40
7.	5001 -10000	419	0.64	3051949	1.60
8.	10001 - 20000	208	0.32	2959671	1.55
9.	20001 -100000	203	0.31	8995630	4.72
10.	100001 and above	117	0.18	164140258	86.17
	TOTAL	**65874**	**100**	**190492502**	**100**

*based on the folios and cannot be compared with Shareholding Pattern which is PAN based aggregation of total number of shareholders.

2. Outstanding GDR/ADR/Warrants/Stock Options etc.

Under the CUMI Employees Stock Option Scheme 2007, there are no Stock Options outstanding as at 31st March 2026:

Sl. No.	Grant Date	Exercise Price in (₹)	Net Outstanding Options	Likely impact on full exercise	
				Share Capital ₹ Million	Share Premium ₹ Million
1.	29-Sep-2007	91.80	-	-	-
2.	24-Jul-2008	61.40	-	-	-
3.	27-Jan-2011	125.08	-	-	-
4.	27-Jan-2011	125.08	-	-	-
5.	05-Aug-2011	146.00	-	-	-
6.	04-Feb-2012	155.00	-	-	-
Total			**-**	**-**	**-**

Under the CUMI Employee Stock Option Plan 2016, the details of stock Options granted and outstanding as at 31st March 2026 are as follows:

(₹ in Million)

Sl. No.	Grant Date	Exercise Price in (₹)	Net Outstanding Options	Likely impact on full exercise	
				Share Capital	Share Premium
1	04-Feb-2017	257.55	0	0	0
2	14-Feb-2018	367.2	0	0	0
3	14-Feb-2018	367.2	-	-	-
4	03-Aug-2018	369.85	20,164	0.02	7.44
5	29-Oct-2018	361.9	-		-
6	31-Jul-2019	317.7	22,164	0.02	7.02
7	31-Jul-2019	317.7	0	0.00	0.00
8	30-Jan-2020	343.8	0	0.00	0.00
9	28-Apr-2021	490.5	27,540	0.02	13.48
10	02-Aug-2021	672.95	3,70,880	0.37	249.21
11	13-May-2022	734.9	0	0.00	0.00
12	28-Oct-2022	858.8	1,30,800	0.13	112.20
13	31-Jan-2023	965.55	43,600	0.04	42.05
14	29-Mar-2023	940	43,600	0.04	40.94
15	28-Oct-2023	1108	73,400	0.07	81.25
16	25-Mar-2024	1248.9	43,600	0.04	54.41
17	03-May-2024	1506.6	43,600	0.04	65.64
18	30-Oct-2024	1380.7	3,33,100	0.33	459.56
19	13-Feb-2025	1017.9	62,390	0.06	63.44
20	30-Oct-2025	932.15	2,62,800	0.26	244.71
21	30-Oct-2025	932.15	7,06,560	0.71	657.91
	Total		**21,84,198**	**2.18**	**2099.26**

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 Re. 1/- each, within 3 years from the date of vesting, in respect of 50% of the first tranche and 6 years from the date of vesting in respect of the remaining 50% of the first tranche and all subsequent tranches. The vesting of Options granted, is based on the annual performance rating and as per the following schedule - 40% on expiry of the first year from the date of grant and 30% each on expiry of the second and third years from the date of grant.

b) In respect of all other Options granted under the Employee Stock Option Scheme 2007, each Option gives a right to the holder to subscribe to one equity share of Re. 1/- each, within 3 years from the date of vesting in respect of the first tranche and 6 years from the date of vesting in respect of subsequent tranches. The vesting of Options, is based on the annual performance rating and as per the following schedule - 20% each on expiry of the first and second year from the date of grant and 30% each on expiry of third and fourth year from the date of grant.

c) In respect of Options referred in serial number 1, 2, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 & 20 above of the Employee Stock Option Plan 2016, each Option gives a right to the holder to subscribe to one equity share of Re. 1/- each, within 5 years from the date of vesting. The vesting of options, is based on the annual performance rating and as per the following schedule - 20% each on expiry of the first and second year from the date of grant and 30% each on expiry of third and fourth year from the date of grant. With respect to additional grants made to the option grantees owing to grade elevation, the vesting of the options are aligned with the original vesting period.

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 Re. 1/- each, within 5 years from the date of vesting. The vesting of options, is based on the annual performance rating and as per the following schedule - 25% each on expiry of the first year from the date of grant and 37.50% each on expiry of second and third year from the date of grant.

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 Re. 1/- each, within 5 years from the date of vesting. The vesting of Options, is based on the annual performance rating and as per the following schedule - 50% each on expiry of the first and second year from the date of grant.

f) In respect of Options referred in serial number 21 above of the Employee Stock Option Plan 2016, each Option gives a right to the holder to subscribe to one equity share of Re. 1/- each, within 5 years from the date of vesting. The vesting of Options, is based on performance of individual as well as performance criteria defined by the Nomination and Remuneration Committee and as per the following schedule - 17% each on expiry of the Second and 33% third year and 50% fourth from the date of grant.

Other than the above, there are no outstanding GDRs or ADRs or convertible instruments.

3. Investor servicing process:

The investor servicing requests from shareholders holding shares in physical form are processed by 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. Transfer of shares in physical mode has been prohibited effective 1st April 2019 pursuant to SEBI notification dated 8th June 2018. In respect of transmission of shares, all requests are approved by the Stakeholders Relationship Committee.

During the year, Securities and Exchange Board of India (SEBI) opened a special window for re-lodgement of transfer requests of physical shares from 7th July 2025 to 6th January 2026. This special window was an opportunity for the shareholders to re-lodge transfer deeds requests lodged prior to 1st April 2019 which were rejected/returned due to deficiency in the documents.

During the year another special window has been introduced by SEBI to facilitate transfer and dematerialisation of physical securities which commenced on 5th February 2026 and will remain open until 4th February 2027. This facility applies to transfer requests lodged prior to 1st April 2019 that were rejected, returned, or not processed due to deficiencies in documents, processes, or other reasons. The securities transferred through the special window are mandatorily to be credited to the transferee in demat mode and remain under a one-year lock-in period from the date of registration of transfer. During this lock-in period, such securities cannot be transferred, pledged, or lien-marked.

During the year, the Company did not receive any requests under these special windows.

As an initiative to encourage mandatory updation of KYC details in the physical folios and to claim the held back dividends owing to KYC non-compliance, reminder letters were sent by the Company to the shareholders at their last available addresses for furnishing of PAN, KYC details and Nomination facilities by the holders of physical securities.

Further, during the year, the Ministry of Corporate Affairs, through the Investor Education and Protection Fund Authority (IEPFA), launched the Saksham Niveshak campaign from 28th July 2025 to 6th November 2025. This 100-day campaign aimed to help shareholders update their KYC and nomination details and claim unpaid or unclaimed dividends and shares so that they are not transferred to the IEPF. The Company actively took steps to reach out to the shareholders in their last available contact details available with the Company/Registrar and share transfer agent in the form of emails, contact number and address encouraging shareholders to claim their unpaid dividends and update their records and guiding them in completing the claim process.

In order to enable shareholders to claim their shares from the unclaimed suspense account and dividends from unclaimed dividend accounts, steps were taken to reach out to the shareholders in their last available contact details available with the Company/Registrar and share transfer agent in the form of emails, contact number and address. After verifying the KYC of the shareholder, the shareholders were educated on the procedure for claiming the shares/ dividend from the respective unclaimed accounts.

The shareholders were assisted in filing their claims with the IEPF authority 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 submissions with the IEPF authority.

As stated in the Corporate Governance Report, shareholders 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 shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	34	72610
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*	2	35610
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year in response to the Company's reminders	1	8440
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1	8440
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	31	70410

*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 https://www.mca.gov.in/content/mca/global/en/home.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, after verification and approval, will 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

Friday, 7th August 2026 at 3.00 P.M. (IST) through video conferencing/other audio visual means.

ii. Dividend

The Board at its meeting held on 29th January 2026 had approved the payment of an interim dividend on the equity shares of the Company at 150% i.e., ₹1.50/- per equity share of ₹1 each which was paid on 19th February 2026. The Board at its meeting held on 14th May 2026 has further recommended a final dividend at 250% i.e., ₹2.50/- per equity share for the year ended 31st March 2026. The final dividend will be paid by 18th August 2026 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 and Protection Fund (IEPF) Authority. 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
2018-19 (Final)	31-07-2019	06-09-2026
2019-20 (Interim)	26-02-2020	03-04-2027
2020-21 (Interim)	02-02-2021	11-03-2028
2020-21 (Final)	02-08-2021	08-09-2028
2021-22 (Interim)	10-02-2022	19-03-2029
2021-22 (Final)	01-08-2022	07-09-2029
2022-23 (Interim)	31-01-2023	09-03-2030
2022-23 (Final)	02-08-2023	08-09-2030
2023-24 (Interim)	31-01-2024	08-03-2031
2023-24(Final)	30-07-2024	30-08-2031
2024-25 (Interim)	13-02-2025	17-03-2032
2024-25 (Final)	07-08-2025	12-09-2032
2025-26 (Interim)	29-01-2026	06-03-2033

The Company has transferred unclaimed/unencashed dividends up to interim dividend for FY 2018-19 to the IEPF during the year ended 31st March 2026. 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 the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. During the year, the Company transferred 70,855 equity shares pertaining to 76 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 2026, 9,62,180 shares pertaining to 845 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 https://www.mca.gov.in/content/mca/global/en/home.html along with the requisite documents. Shareholders are requested to contact the Company's RTA - KFin Technologies Limited or the Company in this regard. The contact details are available in the Corporate Information section of this Report.

6. Other disclosures

During the year, there has been no instance where the Board did not accept the recommendation of its Committees. Further during the year, the Company has not raised funds through preferential allotment or qualified institutional placement.

The detailed information on foreign exchange risk and hedging activities, please refer to the Management Discussion and Analysis Report. During the year, no credit ratings were obtained by the Company nor were there any revisions.

On behalf of the Board

Chennai
May 14, 2026

M M Murugappan
Chairman

Declaration on Code of Conduct

To

The Members of Carborundum Universal Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management of Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at 31st March 2026, as envisaged in Regulation 34(3) read with Schedule V of the Listing Regulations.

On behalf of the Board

Chennai
May 14, 2026

Sridharan Rangarajan
Managing Director

Annexure E

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

ENERGY CONSERVATION

The Company integrates environmental considerations into its business planning, capital investments, and operational decision-making across its business verticals. It also recognises climate change as a critical risk and opportunity and has established long-term targets to improve energy efficiency and reduce its carbon footprint with clear distinct targets to be achieved by 2030 as provided below:

- 25% emission intensity reduction
- 50% renewable energy share in its overall electrical energy (All these from the baseline of FY25).

The key programs undertaken by the Company are enlisted below:

- Deployment of renewable energy via various methods like solar, wind power in different modes like third party power purchase, group captive power purchase and energy exchanges.
- Fuel switching to conserve energy and carbon footprint.
- Implementation of waste heat recovery systems in kilns and furnaces.
- Energy optimisation through digital monitoring tools and Specific energy consumption tracking process / product level.

The Electrominerals business of the Company contributes significantly to the overall electricity consumption considering its power intensive operations. The Company is advancing product-level sustainability by integrating Life Cycle Assessment (LCA) methodologies and has carried out LCA for the key products manufactured by the Electrominerals business during the year FY 25-26 which resulted in increased share of renewable energy to 22%. The results clearly evidence the requirements aligning to the energy conservation and decarbonisation strategy of the Company.

The other key initiatives carried out during the year FY 25-26 are being detailed below:

- Sourcing 10MW solar energy from the ISTS (Inter-State Transmission System) Group captive project and purchase of green energy from the power exchanges enhancing the renewable energy contribution of Electrominerals business. These initiatives contributed to 287 lakh units during the year.
- On-boarding of third party power purchase via solar and wind hybrid (20 MW) for all Tamil Nadu based manufacturing facilities from July 2025 (wheeling 251 Lakh units in FY26) which led to migrating from Gas based power through group captive power purchase used in the previous financial year. The realignment in sourcing due to 2030 sustainability strategy, resulted in a saving of 10,690 tCO2 during the year.
- Switching to cleaner fuel projects has been carried out in four manufacturing facilities, two for the process lines (Furnace Oil (FO) to Piped Natural Gas (PNG) & High Speed Diesel (HSD) to Liquefied Petroleum Gas (LPG) and other two for cooking purpose (LPG to PNG, FO steam boiler to electric steam generator) together contributing to reduction of 4,265 GJ and 553 tCO2.
- Key equipment consuming energy across all facilities has been mapped to understand the use pattern including thermal energy.
- Special focus was given on inspecting the energy losses and rectification across the Abrasives business, in which compressed air leaks were arrested, thermal losses were prevented with installation of heat shield, proper air fuel ratio were restored. This enabled the business vertical to achieve a 4% reduction in its energy intensity.
- Gas saver unit trial taken for PNG gas line to canteen in one of the Abrasives manufacturing facility and this has resulted in reduction in PNG usage in the specific line. Plans are in place to expand the usage of similar technology at a larger scale.
- Furnace Energy Optimisation: Advanced controls and modifications to our furnace feed system, resulting in enhanced energy efficiency and reduced energy consumption by 10,163 GJ and 2,004 tCO2 during the year.

During the year, the Company invested ₹79.6 million for sourcing renewable energy under group captive consumption mechanism and a further of ₹10.5 million in energy conservation equipment aggregating to a total investment of ₹90.5 million.

TECHNOLOGY ABSORPTION

Overview

During the year under review, the Company continued to strengthen its technology base through structured internal development, joint development programmes with national research institutions, and selective absorption of advanced technologies. The focus remained on building differentiated product platforms, enhancing performance and reliability, addressing emerging application segments, and reducing long term dependence on external technology sources.

In the Abrasives business, development efforts were driven through a structured product portfolio strategy aimed at filling gaps in range, performance and cost competitiveness. High performance Bonded and Coated Abrasive products were developed using newly formulated bond systems, advanced grain technologies, engineered porosity and precision manufacturing processes to address demanding segments such as aerospace, Precision finishing, Stainless steel grinding, Billet and Roll grinding.

The Ceramics business absorbed multiple advanced process technologies through technology transfer and joint development initiatives with leading Government and national research organisations, including Indian Space Research Organisation (ISRO), Council of Scientific & Industrial Research (CSIR) laboratories and Defence Research and Development Organisation (DRDO). These initiatives covered metallization, solid oxide electrochemical cells, and composite armour systems, progressing from qualification and validation stages towards commercial readiness.

In the Refractories business, during the year the Company developed a new range of Insulating Firebricks (IFB) for iron making applications, tailored to the requirements of global OEMs and furnace designers. These developments enhanced the Company's presence in high temperature zones and supported deeper engagement with technology licensors. Significant contributions to new product development and sales were also achieved through Kiln furniture for Technical ceramics, Refractories for Glass tank furnaces, and consumables for Metallurgical applications.

Innovation efforts during the year included the development of Zirconia based bricks for ultra high temperature service, particularly for Carbon black reactors operating under severe thermal and chemical conditions. These products address demanding applications where performance consistency and extended life are critical.

In the Electrominerals business, a significant milestone was achieved through the full absorption of Solid Oxide Fuel Cells (SOFC)/Solid Oxide Electrolysis Cells (SOEC) powder manufacturing technology, enabling in house production of advanced ceramic powders for energy transition applications. Technology capability was further strengthened through collaboration with CSIR-Central Glass & Ceramic Research Institute (CSIR-CGCRI) and the engagement of domain experts to support scale up, process stabilisation and entry into high value, technology intensive markets.

Benefits derived as a result of the above efforts

The technology development and absorption initiatives of the Company delivered tangible business, capability and sustainability benefits across the business segments.

The Company's focused technology and product development initiatives during the year resulted in a significant expansion of the product portfolio across Bonded, Coated and Super Abrasive segments, including Billet grinding wheels, Gear profiling and honing wheels, Aerospace creep feed wheels, Advanced Zirconia and Ceramic Coated Abrasives, Non Woven polishing solutions and Sintered Diamond tools. These developments enabled entry into premium and niche application segments such as Aerospace engineering, Stainless steel processing, Infrastructure development, Precision finishing, Electrochemical energy systems and Defence applications, while also enhancing value realisation. Product performance and cost competitiveness were further improved through higher grinding ratios, superior material removal rates, enhanced surface finish and longer tool life, achieved by adopting advanced materials, engineered grain spacing, improved bonding systems and optimised manufacturing processes. In parallel, sustainability and resource efficiency objectives were addressed through innovations such as the double sided abrasive fibre disc, which reduces abrasive waste and maximises backing material utilisation, thereby contributing to environmental sustainability. The Company also strengthened its long term technology self reliance by establishing in house competencies in advanced ceramic powders, SOFC/SOEC materials, metallization processes, gel casting and composite armour systems, significantly reducing dependence on external technologies. During the year, the technology and R&D initiatives of the Refractories business strengthened the innovation pipeline, reinforced positioning in differentiated applications, and supported the Company's LTS Aspirations objective of moving up the value chain through engineered, application led solutions.

Imported Technology

During the year under review, the Company absorbed Dronco's specialised bonded abrasives manufacturing know-how/ technology of German origin, imported from Germany through the acquisition of the assets of Dronco. The equipment was installed and commissioned at the Company's facility in India during FY 2025-26 and commercial production commenced in March 2026. The absorption was supported through a structured knowledge transfer programme. The imported technology has been fully absorbed, and the full benefits are expected to accrue progressively from FY 2026-27 onwards, enabling the Company to establish a differentiated bonded abrasives manufacturing capability in India and reduce long-term dependence on external technology sources.

Expenditure on Research and Development

The Company continued to invest in research and development through a combination of capital expenditure and recurring expenses to support product development, process optimisation, testing and validation. Detailed expenditure figures for FY 2025-26 are provided below:

(₹ Million)

Description	2025-26
Capital including CWIP	32.70
Recurring	267.60
Total - A	300.30
Sales - B	30,243.71
Total expenditure as a Percentage of Sales (A/B)	0.99%

FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ Million)

Description	2025-26	2024-25
Foreign Exchange Earnings	9,179	7,691
Foreign Exchange Outgo		
- Revenue	7,803	6,938
- Capital	599	354

On behalf of the Board

Chennai
May 14, 2026

M M Murugappan
Chairman

Annexure F

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1.	Brief outline on CSR policy of the Company	The Company recognises the significance of its sustainable growth, benefitting all stakeholders, including the society in which it operates. CSR is imbibed into Company's values and beliefs and thereby into all business activities several decades even before the compulsory spend was mandated in the Companies Act, 2013. The Company continues to perform its CSR obligations directly through its skill development centre as well as indirectly through contributions to recognised implementing agencies in the field of Education and Healthcare, in addition to pursuing activities for the benefit of the 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. Sujjain S Talwar	Chairman / Independent & Non-Executive Director	3	3
2.	Mr. Muthiah Murugappan	Member / Non-Independent & Non-Executive Director	3	3
3.	Mr. Sridharan Rangarajan	Member / Managing Director	3	3
4.	Mr. P S Raghavan*	Member / Independent & Non-Executive Director	2	2

* Mr. P S Raghavan, ceased to be member of the Committee effective on 24th November 2025 following his demise.

3. Provide the web-link where composition of CSR committee, CSR Policy and projects approved by the Board are disclosed on the website of the Company:

(i) Composition of the CSR Committee: https://www.cumi-murugappa.com/wp-content/uploads/2025/11/committee-composition.pdf

(ii) CSR Policy: https://www.cumi-murugappa.com/wp-content/uploads/2024/02/CSR-Policy-2021.pdf

(iii) CSR Projects: https://www.cumi-murugappa.com/wp-content/uploads/2026/07/CSR%20Projects%202025-26.pdf

4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Though the Company is not required to conduct a formal impact assessment of its CSR projects, the activities which are on an ongoing project continue to be part of its overall CSR programmes only after due assessment is undertaken. The expansion of the skill development centre from Hosur to other locations is a testimony to this effect. The discontinuance of the centre in Ranipet in the last few years is also a result of this need based assessment. 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)	₹4,177.99 million
	(b)	Two percent of average net profit of the Company as per section 135(5)	₹83.56 million (8,35,59,873)
	(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	₹0.15 million (The Committee and the Board considered setting off during the FY 2025-26 ₹0.15 million out of the surplus spends made by the Company in FY 2024-25)
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	₹83.41 million

6.	(a)	Amount spent on CSR Projects (both ongoing Project and other than ongoing Project*):	₹8,37,20,356
		Details of CSR amount spent against ongoing projects for the financial year:	Nil
		*The details of the projects other than ongoing Project are given as annexure	
	(b)	Amount spent in Administrative Overheads:	Nil
	(c)	Amount spent on Impact Assessment, if applicable:	Nil
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	₹83.72 million
	(e)	CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8,38,79,172	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)	8,35,59,873
(ii)	Total amount spent for the Financial Year*	8,38,79,172
(iii)	Excess amount spent for the financial year [(ii)-(i)]**	3,19,299
(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)]	3,19,299

* Includes ₹0.15 million(set-off) from the previous year excess spend made by the Company

** Excess spend set off available from 2024-25 adjusted during 2025-26 is ₹0.15 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- 2023-24	-	-	-	-	-	-	-
2	FY-2- 2022-23	-	-	-	-	-	-	-
3	FY-3- 2021-22	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Office
Nil							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

On behalf of the Board

Sridharan Rangarajan
Managing Director
(DIN: 01814413)

Sujjain Talwar
Chairman-CSR Committee
(DIN: 00201205)

Chennai
May 14, 2026

Annexure to CSR Report

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

Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes / No)	Location of the project State/District	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency. Name/CSR Registration number*
CUMI Centre for Skill Development - Hosur and Kochi	Technical skill training	Yes	Krishnagiri District, Tamil Nadu. Ernakulam District, Kerala.	2,00,20,991	Yes	-
AMM Foundation - AMM Vellayan Chettiyar Higher Secondary School	Education	Yes	Chennai, Tamil Nadu	2,35,15,000	No	AMM Foundation CSR00000050
AMM Foundation - Valliammai Achi Hospital, Kadayalamoodu, Nagercoil	HealthCare	No	Nagercoil, Tamil Nadu	14,85,000	No	AMM Foundation CSR00000050
Rajagiri Outreach Society-ASK Centre, Edapally and Koratty	Community Services	Yes	Kerala	23,91,503	No	Rajagiri Outreach Society CSR00011814
GKNM Trust HospitaL, Coimbatore for Cancer care	Healthcare	No	Coimbatore, Tamil Nadu	35,00,000	No	Kuppuswamy Naidu Charity Trust for Education and Medical Relief CSR00007900
AMM Foundation- TI School, Chennai	Education	Yes	Chennai, Tamil Nadu	142,50,000	No	AMM Foundation CSR00000050
Madras Dyslexia Association, Chennai - Construction of a new building at the Centre of Excellence, R.A. Puram, to support programmes for children with Specific Learning Disabilities and teacher training.	Education	Yes	Chennai, Tamil Nadu	25,04,000	No	Madras Dyslexia Association CSR00000202
Purchase of Medical equipment for the Cachar Cancer Hospital Society	Healthcare	No	Silchar, Assam	30,77,000	No	Cachar Cancer Hospital & Research center CSR00003079
Sponsoring Higher Education for Underprivileged -Sugun Thomas Foundation Chennai	Education	Yes	Chennai, Tamil Nadu	10,00,000	No	Sugun Thomas Foundation CSR00010966.
Rajagiri Outreach Society Construction of multi sports ground	Sports	Yes	Ernakulam, Kerala	69,42,862	No	Rajagiri Outreach Society CSR00011814
The Craft Council of India- Conducting national symposium re-imagining the future of India's craft sector in a climate-constrained world.	Preservation of arts	Yes	Chennai	5,00,000	No	Craft Council of India CSR00007118
Utkarsh Global Foundation- Distribution of eco-friendly kits for attendees and volunteers, for environment summit.	Environmental Protection	No	Karnataka	10,00,000	No	Utkarsh Global Foundation CSR00003183
Purchase of a Vehicle for collecting- municipal waste at Kalamassery Municipality	Sanitation	Yes	Ernakulam, Kerala	35,34,000	Yes	-
	Total			**8,37,20,356**		

Annexure G
Statement of Employees' Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 ("the Act") and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. The details of top ten employees (employed throughout the year) in terms of remuneration drawn during the FY 2025-26 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows (listed in alphabetical order):

Name and Age (years)	Designation/ Nature of duties	Gross remuneration paid (₹)	Qualification & experience (years)	Date of commencement of employment	Previous employment
1	2	3	4	5	6
Ajit Kolhe (51)	Head-IT	1,39,79,849	BE, M Tech (25)	12.02.2024	VIP Industries Limited
Koshy Abraham (60)	Head- Manufacturing Centre of Excellence	1,10,90,894	B Tech, PGDM (35)	05.02.2025	Kutting Edge consulting
Padmanabhan P (58)	Chief Risk Officer and Head-Global taxation	1,20,91,496	B.Com, Grad CWA, ACA, PGDFM (38)	01.07.1994[d]	-
Prathap Kumar (47)	Head- Industrial Ceramics	1,06,89,461	Mechanical Engineering (24)	01.07.2001[d]	-
Raghavendra Pai (58)	Head- Refractories and Prodorite	1,16,45,347	M-Tech, Chemical Engineering (29)	27.06.2005	Schunk Carbon Technology Private Limited
Rekha Surendhiran (48)	Company Secretary	1,11,18,590	B.Com, ACS,PGDFM,MBL (26)	23.08.2013	Cholamandalam MS General Insurance Co. Ltd.
Sivakumaran M V (54)	Head-Electrominerals	1,32,95,368	M.Sc, MBA & M.Tech (29)	01.07.1996[d]	-
Sridharan Rangarajan (60)	Managing Director	4,17,14,762	B Com, ACA, Grad CWA (40)	22.06.2011	CFO, Indian Operations - TIMKEN
Srikanth C (60)	Head - Abrasives	1,67,67,726	MBA, Marketing (40)	06.05.2024	Wendt (India) Limited
Shyam C Raman (63)	Chief Human Resource Officer	2,42,39,209	PGDM, IIM Kolkata (41)	01.07.2024	Cholamandalam MS General Insurance Co. Ltd.

Information as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Employees drawing a remuneration of ₹1.02 crore or above per annum and posted in India, apart from Top ten Employees:

Name and Age (years)	Designation/ Nature of duties	Gross remuneration paid (₹)	Qualification & experience (years)	Date of commencement of employment	Previous employment
1	2	3	4	5	6
Rammohan R (56)	Head- EHS	1,03,19,141	ME Mechanical (28)	05.04.2024	Renault Nissan Automotive Pvt. Ltd.

Details of employees who were employed for part of the year and earning eight lakh and fifty thousand rupees per month apart from the top ten employees:

Name and Age (years)	Designation/ Nature of duties	Gross remuneration paid (₹)	Qualification & experience (years)	Date of commencement of employment	Previous employment
1	2	3	4	5	6
Sushil Kishor Bendale (50)*	Chief Financial Officer	1,33,63,073	B.E., MBA, CMA (26)	25.03.2024	Cummins Generator Technologies Pvt. Limited

* Stepped down as Chief Financial Officer effective 26th September 2025 and the gross remuneration includes full and final settlement, including the retiral/post-retirement benefits.

Notes:

a) Remuneration as shown above includes salary, allowances, Company's contribution to provident, superannuation and gratuity funds, medical facilities and perquisites valued as per income-tax rules and excludes any perquisites arising from exercise of stock options as there is no payout by the Company. During the year, no Options were granted under the Employees Stock Option Scheme, 2007. During the year, eligible employees were granted in aggregate 10,09,140 Options under the Employee Stock Option Plan 2016, of which 746,340 options have been granted under a newly launched sub scheme - Own your Future scheme. 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% 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 2025 to 31st March 2026 and all other particulars are as on 31st March 2026.

f) None of the employees of the Company other than those listed above were in receipt of remuneration for the FY 2025- 26 in excess of one crore and two lakh rupees per year or eight lakh and fifty thousand rupees per month.

B. The details of remuneration during the FY 2025-26 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	14.71
Mr. Sujjain S Talwar	Independent Director	3.93
Ms. Usha Rajeev	Independent Director	2.99
Mr. Sriram Viji	Independent Director	2.56
Amb. DB Venkatesh Varma*	Independent Director	0.27
Mr. Muthiah Murugappan	Non-Independent, Non-Executive Director	2.76
Mr. Sridharan Rangarajan	Managing Director	57.78

*Appointed as an Independent Director effective 4th March 2026

ii. Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary in the financial year:

Name	Designation	% Increase
Mr. M M Murugappan	Chairman	-0.19
Mr. Sujjain S Talwar	Independent Director	21.89
Ms. Usha Rajeev**	Independent Director	-
Mr. Sriram Viji**	Independent Director	-
Amb. DB Venkatesh Varma*	Independent Director	-
Mr. Muthiah Murugappan**	Non-Independent, Non-Executive Director	-
Mr. Sridharan Rangarajan	Managing Director	9.28
Ms. Rekha Surendhiran	Company Secretary	8.54

** Joined the Company during 2024-25, hence not comparable
* Joined the Company during 2025-26, hence not comparable

- The Directors' remuneration comprises commission and sitting fees paid for attending meetings of the Board. The decrease in the remuneration of the Chairman is attributable to a lower number of Board meetings held during the year as compared to the previous year. Consequent to Mr. Sujjain Talwar being nominated on the Board of CUMI International Limited, a material subsidiary of the Company pursuant to Reg.24(1) of Listing Regulation, the Commission payable to him in his non-executive capacity enhanced from ₹15 lakhs to ₹20 lakhs, attributable to the increase in his remuneration in the table above. There is no change in the remuneration structure of the Non Executive Directors during the year.
- Executives Remuneration for the FY 2024-25 and FY 2025-26 have been adjusted duly factoring the LTA availed status.

iii. Percentage increase in the median remuneration of employees in the financial year: 3.02% (employees who were in employment for the whole of FY 2025-26 & whole of FY 2024-25 considered for this purpose in the respective financial years).

iv. Number of permanent employees on the rolls of the Company as on 31st March 2026: 2340

v. The average annual increase in salaries of employees was 8.48%, compared to an increase in managerial remuneration of 13.72%. During the year, there was no increase in commission or sitting fees payable to Non-Executive Directors. The increase in the managerial remuneration is on account of the commission for three Non-Executive Directors for FY 2024-25 was paid for part of the year, whereas they will receive full-year commission in FY 2025-26. Accordingly, there is no significant increase in managerial remuneration vis-à-vis the increase in employees' remuneration.

vi. The Company affirms that the remuneration is in compliance with its Remuneration policy.

On behalf of the Board

Chennai
May 14, 2026

M M Murugappan
Chairman

Annexure H
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

[Pursuant to Regulation 34(2)(f) of Listing Regulations]

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	'Dare House', No.234, N.S.C.Bose Road, Parrys, Chennai - 600001
5.	Corporate address	'Dare House', No.234, N.S.C.Bose Road, Parrys, 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	2025-2026
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	₹190,492,502
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Rekha Surendhiran, Company Secretary, 044-30006141, rekhas@cumi.murugappa.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure in this report is made on a Standalone basis.
14.	Name of assurance provider	TUV India Pvt. Ltd.
15.	Type of assurance obtained	BRSR Core Reasonable Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture of other non-metallic mineral products - Abrasives	Manufacture, Sale, and Marketing of abrasives for various applications including Bonded, Coated & Super Abrasives	41.87%
2.	Electrominerals - Abrasives Grains	Manufacture, Sale, and Marketing of abrasives for various applications including Bonded, Coated & Super Abrasives	25.16%
3.	Refractories & Ceramics	Design and Manufacturing of Refractories, Ceramics, Anti Corrosives and Polymers	32.97%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Abrasives	23993	41.87%
2.	Electrominerals	0729	25.16%
3.	Refractories & Ceramics	23939	32.97%

III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	22	10	32
International	Nil	Nil	Nil

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	23 States and 4 Union territories
International (No. of Countries)	67 countries

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

31%

c. A brief on types of customers

Carborundum Universal Limited (CUMI) is a diversified materials science company. CUMI makes Abrasives, Fused minerals, Refractories, and Technical ceramics for application in a variety of industries including Automotive & Auto-Component OEMs, Construction, Fabrication, General Engineering, Bearings, Heavy engineering, Railways, Iron & steel, Non-ferrous, Glass, Cement, Chemicals & Petrochemicals Industry, Metals & Mining, Refractories, Material Handling, Fuel Cells, Power Transmission & Distribution. The Company serves both retail and industrial customers through multiple channels across India. The multiple channels include distributors, direct sales, and digital marketing.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1075	973	91%	102	9%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	1075	973	91%	102	9%
WORKERS						
4.	Permanent (F)	1265	1241	98%	24	2%
5.	Other than Permanent (G)	3744	3226	86%	518	14%
6.	**Total workers (F + G)**	5009	4467	89%	542	11%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	2	67%	1	33%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	3	2	67%	1	33%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	1	100%	0	0%
5.	Other than Permanent (G)	1	1	100%	0	0%
6.	**Total differently abled workers (F + G)**	2	2	100%	0	0%

*Compared to previous year one permanent employee retired during the year.

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	1	14
Key Management Personnel	1	1	100

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.4	9.0	15.7	10.4	12.2	10.6	11.34	7.64	11.04
Permanent Workers	7.25	12.7	7.4	5.4	4.7	5.4	4.18	6.25	4.21

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

23. (a) Names of holding / subsidiary / 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	74.06	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 Awuko Abrasives GmbH	Subsidiary	100	No
13	Rhodius Abrasives GmbH	Subsidiary	100	No
14	Pluss Advanced Technologies B.V., Netherlands	Subsidiary	74.06	No
15	Rhodius Nederland B.V	Subsidiary	100	No
16	Rhodius France S.A.R.L.	Subsidiary	100	No
17	Rhodius Korea Inc.	Subsidiary	100	No
18	Rhodius South America Ltd	Subsidiary	100	No
19	CUMI USA Inc.	Subsidiary	100	No
20	Silicon Carbide Products LLC	Subsidiary	100	No
21	Ciria India Limited	JV	30	No
22	Wendt (India) Limited	Associate	37.5	No
23	Murugappa Morgan Thermal Ceramics Limited	JV	49	No

VI. CSR Details

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

Yes, CSR applies to the entity.

(ii) **Turnover (in ₹)** - 30,625 Million

(iii) **Net worth (in ₹)** - 29,096 Million

VII. Transparency and Disclosures Compliances

25. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):**

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 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0	
Investors (other than shareholders)	Yes	0	0		0	0	
Shareholders**	Yes	3	0		5	0	
Employees and workers	Yes	1	0		1	0	
Customers	Yes	1146	24*		1,117	4	
Value Chain Partners	Yes	0	0		0	0	
Other (please specify)							

* Complaints are pending due to ongoing discussions with the customer(s) for additional information.

** Refer Corporate Governance report for nature of the shareholder complaints.

The stakeholders can use the grievance redressal policy to raise complaints. All the complaints shall be addressed in line with the grievance redressal mechanism. Refer to the grievance redressal policy using the link below:

https://www.cumi-murugappa.com/wp-content/uploads/2024/04/Stakeholder-Grievance-Redressal-Policy-.pdf

26. **Overview of the entity's material responsible business conduct issues:**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate change and decarbonisation transition	Risk & Opportunity	CUMI's operations with dependency on energy intensive manufacturing processes, making the Organisation exposed to climate transition risks such as energy cost volatility, global energy crisis and stakeholder expectations on decarbonisation. However, transition towards renewable energy and low-carbon energy presents opportunities for efficiency gains and competitive advantage.	The Company focuses on reducing its carbon footprint through increased adoption of renewable energy, low carbon fuels, process optimisation, improving its energy efficiency and resource-efficient manufacturing. It also integrates climate considerations into business strategy and operational planning.	Negative/ 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)
2.	Resource efficiency and environmental risk	Risk & Opportunity	As a materials manufacturing company, CUMI has environmental aspects related to emissions, water usage, and waste generation. However, improved resource efficiency aligns with the Company's sustainability commitments for a long-term opportunity and cost competitiveness. Non-compliance related to emissions, effluents, or waste management can lead to penalties, operational disruptions, and reputational risks.	The Company optimising resource utilisation, minimising resource depletion, and reducing and repurposing waste. Environmental management systems & energy management systems enable tracking the effective utilisation of resources. The Company maintains structured environmental governance systems, ensures compliance with applicable laws, and regulatory adherence.	Negative/ Positive
3	Sustainable sourcing	Risk & Opportunity	CUMI sources raw materials globally, including minerals and industrial inputs. Environmental performance of suppliers can impact the Company's ESG profile and compliance with BRSR requirements. Strengthening sustainability across the value chain presents both risk (non-compliance) and opportunity (resilient supply chain).	The Company integrates sustainability principles into sourcing practices, promotes responsible sourcing via its sustainable sourcing policy and supplier code of conduct. It enhances ESG transparency across the value chain through supplier awareness, and assessments.	Negative/ Positive
4	Employee turnover and skills	Risk	Elevated turnover rates have a cascading impact on the Organisation, driving higher recruitment and training costs, eroding critical institutional knowledge, and adversely affecting productivity and employee morale. This risk is magnified by the Company's presence in a highly competitive industry, where access to skilled talent is a key enabler of innovation, customer responsiveness, and sustainable growth. Possibility of skill shortages that constrain growth and place the Company at a competitive disadvantage.	The Company invests in structured training and development programs to strengthen employee capabilities and support continuous skill enhancement. These initiatives enable employees to pursue career progression while simultaneously contributing to the achievement of Organisational objectives. A comprehensive range of HR practices and initiatives is embedded across the employee lifecycle, including performance-based rewards and recognition mechanisms designed to drive accountability, motivation, and high performance. Employee capability development is further supported through targeted job rotation, role-based training, and regular employee engagement initiatives CUMI Champions League (CCL). In addition, the Company supports employees' long-term development through sponsorship of higher education programs through partnerships with premier institutes.	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)
5	Data Security & Privacy	Risk	The Company recognises that a data security breach could have far-reaching consequences, including reputational harm, financial losses, and regulatory or legal sanctions. Accordingly, data security represents both a critical risk area and a strategic opportunity. Effective management of this risk is essential to safeguarding stakeholder trust, ensuring compliance with applicable laws and regulations, and maintaining business continuity. At the same time, robust data protection practices can enhance the Company's competitive positioning by strengthening customer confidence and supporting the secure adoption of digital initiatives.	The Company has strengthened its risk mitigation approach by updating its policies to incorporate emerging technologies, including artificial intelligence, and by implementing a comprehensive set of controls. These include periodic cybersecurity assessments, enhanced data security policies and procedures, and ongoing employee training and awareness initiatives to reduce the likelihood and impact of data security risks. In particular, the Company conducts regular training and awareness programs to ensure employees are well-informed on data privacy best practices. These programs cover key areas such as the proper handling of sensitive information, identification of phishing attempts, and escalation procedures for reporting suspicious activity. In addition, the Company reinforces awareness through periodic assessments and random testing to evaluate employee preparedness and the effectiveness of training initiatives.	Negative
6	Occupational Health and Safety	Risk & Opportunity	Strong safety culture leads to high employee morale and motivation. Lack of it can lead to accidents and injuries.	The Company is committed to proactively mitigating health and safety risks and fostering a strong safety culture across its operations. To achieve this, several strategic initiatives have been implemented, focusing on prevention, risk management, and continuous improvement. These include: • **Implementation of Behaviour-Based Safety (BBS)** programs at manufacturing sites to promote safe practices and strengthen employee accountability. • **Enhancement of machinery safety** through a comprehensive 360-degree guarding initiative to minimise mechanical hazards. • **Integration of EHS requirements** in the planning, installation, and commissioning of new equipment and facilities to ensure safety by design. • **Conducting Process Risk Assessments (PRA)** to systematically identify and mitigate risks associated with existing process equipment and infrastructure. • **Establishment of structured controls for high-risk operations**, including Permit-to-Work systems and Lockout/Tagout (LOTO) procedures. • **Work environment monitoring** to assess potential occupational health impacts and ensure compliance with applicable standards. These initiatives collectively reinforce the Company's commitment to safeguarding employee health and safety while driving operational excellence.	Negative / Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management process									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.cumi-murugappa.com/policies-disclosure/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y*	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.			ISO 45001, SA 8000 (IC division)		SA 8000 (IC division)	ISO 14001 & ISO 50001			

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

The Company has already published its intermediate targets for 2030 as below:

Parameter	2030 Target (FY24-25 as baseline)
GHG emission intensity reduction	25%
Water intensity reduction	20%
Waste intensity reduction	25%
Renewable energy	50%

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

The Company's performance against its 2030 targets are as below:

Parameter	FY25-26 Actuals
GHG emission intensity reduction	11%
Water intensity reduction	2%
Waste intensity reduction	15%
Renewable energy	28%

The performance is on track, and the projects are as per plan.

Governance, leadership and oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The Company remains committed to embedding sustainability and responsible business practices across its operations. In response to evolving market conditions and increasing stakeholder expectations, ESG considerations continue to be integrated into the Company's long term strategic planning and decision making. Beyond financial performance, the Company continues to discharge its social responsibilities through focused CSR initiatives in the areas of education, healthcare and skill development, contributing positively to the communities surrounding its operations and reinforcing its commitment to inclusive growth. Environmental stewardship remains a key priority. While ensuring full compliance with applicable regulations through a robust compliance framework, the dedicated Environment, Health and Safety (EHS) function, in collaboration with business and functional teams, continues to drive sustainability initiatives and operational improvements. Aligned with its sustainability 2030 roadmap, the Company remains focused on reducing energy, greenhouse gas emission, water and waste intensity, while progressively increasing the share of renewable energy in its electricity consumption. In the area of education, the Company benefitted students through initiatives aimed at improving access to quality education, sponsorship to the college students and supporting school infrastructure development for an enhanced learning environment. In the area of healthcare, the Company supported beneficiaries through assistance for critical surgical procedures and the provision of essential medical equipment, thereby contributing to the strengthening of healthcare delivery systems. The Company's skill development initiatives benefitted individuals through structured technical training and capacity building programs. In addition, women were empowered through focused initiatives designed to enhance self-reliance and improve livelihood opportunities Further, the Company contributed to the development of a multipurpose ground for the benefit of the public, aimed at promoting organised and informal sports, physical fitness, and community wellbeing. The conscious focused improvement in the employee engagement initiatives like CUMI Champions League (CCL) will ensure the Company being a preferred place to work for our employees whom we consider to be one of the most important stakeholders. The consistent recognitions the Company has been achieving for its Environmental initiatives, governance framework and sustainable practices is a testimony to the significance the organisation places on this important pillar of the ESG. However, we remain committed to enhancing this benchmark with and beyond the evolving standards.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Sridharan Rangarajan Designation: Managing Director
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Mr. Sridharan Rangarajan, Managing Director, continues to be the designated Director providing leadership and oversight for ESG initiatives within the Companies sustainability policy. To support the effective implementation of its ESG agenda, the Company has constituted an internal ESG Committee. This cross functional forum comprises representatives from key businesses and functions and is responsible for institutionalising ESG processes, monitoring progress, and driving delivery against defined objectives and strategies. In addition, the Environment, Health and Safety (EHS) function, established during the previous year, has since been strengthened with a dedicated team. This function plays a central role in enabling continuous improvement by embedding EHS and ESG considerations into operations, enhancing governance mechanisms, and supporting consistent execution of sustainability initiatives across the organisation.

Y* - The Company encourages the value chain partners also to embrace all the principles and incorporate sustainable business practices. The Company's Environmental, Health and Safety practices, Labour and Human Rights, Ethical Business Practices, and Transparency policies apply to the value chain partners.

[#]Certain policies of the Company are only available to internal stakeholders, employees and workers.

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q

Note: As part of a regular process, the department heads, business leaders, functional heads and senior management staff review the Company's policies to ensure their continued relevance and effectiveness. Any necessary adjustments to the policies and processes are made during this assessment, and the policies are presented to the Board of Directors as needed. The Company ensure adherence to applicable regulations and have established a compliance management system to this effect.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, Environment, Health and Safety Policy, is externally evaluated by certification body across all its manufacturing facilities. Also, the energy policy in its two verticals of businesses. Manufacturing facilities have also obtained certifications under various international standards, including ISO 14001, ISO 45001 and ISO 50001. SA8000 certification is obtained for one of its business vertical. The Company has also taken up BRSR core reasonable assurance audit by TUV India Pvt. Ltd. for FY26. The Company has established a robust internal mechanism to ensure compliance with standards and laws. This mechanism includes site-level audits by internal and external persons. Policies are periodically reviewed and updated by concerned departments and is approved by the management / Committees of the Board or the Board itself, as applicable.								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	8	Business plan, Code of Conduct, Governance and Regulatory compliance, Risk Management, Industry Outlook, Code of Conduct, Conflict of Interest, Long term strategy, etc.	100%
Key Managerial Personnel	9	Anti-Corruption Practices, Business Plan and Long-term Strategy, Code of Conduct, Conflict of Interest, Prevention of Sexual Harassment (POSH) Policy, Data protection and Data privacy Act, Regulatory changes, and Risk Assessment, Sanctions Awareness, Data Protection and Data Privacy, Competition Law, Insider trading	100%
Employees	61	Anti-Corruption Practices, Code of Conduct, Health and Safety, sustainability/ESG, Ethics and Integrity, Prevention of Sexual Harassment (POSH) Policy, Safe Workplace Practices and Whistle-blower Policy. Value workshops on Personal Values, Social Responsibility, Environment Conservation Practices.	75%
Workers	75	Anti-Corruption Practices, Code of Conduct, Diversity Policy, Environmental sustainability, Health and Safety Policy, Ethics and Integrity, Prevention of Sexual Harassment (POSH) Policy, Safe Workplace Practices, and Whistle-blower Policy.	53%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

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

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

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policies.**

Yes, the Company has an anti-corruption / anti-bribery policy. The Company strictly prohibits its employees from engaging in any form of bribery and corruption in any business dealings. The anti-corruption and anti-bribery policy, prohibit employees from making any payments, directly or indirectly to any employees or individuals or entity in exchange for business or any other favourable action. The policy is also incorporated as part of contractual agreements with its vendors and suppliers etc. In addition, all the employees of the Company are required to adhere to the Company's code of conduct and confirm the same annually.

https://www.cumi-murugappa.com/wp-content/uploads/2024/04/Anti-Bribery-and-Anti-Corruption-Policy.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

No corrective actions was taken since no issues related to fines/penalties/actions were taken by the regulators/law enforcement agencies/judicial institutions in case of corruption and conflict of interest during the financial year.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2025-26	FY 2024-25
Number of days of accounts payables	33 days	31 days

*Prior year data is recalibrated for consistency with the current year's presentation.

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	31.6%	14%
	b. Number of trading houses where purchases are made from	130	105
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	79.8%	65.8%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	35.0%	39.7%
	b. Number of dealers / distributors to whom sales are made	818	874
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	24.2%	22.2%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.0%	8.2%
	b. Sales (Sales to related parties / Total Sales)	6.9%	8.9%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	0	100%

#The Company has considered the following definition for a Trading house. A trading house (trader) is an entity that specialises in facilitating trade between manufacturers and customers across different regions and countries. The Company has considered raw materials purchased from traders within India and globally for completing the details of the above table. Also, the raw materials purchased from related parties are used for quantification in the RPT Section of the above table.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	P1, P2, P3, P4, P6, P8	76%

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.

The Company has in place a Code of Conduct applicable to its Board of Directors and Senior Management, which includes clear provisions for the identification, disclosure and management of actual or potential conflicts of interest.

Annual declarations are obtained from Directors and Senior Management regarding their interests in other entities. The Company ensures that all related-party or conflict-linked transactions, where applicable, are undertaken only after obtaining requisite approvals in compliance with applicable laws, regulations and internal governance standards.

PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	6.04%	3.02%	-
Capex	10.0%	24.9%	• Investment in Solar Group captive power plant • Sewage treatment facility upgradation & new Sludge dewatering screw press. • Improving Kiln refractories to reduce heat loss by waste heat recovery. • Air cooled inverter chiller system.

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

Yes, CUMI has established procedures for sustainable sourcing through its Sustainable Sourcing Policy and Supplier Code of Conduct. The framework integrates environmental, social, and governance (ESG) criteria into supplier selection, evaluation, and monitoring processes. Suppliers are required to adhere to environmental, health & safety, ethical, and responsible sourcing standards, including traceability and compliance with applicable laws. ESG due diligence, supplier assessments, and continuous monitoring mechanisms are implemented to ensure alignment across the value chain.

b. If yes, what percentage of inputs were sourced sustainably?

We mandate that all suppliers, vendors, contractors, consultants, agents, and other service providers adhere to its provisions. Our sustainable sourcing procedures promotes compliance with government regulations and standards. Furthermore, our vendor agreements explicitly include human rights requirements, and we encourage suppliers to maintain safe and inclusive workplaces.

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.

(a) Plastics (including packaging)

The Company's product profile is majorly attributed to Abrasives, electro minerals, refractories and ceramics in which there is usage of plastics majorly for its packing material. The Company being a responsible entity complies the recycling and end-of-life requirements via EPR obligations set by the Central Pollution Control board.

(b) E-waste

There is a business vertical which manufactures power tools which would generate E-waste at the end of its life. The Company being a responsible entity complies the end-of-life requirements via EPR obligations set by the Central Pollution Control board.

(c) Hazardous waste

Most of the Company's products before and after use do not contribute to the Hazardous waste. However, the usage of Prodorite leads to the generation of hazardous chemicals. The customers are informed about safety aspects related to its handling and management by providing the Material Safety Data Sheet (MSDS) along with the product.

(d) other waste

Not applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR for plastic as a brand owner and e-waste as a producer applies to the Company. Yes, the waste collection plan is in line with the EPR plan submitted to the Pollution Control Board. Refer to the leadership indicator Question 4, on the EPR plan and the Company's progress toward achieving the target.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Yes

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.
0729	Electrominerals (White fused alumina, Brown fused alumina, Silicon carbide)	22.8%	Gate to Gate	Yes	No

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
Electrominerals (White fused alumina, Brown fused alumina, Silicon carbide)	Global warming potential - carbon footprint	Increased the share of renewable energy in the specific manufacturing processes to 22%, further enhancement work is in progress.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Ceramic scrap and sludge	0.84%	1.17%
Refractory wastes	0.05%	0.08%
Abrasive grains	0.34%	0.24%
Other internal reclaims	0.26%	0.24%
External sourced material for refractories	7.03%	6.60%

The above table was quantified based on recycled input material and total material used in production based on the quantity of materials used in production in tonnes. Since most recycled inputs are generated in-house from various divisions and reused within the Company, a financial value has not been attributed.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	662 MT	806 MT	Nil	288 MT	589 MT
E-waste	Nil	87.5 MT	Nil	Nil	42 MT	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

The Company has achieved its E-waste EPR target and is aligned with achieving the EPR target for plastic waste based on its commitment to the Central Pollution Control Board (CPCB), India for the financial year 2025-26.

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic packaging	100%
E waste	100%

PRINCIPLE 3: Business should respect and promote the well-being of all employees, including those in their value chain

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	973	973	100%	973	100%	NA	-	100%	100%	973	100%
Female	102	102	100%	102	100%	102	100%	-	100%	102	100%
Total	1075	1075	100%	1075	100%	102	9%	91%	100%	1075	100%
Other than Permanent Employees											
Male											
Female						NA					
Total											

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

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	1241	1241	100%	1241	100%	NA	-	1241	100%	1241	100%
Female	24	24	100%	24	100%	24	100%	NA	-	24	100%
Total	1265	1265	100%	1265	100%	24	2%	1241	98%	1265	100%
Other than Permanent Workers											
Male	3226	3226	100%	3226	100%	NA	-	-	-	3226	100%
Female	518	518	100%	518	100%	518	100%	NA	-	518	100%
Total	3744	3744	100%	3744	100%	518	14%	-	-	3744	100%

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format :**

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.44%	0.44%

2. **Details of retirement benefits, for Current FY and Previous Financial Year**

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI#	100% (eligible employees)	100%	Y	100% (eligible employees)	100%	Y
Others - please specify	NA					

As per ESI Act,100% eligible employees has been covered for the benefits.

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 establishments are accessible to the differently abled people, and we are continuously working towards improving infrastructure for eliminating barriers to accessibility.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. The Company is committed to an Equal Opportunity Policy that prohibits discrimination of any kind. This commitment is embedded across all aspects of the employment lifecycle, including recruitment, training, compensation, working conditions, transfers, benefits, and career progression.

All employment related decisions are made solely on the basis of merit and job related criteria, without regard to gender, caste, community, religion, age, disability, sexual orientation, or any other personal characteristic. The Company promotes an inclusive and equitable work environment and ensures equal access to opportunities for all qualified individuals.

The Company also expects its employees, contractors, subcontractors, vendors, suppliers, and business partners to uphold these principles and refrain from any discriminatory practices, thereby ensuring alignment with the Company's commitment to responsible and ethical business conduct.

Please access to the equal opportunity policy through the below link.

https://www.cumi-murugappa.com/wp-content/uploads/2024/04/Equal-Employment-Opportunity-Policy.pdf

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

Gender	Permanent employees		Permanent workers	
	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	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes
Other than Permanent Workers	Yes

All the complaints are addressed as per the Grievance Handling Mechanism mentioned in the Grievance Redressal Policy.

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

Category	FY 2025-26			FY 2024-25		
	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	1075	0	0%	1088	0	0%
- Male	973	0	0%	990	0	0%
- Female	102	0	0%	98	0	0%
Total Permanent Workers	1265	552	44%	1292	570	44%
- Male	1241	552	44%	1269	570	45%
- Female	24	0	0%	23	0	0%

8. **Details of training given to employees and workers:**

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	973	517	53%	816	84%	990	476	48%	537	54%
Female	102	45	44%	88	86%	98	64	65%	87	89%
Total	1075	562	52%	904	84%	1088	540	50%	624	57%
Workers										
Male	4467	3195	72%	1850	41%	4536	2487	55%	2158	48%
Female	542	188	35%	171	32%	467	364	78%	115	25%
Total	5009	3383	67%	2021	40%	5003	2851	57%	2273	45%

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	973	887	91%	990	809	81.72%
Female	102	71	70%	98	68	69.39%
Total	1075	958	89%	1088	877	80.61%
Workers						
Male	1241	523	42%	1269	527	41.53%
Female	24	21	88%	23	18	78.26%
Total	1265	544	43%	1292	545	42.18%

#While performance and career development reviews and discussions are held every year for permanent employees and permanent workers, the above table depicts the actual number of employees and workers eligible for annual appraisal reviews.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. Safety is a core value and the highest priority at Carborundum Universal Limited (CUMI). We are committed to a "ZERO HARM" vision, encompassing zero accidents, zero injuries, and zero occupational illnesses.

- **Strategic Framework:** CUMI has implemented the CUMI Environment, Health and Safety Excellence Model, a structured risk-based system anchored on two core pillars: Safe Behaviour and Safe Conditions.
- **ISO Alignment:** Our manufacturing facilities operate under an ISO 45001:2018-aligned Occupational Health and Safety Management System (OHSMS).
- **Governance:** Corporate EHS function provides a clear mandate across all business units. Accountability is tiered from the Board of Directors (policy approval/performance review) down to Managing Directors and BU/Plant Heads, whose variable compensation is directly linked to the achievement of EHS KPIs.
- **Health & Safety Excellence:** CUMI utilises a standardised Excellence Assessment framework that evaluates 10 core elements of Health & Safety across 75 key requirements. Plants are rated on a 1-to-5-star scale.

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

CUMI employs a multi-faceted, proactive approach to hazard identification and risk mitigation across all operations:

- Routine Hazard Identification:
  - **HIRA :** We conduct systematic Hazard Identification and Risk Assessment (HIRA) for all activities.
  - **Inspections and Audits:** Routine, focused inspections target critical risks including Machinery, Fall Hazards, Electrical Safety, and Material Handling.
  - **Behaviour-Based Safety (BBS):** A cornerstone of our culture, BBS involves line managers conducting regular floor observations to appreciate safe behaviors and intervene in at-risk behaviors.
- Non-Routine Hazard Identification and Risk Assessment:
  - **Permit-to-Work:** Structured controls and revised work permit systems are implemented for high-risk, non-routine tasks.
  - **PRA:** Process Risk Assessments (PRA) specifically for process equipment to identify process safety concerns.
  - **Work Environment Monitoring (WEM):** We periodically conduct 3rd party WEM to identify the health hazards such as noise, dust, and Volatile Organic Compounds (VOCs) comparing against international standards.

- o **EHS Change Management:** A rigorous EHS Clearance process is mandatory for introducing new equipment or modifying existing facilities to address hazards at the design stage.

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

Yes. CUMI has established clear, transparent mechanisms to empower workers in maintaining a safe environment:

- **Digital Reporting**: Employees and workers can report unsafe acts, conditions, and near-misses in real-time through the CUMI Connect App and directly to their supervisors.
- **Internal Committees**: Safety and Worker committees serve as formal forums for hazard reporting.
- **Near-Miss Culture**: Near-miss reporting is actively encouraged by the Chairman and Board as a leading safety indicator to identify systemic gaps before incidents occur.
- **Contractor Inclusion**: Periodical Contractors Safety meeting is being conducted to report their safety hazards.

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

Yes. CUMI provides access to comprehensive medical and healthcare services beyond occupational requirements:

- **On-site Support**: Occupational Health Centres (OHCs) are maintained at manufacturing sites to provide immediate medical assistance.
- **Wellness Initiatives**: Under the CUMI VITAL framework, we offer programs like the 12-Week Fitness Journey and the 21-Day Mind Reset Challenge

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	1.10
	Workers	0.80	0.88
Total recordable work-related injuries	Employees	0	3
	Workers	10	11
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

Carborundum Universal Limited (CUMI) is dedicated to fostering a resilient safety ecosystem through the **CUMI Environment, Health and Safety Excellence Model**. Our approach integrates engineering controls, digital transformation, and leadership accountability to move toward a **proactive safety** culture.

Key Safety Approaches & Strategic Initiatives

1. **Engineering & Technical Risk Reduction (Safe Conditions)**

CUMI has implemented a tiered risk-reduction strategy focusing on the physical workplace:

- **360-Degree Machine Guarding**: In FY26, comprehensive program to minimise machinery hazards. FY27, Machine interlock and sensor upgradation planned.
- **LOTO**: Implementation of Lockout-Tagout (LOTO) procedures across energy sources (Electrical, Pneumatic, Hydraulic) to prevent accidental energisation during maintenance. This includes the large-scale installation of Earth Leakage Circuit Breaker (ELCB)/ Residual Current Circuit Breaker (RCCB) devices for electrical shock protection across all plants.
- **Electrical Safety & LOTO**: Implementation of Lockout-Tagout (LOTO) procedures across energy sources (Electrical, Pneumatic, Hydraulic) to prevent accidental energisation during maintenance. This includes the large-scale installation of Earth Leakage Circuit Breaker (ELCB)/ Residual Current Circuit Breaker (RCCB) devices for electrical shock protection across all plants.

- **Fall Hazard Protection**: Primary focus is on Installation of roof lifeline systems and skylight guards. As a next step, We will be focusing on Ladders and Platforms.
- **Process Safety Management**: Conducting structured Process Risk Assessments (PRA) to identify critical failures, leading to the installation of pressure switches, venting systems, and gas detectors.

2. **Behavioral Safety & Culture (Safe Behaviour)**

- **Behaviour-Based Safety (BBS)**: CUMI's cornerstone program that bridges the gap between line management and workers. Safe behavior trend showed significant improvement in FY 26.
- **Recognition & Motivation**: Leadership utilises "Thank You" cards and safety certificates to reinforce positive behavior observed during BBS walks.
- **Green Entry Concept**: Introduced as a symbolic and physical gateway at manufacturing facilities to ensure safety is the primary thought for every employee and visitor entering the site.

3. **Occupational Health & Environment Monitoring**

- **Work Environment Monitoring (WEM)**: Monitoring noise, dust, and Volatile Organic Compounds (VOCs) against internal benchmarks.
- **Chemical Safety Management**: Strategies include segregating chemicals based on compatibility, improving visual MSDS displays, and providing emergency eye-wash/shower stations.

4. **Digital Interventions & Technology**

- **Safety Portal & Analytics**: Transitioned BBS observations and incident reporting to digital software tools for real-time trend analysis.
- **Material Handling Innovation**: FY 27 initiatives include introducing Anti-Collision sensors and hazard lighting systems on forklifts to prevent vehicular incidents.

5. **Excellence Assessments & Governance**

- **EHS Excellence Assessment**: A multi-tiered review process where plants are audited against 75 key requirements. Average plant ratings improved to calculative levels in FY 26.
- **Leadership Accountability**: Periodical EHS reviews are conducted by the Managing Director, BU Heads, and Plant Heads, with safety performance tied to senior management compensation.

6. **Contractor Safety**

- **Pre-Assessment & Rating**: Mandatory EHS pre-assessments are carried out to ensure contractor competency before onboarding.
- **Engagement**: Periodical contractor safety meetings are held to improve communication and provide feedback on safety violations.

7. **Training & Competence**

- **Systematic Training**: Annual training calendars are developed based on a Training Need Assessment (TNA) covering all categories of the employees.

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaints reported	0	0	No complaints reported
Health & Safety	0	0	No complaints reported	0	0	No complaints reported

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

At Carborundum Universal Limited (CUMI), we utilise a structured approach to translate findings from our **EHS Excellence Assessments** into strategic actions aimed at achieving our "ZERO HARM" vision.

A. Incident Investigation & Learning

- **Systemic Analysis**: We conduct detailed Root Cause Analysis (RCA) for all incidents to identify and rectify underlying systemic gaps.
- **Knowledge Sharing**: Safety alerts and key learnings from incidents are horizontally deployed across all business units to ensure uniform risk mitigation and prevent recurrence.

B. Corrective Actions for Technical & Physical Risks

- **Engineering Controls**: We have enhanced machine safety through the phased implementation of 360-degree **guarding** and the systematic upgradation of safety interlocks.
- **Infrastructure Safety**: Fall protection has been strengthened by installing roof lifeline systems and skylight guards across critical manufacturing sites.
- **Hazard Prevention**: Electrical risks are addressed through established Lockout-Tagout (LOTO) procedures and the installation of electrical shock protection devices across all plants.
- **Process Integrity**: Findings from Process Risk Assessments (PRA) have led to the installation of advanced safety hardware, including pressure switches, vents, and gas detectors.

C. Behavioral and Health Improvements

- **Culture Transformation**: Our Behaviour-Based Safety (BBS) program empowers line management to intervene in at-risk behaviors and reinforce positive safety mindsets on the shop floor.
- **Occupational Health**: We have targeted health hazards such as dust and Volatile Organic Compounds (VOCs) for engineering improvements, including enhanced ventilation and the deployment of continuous monitoring stations.
- **Digitalisation**: Safety management has been modernised through digital tools for incident reporting and real-time tracking of corrective actions.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No).

In the unfortunate event of a permanent employee's or permanent worker’s demise, the Company provides comprehensive compensatory benefits to the bereaved family members.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Business agreements, as applicable, are entered with the value chain partners covering clauses relating to deduction, deposit, and payment of statutory dues.

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	1	0	1

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)**

   As part of its commitment to employee well-being and life-cycle support, the Company conducted a pre-retirement workshop in collaboration with external experts, delivered in two batches across Chennai and Hosur.

   The program was designed to holistically prepare employees for a smooth transition into retirement, with a focus on three key pillars: comprehensive financial planning, mental and emotional well-being, and the adoption of a healthy and sustainable lifestyle. These components aim to equip employees with the knowledge and confidence needed to navigate their post-retirement phase effectively.

   A total of 20 employees, along with their spouses, participated in the workshop, reflecting the Company's commitment to supporting both employees and their families during significant life transitions.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	2.4% of the total suppliers were assessed in FY 25-26.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   No serious risks or concerns were observed during the financial year.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   With a legacy of over seven decades, the Company has continually adapted its business practices to align with evolving stakeholder expectations and external environments. The identification of key stakeholder groups is undertaken through a structured and systematic process that includes internal assessments, peer benchmarking, and comprehensive evaluations of individuals and entities that influence, or are impacted by, the Company's operations and strategic objectives.

   This process considers factors such as the nature of the relationship, the level of influence on business outcomes, the degree of dependency, and the relevance of stakeholders to the Company's long term sustainability and value creation. Based on this assessment, individuals or entities that have a direct or significant association with the Company's operations are classified as core stakeholders.

   Accordingly, the Company's key stakeholder groups include employees, shareholders and investors, customers, channel and strategic partners, suppliers, regulators, lenders, research analysts, communities, non governmental organisations, and other relevant stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	• Annual General Meeting, • Shareholder/Investor meets, • Email, • In person communication at office • RTA mechanism • Stock Exchange (SE) intimations, Investor/analysts meet/conference calls, annual report, quarterly results, Publications, media releases, Company/ SE website etc.	Annual/ Quarterly/ Ongoing	Share price appreciation, dividends, Profitability and financial stability, Robust governance growth prospects and shareholder value creation besides servicing them for their shareholding related requirements.
Employees	No	• Senior leader's communication • periodic communication meetings, goal setting, and performance appraisal meetings, • exit interviews, • arbitration/union meetings, • wellness initiatives • engagement surveys, • email, intranet, flat screens, websites, • poster campaigns, in-house magazines, circulars, quarterly publications and newsletters etc. • focussed/ function-based trainings, workshops, conferences.	Quarterly/ Ongoing	Operational efficiencies, improvement areas, long-term strategy plans, ESG goals, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives, women empowerment and leadership programmes.
Customers	No	• Website, • Distributor/retailer/direct customer/achievers meet • senior leader customer meets/visits, customer plant visits, customer audits, • Key account management, trade body membership, • Exhibitions, complaints management, help desk, plans, customer surveys etc. • Fulfilling Compliance requirements	Ongoing	Product quality and availability, responsiveness to needs, after sales service, responsible guidelines/ manufacturing, customisation, alignment with the mission/vision/ goals of the Company.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers/ Partners	No	• Prequalification/vetting/ introduction/ communication and the partnership meets, plant visits • MoU/SLA and framework agreements • trade association meets/ seminars, professional networks • contract management/review, product workshops/on-site presentations, and satisfaction surveys.	Ongoing	Quality, timely delivery and payments, (Sustainability/ ESG, safety checks, compliances, ethical behaviour), ISO and OHSMS standards, collaboration and opportunities, effective supply chain management.
Government (MCA, SEBI, PCB, Ministry of Labour and Employment)	No	• Representative meetings / advocacy meetings with local state/national government and ministries, seminars, media releases, conferences, and membership with industry bodies (CII, SICCI etc).	Ongoing	Changes in regulatory frameworks, skill and capacity building, employment, environmental measures, policy advocacy, timely contribution to exchequer/ local infrastructure, proactive engagement.
Communities	No	• Meets (of community/local authority and town council/ committee/location head), community visits and project partnerships with local charities, volunteerism, seminars/ conferences.	Ongoing	The Company has consulted with the community to establish various CSR programs such as Social welfare activities, Waste management, integrated water management, clean water, climate change impacts, community development, self-sustainability, livelihood support, and disaster relief.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company has established a structured approach to stakeholder engagement, wherein specific Organisational functions are entrusted with the responsibility of interacting with designated stakeholder groups. Key observations, concerns, and inputs arising from these engagements are periodically escalated to the Board. The Board reviews stakeholder-related matters at least on a quarterly basis through interactions with the Managing Director and senior leadership representing the respective functions. This framework enables the Board to maintain effective oversight of stakeholder expectations and to guide Management on appropriate responses. An outline of stakeholder engagement topics discussed is presented below:

   - **Investors:**

     The Company conducts quarterly earnings calls after the release of its financial results, in addition to periodic meetings and calls with investors and analysts. These interactions offer a structured platform for dialogue between the investor community and Management on business performance and strategic priorities. Further, the Annual Report provides comprehensive insights into the Company's businesses, key external developments, and its ESG objectives. Investor-related feedback and observations are presented to the Board during discussions on the Business Responsibility and Sustainability Report (BRSR).

- **Leadership and Employees:**

  Engagement with employees and the leadership team primarily relates to the execution of ESG and sustainability initiatives. Regular consultations focus on progress updates, awareness-building, and encouraging participation in initiatives aimed at strengthening the Company's ESG outcomes.

- **Contractors:**

  Contractors are evaluated through both initial and ongoing assessments aligned with the Company's EHS framework. To reinforce compliance and awareness, the Company conducts regular safety meetings and engagements with contractors.

- **Channel Partners:**

  The Company engages with channel partners on matters relating to product quality, delivery standards, evolving market requirements, and mutual expectations. These consultations ensure that partners are aligned with the Company's sustainability and ESG standards.

- **Community:**

  CSR programmes are designed and executed in consultation with local communities to address relevant social and environmental needs. To support transparency, the Company has installed environmental information display boards at its facility entrances, enabling easy access to information for community members.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. Strategy has been developed with vision of "Sustainable future" as part of the CUMI strategy plan. The performance parameters have been arrived with clear roadmap and year on year targets with responsibilities.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   While there are no identified vulnerable/ marginalised stakeholder groups, the Company engages with the community through its NGO partners to access the needs of the community. The insights from the engagement help in shaping the Corporate Social Responsibility (CSR) programs of the Company.

PRINCIPLE 5 : Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1075	1075	100%	1088	1088	100%
Other than permanent	0	0	0%	0	0	0
Total Employees	1075	1075	100%	1088	1088	100%
Workers						
Permanent	1265	1265	100%	1292	1292	100%
Other than permanent	3744	3744	100%	3711	3711	100%
Total Workers	5009	5009	100%	5003	5003	100%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1075	0	0%	1075	100%	1088	0	0	1088	100%
Male	973	0	0%	973	100%	990	0	0	990	100%
Female	102	0	0%	102	100%	98	0	0	98	100%
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	1265	0	0%	1265	100%	1292	0	0	1292	100%
Male	1241	0	0%	1241	100%	1269	0	0	1269	100%
Female	24	0	0%	24	100%	23	0	0	23	100%
Other than Permanent	3744	1226	33%	2518	67%	3711	1060	29%	2651	71%
Male	3226	953	30%	2273	70%	3267	933	29%	2334	71%
Female	518	273	53%	245	47%	444	127	29%	317	71%

3. **Details of remuneration/salary/wages**

a. **Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	28,40,000	1	21,60,000
Key Managerial Personnel	-	-	1	1,11,18,590
Employees other than BoD and KMP	837	10,99,794	84	794,765
Workers	1157	5,02,208	22	300,448

*For the computation of median remuneration, only the Directors who were in office throughout the full financial year 2025-26 were considered
#The permanent employees and workers employed for the entire FY 2025-26, were only considered for median remuneration calculation.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	4.82%	4.49%

#The gross wages paid to females as % of total wages paid by the entity calculation included all on-roll permanent employees and permanent workers. The Company did not include other than permanent workers in the calculation, since the other than permanent workers are hired and the wages are paid by third party contractors.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Company has appointed a Human Resources Single Point of Contact (HRSPOCs) at each site. Employees can reach out to the HRSPOCs for any complaints related to human rights, discrimination, etc. The Company has dedicated policies to address the same. The Corporate HR shall conduct a thorough fact-finding investigation and take appropriate action based on the findings. The complainant will be informed of any actions taken as a result of the investigation.

For any sexual Harassment grievance, the Internal Complaints Committee (ICC) under POSH exists for redressal. A dedicated email ID: cumiposhcomplaints@cumi.murugappa.com is available to receive and resolve grievances. Workers can raise their grievances through the contractor. If not resolved, can be escalated to the Unit HR. Unit-level grievance committees exist at each location. Workers can also reach out to the Ombudsperson for any whistle-blower matters at ombudsperson@cumi.murugappa.com

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees can reach out to the Ombudsperson for any complaints related to human rights, discrimination, etc., under whistleblower mechanism or even to the Corporate HR/Unit HR. Absolute confidentiality shall be maintained for all complaints. Ombudsperson can set up an enquiry to find out the facts and violations, if any. Based on the enquiry report, appropriate action will be taken by the Company.

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	Complaint addressed as per POSH policy	1	0	Complaint addressed as per POSH policy
Discrimination at Workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.16%	0.18%
Complaints on POSH upheld	1	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has several mechanisms to prevent discrimination and harassment in the workplace. The code of conduct policy defines the Company's commitment to providing a safe and inclusive workplace for all employees. The HR policies also aim to eliminate discrimination and harassment in the workplace. Regular training and awareness programs on topics such as the Prevention of Sexual Harassment (POSH) and work-related HR policies are conducted. In case any employees face any discrimination, they can approach HR or the ombudsman for assistance. The Company has a POSH policy and an Internal Complaints Committee (ICC) to address any such issues and will conduct a detailed investigation of any such issues.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company being a constituent of The Murugappa group adheres to the five lights principles i.e. Integrity, Quality, Passion, Respect, and Responsibility. The Company's business agreements and contacts contain clauses related to compliance concerning human rights.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others - please specify	

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

    No serious risks or concerns were observed during the financial year.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   The Company has adopted the various measures and processes over the years to address human rights grievances and complaints. During the financial 2023-24, the Company adopted the Policy against Human trafficking and Child labour with an objective to protect and advance human dignity and human rights in business practices.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   No, the Company did not conduct any human rights due diligence during the financial year, however assessment of the facilities has been carried out.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, most of the premises/offices of the entity are accessible to differently abled visitors, and efforts are being taken to make all plants/offices accessible.

4. **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	2.4% of the total suppliers were assessed in FY 25-26.
Discrimination at Workplace	
Child Labour	
Forced/Involuntary Labour	
Wages	
Others - please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   No serious risks or concerns were observed during the financial year.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A) (Tera Joules or TJ)	244	105
Total fuel consumption (B) (TJ)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C) (TJ)	244	105
From non-renewable sources		
Total electricity consumption (D) (TJ)	621	688
Total fuel consumption (E) (TJ)	642	628
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) (TJ)	1,263	1,316
Total energy consumed (A+B+C+D+E+F) (TJ)	1,507	1,421
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (TJ/ Rupees in million)	0.050	0.051
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	1.01	1.05
Energy intensity in terms of physical output (TJ / MT)	0.0086	0.0082
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

The Company used the globally accepted conversions, calorific values and density values based on GHG (Green House Gas) Protocol 2024 and IPCC (Intergovernmental Panel on Climate Change) - 2006 Guidelines.

Source of PPP rates taken from The International Monetary Fund (IMF) website

Note: 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, the Organisation carried out external assurance for its energy consumption by TUV India Pvt. Ltd., as part of its BRSR core Reasonable Assurance.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company does not have any sites or facilities that have been identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,04,899	92,632
(ii) Groundwater	1,43,626	1,37,661
(iii) Third-party water	1,66,822	1,58,669
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,15,347	3,88,962
Total volume of water consumption (in kilolitres)	3,74,544	3,45,685
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (Kilolitres/ Rupees in million)	12.38	12.42
Water intensity per **Rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP)	251.89	256.56
Water intensity in terms of physical output (KL/MT)	2.134	1.996
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

Source of PPP rates taken from The International Monetary Fund (IMF) website

Note: 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, the Organisation carried out external assurance for its water consumption by TUV India Pvt. Ltd., as part of its BRSR core Reasonable Assurance.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment - via Soak pit as per IS 2470	36,983	40,760
(iii) To Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment - to Common treatment facility	3,820	2,517
- With treatment - please specify level of treatment	0	0

Parameter	FY 2025-26	FY 2024-25
(v) Others		
- No treatment	0	0
- With treatment - Tertiary Treatment	0	0
Total water discharged* (in kilolitres)	40,803	43,277

* Discharge is as per the pollution control board approvals.

Note: 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, the Organisation carried out external assurance for its water discharge by TUV India Pvt. Ltd., as part of its BRSR core Reasonable Assurance.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, the Company has implemented Zero Liquid Discharge (ZLD) across all applicable facilities. Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) are installed within the premises to treat industrial effluent and domestic wastewater, respectively. The treated water is recycled and reused for process operations and gardening purposes in compliance with regulatory requirements. The Company ensures that no untreated or treated wastewater is discharged outside its facilities.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	tonnes/year	318.1	310.8
SOx	tonnes/year	121.4	112.7
Particulate Matter (PM)	tonnes/year	504.4	474.5
Persistent organic pollutants (POP)	tonnes/year	-	-
Volatile organic compounds (VOC)	tonnes/year	-	-
Hazardous air pollutants (HAP)	tonnes/year	-	-
Others - please specify	tonnes/year	-	-

Prior year data is recalibrated for consistency with the current year's presentation.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Organisation did not carry out any external assurance for its air emissions.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	57,956	54,519
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,22,554	1,33,529
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent/Rupees in Million	5.97	6.76
Total Scope 1 and Scope 2 emission Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent/Rupees in Million USD	121.40	139.57
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO2 equivalent/ Metric tonnes of Production	1.028	1.086
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity			-

The Company uses the globally accepted methods based on the GHG protocol to calculate its emission under its Scope 1 and Scope 2. Emission factors have been taken for Electricity from CEA (Central Electricity Authority) - Dec 2024 & Nov 2025, for Fuels from GHG (Green House Gas) Protocol Mar 2024, and IPCC (Intergovernmental Panel on Climate Change) - 2006 Guidelines and Refrigerants from GHG Protocol Aug 2024 and Assessment Report 6 of IPCC).

Source of PPP rates taken from The International Monetary Fund (IMF) website

Note: 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, the Organisation carried out external assurance for its Scope 1 and Scope 2 emissions by TUV India Pvt. Ltd., as part of its BRSR core Reasonable Assurance.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, various initiatives have been taken. GHG emissions reduction initiatives are covered in Energy conservation section (Annexure E to the Directors report)

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	847	695
E-waste **(B)**	12	24
Bio-medical waste **(C)**	0.01	0.02
Construction and demolition waste **(D)**	681	578
Battery waste **(E)**	16	16
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)** (Category 5.1, 5.2, 21.1, 33.1, 35.3)	152	144
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	11,858	13,289
Total (A+B + C + D + E + F + G + H)	13,566	14,746
Waste intensity per rupee of turnover (Total waste Generated / Revenue from operations) (MT/ Rupees in Million)	0.45	0.53
Waste intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT/Rupees in Million USD)	9.12	10.94
Waste intensity in terms of physical output (MT/MT)	0.077	0.085
Waste intensity (optional) - The relevant metric may be selected by the entity		-
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	2,654	2,582
(ii) Re-used	451	461
(iii) Other recovery operations	22	5
Total	3,127	3,048
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	8	13
(ii) Landfilling	737	622
(iii) Other disposal operations	9,694	11,043
Total	10,439	11,678

The Company has validated majority of the categories of non-hazardous waste from its handling waste handling vendors self-declarations.

Source of PPP rates taken from The International Monetary Fund (IMF) website

Note: 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, the organization carried out external assurance for its waste management by TUV India Pvt. Ltd., as part of its BRSR core Reasonable Assurance.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

CUMI, as a materials manufacturing company, is committed to resource conservation and continuous improvement in process efficiency, thereby minimizing waste generation. There have been efforts taken right from the product development stage at R&D stage to minimise the design losses and use of resources like materials, water etc. The Company has established a comprehensive waste management framework that ensures classification, handling, storage, and disposal of waste in compliance with applicable Indian Waste Management Rules.

Waste streams are systematically segregated and managed through authorised channels. Battery waste is disposed of through approved vendors under buy-back arrangements in line with Battery Waste Management Rules. Bio-medical waste generated at occupational health centres is safely disposed of through authorised agencies. Construction and demolition waste is reused, wherever feasible, for site development activities such as levelling low-lying areas.

E-waste is channelled through authorised recyclers and dismantlers to ensure environmentally sound disposal. Hazardous waste is managed in accordance with the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, with dedicated storage facilities designed to prevent environmental contamination. Municipal solid waste is segregated into wet and dry streams, with organic waste being composted and recyclables routed through authorised vendors, supporting circular economy principles.

Plastic waste is managed in compliance with Plastic Waste Management Rules, including adherence to Extended Producer Responsibility (EPR) requirements, ensuring proper collection, segregation, and environmentally responsible disposal through authorised recyclers.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S.No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	Tiruvottiyur, Chennai	Bonded abrasives manufacturing	The facility is located near to coastal regulation zone (CRZ), however, it was established before the CRZ Notification.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (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
Nil				

Yes, the Organisation complies with the applicable environmental laws /regulators /guidelines in India. The business units operate under the purview of the Environmental Protection Act and hold valid consent to establish and consent to operate issued by the Pollution Control Boards (PCBs). The certificates are regularly renewed as per the PCB's directives and the conditions stipulated in the consent orders are complied. All environmental monitoring reports are submitted within the timelines and reported to the Board of Directors on a quarterly basis.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area : -

(ii) Nature of operations : -

(iii) Water withdrawal, consumption and discharge in the following format:

.Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / Turnover)		
Water intensity (optional) - the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment		
- With treatment - please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment - please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment - please specify level of treatment		
(v) Others		
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Organisation did not carry out any external assurance for its water consumption and discharge in water stressed areas.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity Adjusted for PPP	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Organisation did not carry out any external assurance for its Scope 3 GHG emissions.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   The Bonded Abrasives Unit in Tiruvottiyur, Chennai is located near to coastal zone however, the facility was established before the CRZ Notification. Also, the existing facility was accorded with renewal of consent by the Tamil Nadu Pollution Control Board (TNPCB).

   As a responsible Company, it has maintained its vast green cover for over 7 decades. Also, the Company is committed to monitoring the quality of the air and water in and around the plant. Necessary steps are undertaken to ensure that there is no discharge of any untreated water into the coastal zone, which helps to minimise any potential impact on the biodiversity of marine habitats.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

   CUMI promotes efficient resource utilisation through continuous improvement initiatives across water, materials, and waste management.

Water Stewardship

Key programs include:

- Restoration and optimisation of Recycle **RO plants**
- Expansion of **rainwater harvesting systems and storage ponds**
- Adoption of **treated wastewater reuse and drip irrigation systems**
- Focus on water efficiency improvements in water-stressed locations

These programs align with the Company's water intensity reduction target of **20% by 2030.**

Key projects during FY 25-26:

- In Abrasives Maraimalai Nagar plant the recycle RO plant was revamped to a 3 stage RO followed by reject management system mechanism which enabled the facility to reduce 2,744 KL per annum compared to the previous financial year.
- Elimination of water use in thermic oil transfer centrifugal pump by upgrading to air cooled thermic oil transfer pump at one of its Abrasive manufacturing facilities saving 2KLD water and 180W power daily consumption.
- Drinking water RO plant reject is already being used in industrial ceramics division for vessel washing purpose, the same was horizontally deployed in Abrasives Sriperumbudur plant saving 5 KLD.
- Sludge drying mechanism has been upgraded to a screw press in two of its manufacturing facilities, one at Tiruvottiyur abrasive plant and other at Industrial ceramics Hosur. This also enhances the safety of the sludge handling operations avoiding manual interventions.
- Drip irrigation and sprinkler have been prioritized for garden areas (covering 50% of the key facilities, further planned in a phased manner) this has resulted in reduction of freshwater withdrawal to gardening requirements. The green belt cover in CUMI is 49%. Hence the water requirements for gardening plays a vital role in water reduction.

Waste Management and Circularity:

- Strong hazardous, e-waste, and biomedical waste **compliance systems** which is closely monitored for compliance by a third-party tool.
- Initiatives for **secondary use** of scrap and waste across facilities
- 5S has been keenly focussed by manufacturing facilities and continuous audits and scoring mechanisms are in place.

These initiatives align with the Company's waste intensity reduction target of **25% by 2030.**

Key projects taken up in FY 25-26:

- QC cut optimisation and improvement in one of the abrasive plant has enabled 75% reduction in the specific coated abrasive operation.

- Food waste in house decomposer and biogas plant at its Tiruvottiyur Abrasives plant with a maximum capacity of 75 kgs per day. The residue from the decomposer is used in house as manure.

Additionally, the corporate office of CUMI : ''Dare House" is a IGBC Gold certified building. This shows the commitment of the Company towards the sustainable future.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Most of the manufacturing facilities has emergency management plan for its operations. The facilities have developed detailed Standard Operating Procedures (SOPs) and guidelines for various scenarios, including natural disasters, fires, chemical spills, and other emergencies. Critical business functions have been identified, and backup plans have been established to minimise downtime and ensure continuity of operations, in case of any disruption.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact was identified in the recent supplier assessment undertaken.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

2.4% of the suppliers were assessed in FY 25-26.

8. How many Green Credits have been generated or procured:

a. By the listed entity

The company has not generated or procured Green credits. However, the Organisation has engaged in multiple afforestation drives within and outside the CUMI premises.

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners

Green credits has not been assessed for value chain partners.

PRINCIPLE 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is an active member of twenty trade and industry chambers and associations in India and globally.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1	Kerala Management Association	State
2	Madras Management Association	State
3	National Safety Council - Kerala Chapter	State
4	Confederation of Indian Industry	National
5	Indian Ceramic Society	National
6	Indian Carbon Society	National
7	Indo-Australian Chamber of Commerce	National
8	Indo-German Chamber of Commerce	National
9	South India Chamber of Commerce	National
10	SICMA - Europe	International

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of Authority	Brief of the case	Corrective action taken
	Nil	

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
			Nil		

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

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			NA		

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
				NA		

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company has a grievance redressal policy that addresses any community grievances. The policy provides the mechanism by which grievances can be reported and redressed by the Company.

https://www.cumi-murugappa.com/wp-content/uploads/2025/04/Stakeholder-Grievance-Redressal-Policy.pdf

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	13.4%	12.4%
Directly from within India	53%	51%

5. **Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural	6.9%	6.6%
Semi-urban	15.5%	16.2%
Urban	43.2%	43.2%
Metropolitan	34.4%	34.1%

(Place categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NA	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S.No.	State	Aspirational District	Amount Spent (in INR)
NA			

No, the Company did not undertake any CSR projects in designated aspirational districts identified by government bodies.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No, the Organisation does not have a preferential procurement policy to purchase from suppliers comprising marginalized or vulnerable groups.

(b) **From which marginalised /vulnerable groups do you procure?**

NA

(c) **What percentage of total procurement (by value) does it constitute?**

NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S.No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
None				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.**

Name of Authority	Brief of the Case	Corrective action taken
NA		

6. **Details of beneficiaries of CSR Projects:**

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	CUMI Centre for Skill Development - Hosur and Kochi	112	100%
2	AMM Foundation - AMM Vellayan Chettiyar Higher Secondary School	2,300	100%
3	AMM Foundation - Valliammal Hospital	26,883	100%
4	GKNM Trust Hospital Coimbatore	17	100%
5	Cachar Cancer Hospital Society	108	100%
6	ASK (Attitude, Skill, Knowledge) centre	1,178	100%
7	Madras Dyslexia Association	273	100%
8	Sugun Thomas Foundation	9	100%
9	The Craft Council of India	70	NA
10	AMM - TI School - New Building	300	Nil
11	Rajagiri - Play Ground - Work in Progress	-	NA
12	Utkarsh Global Foundation	7,407	NA
13	Kalamassery Municipality - 3 vehicles	NA	NA

PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company believes that commitment to transparency is vital to building trust and credibility with the customers, by demonstrating honesty and openness in handling complaints. The customers can communicate their complaints via email or phone calls to the regional salesperson. The regional salesperson upon receipt of a complaint provides an immediate acknowledgement email to the customer. All the complaints are registered in the Enterprise Resource Planning (ERP) system.

The complaints are addressed based on the grievance-handling mechanism. Based on the nature of the complaint, the quality control team takes the technical complaints and commercial complaints by the marketing teams. The Company has set a target to resolve all the complaints within 30 days.

The whistle blower mechanism is another avenue for customers to lodge their grievances for their satisfactory redressal.

2. **Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	100%
Recycling and/or safe disposal	28%

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	1146	24*		1117#	4	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	NA	NA		NA	NA	

*Pending as further details are awaited from customers at the end of the financial year.

#The consumer complaints data are tracked and addressed through the ERP tool and all the customer complaints are dealt by the respective business functions separately.

4. **Details of instances of product recalls Eon account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has established a formal Cybersecurity Framework and associated policies to address cyber security risks and data privacy concerns. Cybersecurity risk is recognised as a material risk within the Company's overall risk management framework.

The framework is embedded within the Company's IT strategy and is supported by a range of preventive, detective, and corrective controls designed to safeguard information assets and ensure business continuity. As part of its ongoing risk mitigation measures, the Company conducts regular penetration testing across its applications and systems to identify and address potential vulnerabilities in a timely manner.

Key cybersecurity controls implemented by the Company include:

- A fully functional Data Centre with Disaster Recovery (DR) capabilities to ensure operational resilience

- Security Information and Event Management (SIEM) tools for continuous log monitoring and threat detection
- Firewall infrastructure and managed network switches to protect against unauthorized access and cyber threats
- Robust online and offline data backup mechanisms to ensure data integrity and availability
- Privileged Access Management (PAM) controls to regulate and monitor access to critical systems and sensitive information.

These measures collectively strengthen the Company's cybersecurity posture and support the effective management of data privacy and cyber risk exposure.

Policy is published at the Intranet with restricted access.

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.

Nil

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

c. Impact, if any, of the data breaches

Nil

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on the products and services of the entity can be accessed at

https://www.cumi-murugappa.com/abrasives/

https://www.cumi-murugappa.com/emd/

https://www.cumi-murugappa.com/ceramics/ic/

https://www.cumi-murugappa.com/super-refractories/

CUMIConnect mobile APP

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company prioritizes customer safety and responsible usage of its products by ensuring that it provides clear instructions on the handling, storage, use, and disposal of products as per local laws. The Company is compliant with the regulations of the European Union i.e., RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) that applies to exporters of products to the EU. Also, the Company provides Material Safety Data Sheets (MSDS) that contain detailed information about the potential hazards associated with the products and guides on how to handle, store, and safely dispose after use of the products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company through its channel partners and Portal / APP / email informs consumers of any risk of disruption/discontinuation of essential services.

The Company through its channel partners and email informs consumers of any risk of disruption/discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company provides product information beyond the requirements mandated under applicable local laws. It shares detailed Material Safety Data Sheets (MSDS) with its products, outlining potential hazards and offering guidance on safe handling, storage, and disposal to ensure responsible usage by customers. The Company also periodically conducts customer satisfaction surveys and monitors feedback trends across its key products and operating locations to assess and enhance overall customer experience.

On behalf of the Board

Chennai
May 14, 2026

M M Murugappan
Chairman

Independent Assurance Statement

To
The Directors and Management Carborundum Universal Limited
'Dare House', No.234, N.S.C.Bose Road, Parrys, Chennai - 600001
Tamil Nadu, India

Carborundum Universal Limited (hereafter 'CUMI') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of BRSR Core disclosures *(09 attributes as per Annexure I - Format of BRSR Core)*, KPls of BRSR Core placed under (Annexure II- BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT) following the *(BRSR Core -Framework for assurance and ESG disclosures for value chain* stipulated in SEBI *circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, Para 6 & Annexure II, dated 12/07/2023 and Industry Standards on Reporting of BRSR Core. circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177. dated 20/12/2024).* CUMI developed Business Responsibility and Sustainability Report (hereinafter 'the BRSR') for the period 1st April 2025 to March 31, 2026. The BRSR is based on the National Guidelines on Responsible Business Conduct (NGRBC), *SEBI circular: SEBI/HO/CFD/CMD-2/P/CIR/2021/562. dated 10/05/2021* followed by the *notification number SEBI/LAD-NRO/GN/2023/131. dated 14/06/2023* pertaining to BRSR requirement. This engagement was conducted as a reasonable assurance engagement in accordance with ISAE 3000 (Revised) and is specifically aligned with the SEBI BRSR Core - Framework for Assurance and ESG Disclosures for Value Chain, as stipulated under SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 and the Industry Standards on Reporting of BRSR Core.

Applicable Assurance Criteria

The assurance engagement was conducted against the following applicable assurance criteria:

i. BRSR Core Key Performance Indicators (KPls) as prescribed under Annexure I - Format of BRSR Core

ii. SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12th July 2023

iii. *Industry Standards on Reporting of BRSR Core*

iv. CUMl's internal data definitions, measurement protocols, and calculation methodologies applied consistently for the reporting period These criteria were applied to assess the completeness, accuracy, consistency, and reliability of the BRSR Core disclosures.

Management's Responsibility

CUMI developed the BRSR's content pertaining to the Core disclosures (09 attributes as per Annexure I - Format of BRSR Core). CUMI's management holds responsibility for the collection, analysis, and disclosure of the information presented in both the BRSR (web-based and print versions). This includes maintaining the integrity of the associated website and ensuring that all disclosed information is accurate, complete, and aligned with the applicable criteria outlined in the BRSR requirements, and is free from intended or unintended material misstatements. Furthermore, CUMI is accountable for the archiving, storage, and reproduction of the reported data and information, and for making it available to stakeholders and regulators upon request.

Scope and Boundary

The scope of work includes the assurance of the following *09 attributes as per Annexure I - Format of BRSR Core* disclosed in the BRSR report. This assurance engagement is limited to BRSR Core KPls covering Scope 1 and Scope 2 emissions. Scope 3 emissions and broader value-chain disclosures are excluded from the scope. BRSR core requirements encompass essential disclosures pertaining to Organisation's Environmental, Social and Governance (ESG). In particular, the assurance engagement included the following:

i. Review of *09 attributes as per Annexure I - Format of BRSR Core* submitted by CUMI,

ii. Evaluation of the quality, completeness, and consistency of disclosures

iii. Review of evidence (on a sample basis) for all 9 attributes and its KPls

iv. KPI-level verification of supporting evidence using a risk-based and judgmental sampling approach, including review of data from selected manufacturing units (sites), functions, and data owners Sampling was designed to provide reasonable assurance at the **individual KPI level,** taking into consideration inherent risk, estimation uncertainty, and data materiality.

TUVI has verified the below *09 attributes as per Annexure I - Format of BRSR Core* disclosed in the BRSR

Attributes	KPI
Green-house gas (GHG) footprint	Total Scope 1 emissions (with breakup by type) - GHG ($C0_2e$) Emission in MT - Direct emissions from Organisation's owned- or controlled sources - Monitored
	Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider - renewable energy and IREC equivalent to grid electricity are purchased-Monitored
	GHG Emission Intensity (Scope 1+2), Total Scope 1 and Scope 2 emissions (MT)/ Total Revenue from Operations adjusted for PPP - Calculated
	GHG Emission Intensity (Scope 1+2), (Total Scope 1 and Scope 2 emissions (MT) /Total output of Product or Service- Calculated
Water footprint	Total water consumption (in kL)- Monitored and estimated
	Water consumption intensity - kL/ Total Revenue from Operations adjusted for PPP - Calculated
	Water consumption intensity - kL/ Total output of Product or Service- Calculated
	Water Discharge by destination and levels of Treatment (kL)- Calculated based on estimated values
Energy footprint	Total energy consumed in TJ - Monitored
	% of energy consumed from renewable sources - In % terms- Monitored
	Energy intensity -TJ/ Rupee adjusted for PPP - Calculated
	Energy intensity - Joules or multiples/ Product or Service - Calculated
Embracing circularity - details related to waste management by the entity	Plastic waste (A) - Monitored, E-waste (B) - Monitored, Bio-medical waste (C) - Monitored, Construction and demolition waste (D)- Monitored, Battery waste (E)- Monitored, Radioactive waste (F)- NA
	Other Hazardous waste G)- see the list below
	Spent Oil, Waste or residues containing oil, FRP Process Residue, Process Wastes, Residues and Sludge, Chemical sludge from Waste Water Treatment, Discarded Containers/barrel - Monitored
	Other Non-hazardous waste generated (H) - see the list below
	Cast Iron Moulds, Copper Parts Waste, MS Scrap, Paper Waste, Carton Box, Floor Sweeping Waste, Grain Refractory Scrap, Rubbish Waste, Wooden Scrap- Monitored
	Total waste generated (A +B + C + D + E + F + G + H) in MT
	Waste intensity MT/ Rupee adjusted for PPP - Calculated MT/ Total output of Product or Service-Calculated
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) - Monitored
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity), kg of Waste Recycled Recovered /Total Waste generated - Calculated
	For each category of waste generated, total waste disposed by nature of disposal method (MT)
	For each category of waste generated, total waste disposed by nature of disposal method (Intensity) kg of Waste Recycled Recovered /Total Waste generated - Calculated
Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers - cost incurred as a % of total Revenue of the company - In % terms - Measured/ Calculated/ Estimated (as applicable)
	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) 1. Number of Permanent Disabilities - Monitored 2. Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) - Monitored 3. No. of fatalities - Monitored
Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid - In % terms - Calculated
	Complaints on POSH 1) Total Complaints on Sexual Harassment (POSH) reported - Monitored 2) Complaints on POSH as a % of female employees / workers - Monitored 3) Complaints on POSH upheld - Monitored

Enabling Inclusive Development	Input material sourced from following sources as % of total purchases - Directly sourced from MSMEs/ small producers and from within India - In % terms - As % of total purchases by value - Monitored		
	Job creation in smaller towns - Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost - In % terms - As % of total wage cost - Monitored		
Fairness in Engaging with Customers and Suppliers	Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events - In % terms - Monitored		
	Number of days of accounts payable - (Accounts payable * 365) / Cost of goods/services procured - Calculated		
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	1)	Purchases from trading houses as % of total purchases
		2)	Number of trading houses where purchases are made from
		3)	Purchases from top 10 trading houses as % of total purchases from trading houses
		1)	Sales to dealers/ distributors as % of total sales
		2)	Number of dealers/ distributors to whom sales are made
		3)	Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors
		Share of RPTs (as respective % age) in -	
		Purchases, Sales, Loans & Advances, investments	

The reporting scope encompasses **22 manufacturing units (sites), 10 Offices including 1 Corporate Office.** We conducted **physical onsite assessments** at 4 key manufacturing units (sites) and 1 Corporate Office. Electromineral (EMO) division-Edappally, Abrasives (ABR) division- Tiruvottiyur, Super Refractories (SR) division-Serkadu, Industrial ceramics (IC) division-Hosur, Corporate Office - Dare House, Chennai. The remaining 18 locations and 9 Offices were covered through a remote desk review process.

Onsite Verification

Carborundum Universal Limited, Corporate Office, 'Dare House', No.234, N.S.C.Bose Road, Parrys, Chennai - 600001, Tamil Nadu, India

1. Carborundum Universal Limited, Plant No 1, Kalamassery Development Plot P.O, Kalamassery 683 104, Ernakulam District, Kerala.
2. Carborundum Universal Limited, No. 655, Tiruvottiyur High Road, PB No. 2272, Tiruvottiyur, Chennai - 600019, Tamil Nadu.
3. Carborundum Universal Limited, Super Refractories & Prodorite Plant II, Mungileri Village, Vinnampalli Post, Katpadi Taluk, Vellore District - 632516, Tamil Nadu.
4. Carborundum Universal Limited, Plot No.47, 48 (part), SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District, Tamil Nadu.

Remote Verification

5. Carborundum Universal Limited, Plot No.48, SIPCOT Industrial Complex, Hosur - 635126, Krishnagiri District, Tamil Nadu.
6. Carborundum Universal Limited, No : C-4, C-5, Kamarajar Salai, MMDA Industrial Complex, Kattankolathur, Chengalpattu - 603209, Tamil Nadu.
7. Carborundum Universal Limited, F-1/2, F2 - F5, SIPCOT Industrial Park, Pondur "A" Village, Sriperumbudur - 602105, Kanchipuram District, Tamil Nadu.
8. Carborundum Universal Limited, Door No: 102 103, Phase II, SIPCOT Industrial Complex, Ranipet, Narasingapuram, Walajah, Ranipet - 632403, Tamil Nadu.
9. Carborundum Universal Limited, SEZ-1, Plot No.8, Carborundum Universal SEZ, Kalamassery Development Plot, Kochi- 683104, Kerala
10. Carborundum Universal Limited, SEZ-2, Plot No. 2 & 3, Carborundum Universal, CUMI SEZ KO Plot P.O., Kalamassery, Kochi - 683 109, Kerala.
11. Carborundum Universal Limited, SEZ-3, Plot No.4 & 5, Carborundum Universal SEZ, Kalamassery Development Plot, Kochi, -683104, Kerala.
12. Carborundum Universal Limited, Plot No.7, Cochin Special Economic Zone (CSEZ), Kakkanad 682037, Kochi, Kerala.
13. Carborundum Universal Limited, Plot No.18, Cochin Special Economic Zone (CSEZ), Kakkanad 682037, Kochi, Kerala.
14. Carborundum Universal Limited, Unit II, Kalamassery Development Plot P.O, Kalamassery 683 104, Ernakulam District, Kerala
15. Carborundum Universal Limited, PB No.3 Nalukettu, Koratty- 680308, Trichur District, Kerala.
16. Carborundum Universal Limited, Maniyar.P.O, Vadasserikkara (via), Pathanamthitta-689 662
17. Carborundum Universal Limited, K3, ASAHI Industrial Estate, Latherdeva Hoon, Mangalore Jhabrera Road, PO Jhabrera Tehsil Roorkee, Haridwar District, Uttarakhand - 247665.

18. Carborundum Universal Limited, P.B No.2 Okha Port P.O., Devbhumi Dwarka District, Gujarat 361350.
19. Carborundum Universal Limited, Jhautala More, Gopalpur Chandigarh, P.O. Ganga Nagar, Kolkata 700132, West Bengal.
20. Carborundum Universal Limited, Plot no. 35, Adhartal Industrial Estate, Jabalpur - 482004, Madhya Pradesh.
21. Carborundum Universal Limited, Plot no. 37, Adhartal Industrial Estate, Jabalpur - 482004, Madhya Pradesh.
22. Carborundum Universal Limited, Plot no.48-51, Adhartal Industrial Estate, Jabalpur - 482004, Madhya Pradesh.

The assurance activities were carried out together with a desk review of entire manufacturing units (sites) and offices as per reporting boundary.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information, Value-chain KPIs or any disclosure other than BRSR Core disclosures. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI did not verify any ESG goals and claim through this assignment. TUVI verified data on a sample basis; the responsibility for the authenticity of data entirely lies with CUMI. Any dependence of person or third party may place on the BRSR Report is entirely at its own risk. TUVI has taken reference of the financial figures from the audited financial reports and financial figures are not assured under this engagement. CUMI will be responsible for the appropriate application of the financial data. The application of this assurance statement is limited w.r.t *SEBI circular SEBI/HO/CF0/CFO-SEC-2/P/CIR/2023/122. dated Jul 12. 2023 and Industry Standards on Reporting of BRSR Core. circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177. dated 20/12/2024).* This assurance statement does not endorse any environmental and social claims (related to the product, manufacturing process, packaging, disposal of product etc.) as well as advertisements by the reporting Organisation. TUVI does not permit use of this statement for Greenwashing or misleading claims. This assurance statement has been prepared solely to meet the requirements of SEBI BRSR Core assurance and shall not be used or relied upon for any other purpose. Certain environmental KPIs, including water discharge and emission intensity metrics, involve estimation techniques where direct measurement is not feasible. These estimates are based on management assumptions, standard emission factors, and engineering calculations. While reasonable and consistently applied, such estimates are subject to inherent uncertainty and may vary if underlying assumptions change.

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a reasonable level of assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of CUMI's strategy, management of ESG-related issues or the sufficiency of the Report against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes assurance of non-financial quantitative and qualitative information *(09 attributes as per Annexure I - Format of BRSR* Core) disclosed by CUMI. The intended users of this assurance statement are the management of 'CUMI'. The data is verified on a sample basis, the responsibility for the authenticity of data lies with the reporting Organisation. Reporting Organisation is responsible for archiving the related data for a reasonable time period. TUVI expressly disclaims any liability or co-responsibility 1) for any decision a person or entity would make based on this assurance statement and 2) for any damages in case of erroneous data is reported by CUMI. This assurance engagement is based on the assumption that the data and information provided to TUVI by CUMI are complete and true.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

TUVI examined and reviewed the documents, data, and other information made available by CUMI for non-financial 09 attributes as per Annexure I - Format of BRSR Core (non-financial disclosures)

a) TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of CUMI.
b) Sampling was performed using a risk-based and judgmental approach to obtain sufficient and appropriate evidence to support a reasonable assurance conclusion.
c) TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and quantitative)
d) TUVI adopted a risk-based assurance approach, identifying key assurance risks such as estimation risk, boundary definition risk, and data completeness risk, which informed the nature, timing, and extent of assurance procedures, including sampling.
e) The nature and extent of procedures included inquiries, analytical procedures, and selective testing of supporting documentation for selected ESG disclosures and KPIs.
f) Sample selection and size were determined using professional judgment, considering data risk, materiality, and availability, taking into account factors such as the nature of the disclosure, data availability, prior-year observations, and perceived risk, within the constraints of a reasonable assurance engagement.

g) TUVI reviewed the adherence to reporting requirements of "BRSR"

Opportunities for Improvement

The following are the opportunities for improvement reported to CUMI. However, they are generally consistent with CUMI management's objectives and programs. CUMI already identified below topics and Assurance team endorse the same to achieve the Sustainable Goals of Organisation.

i. Comprehensive GHG Emissions Accounting: CUMI may plan to broaden its greenhouse gas emissions inventory by including all categories of indirect emissions (Scope 3), in accordance with ISO 14064-1, to ensure more comprehensive climate impact reporting.

ii. CUMI can opt for the RE/ EV based vehicle to reduce Scope 1 emission for internal and business local commuting

iii. CUMI can opt for the ISO 20400 for sustainable procurement management system.

iv. CUMI may consider monitoring the chain of custody for suppliers involved in the disposal of non-hazardous waste, particularly those who do not directly engage in recycling. This would help improve transparency and reinforce waste management practices across the supply chain.

v. CUMI may benefit from creating dedicated training modules and controlled documented process for personnel responsible for ESG data monitoring to ensure consistent reporting and oversight across all locations.

vi. CUMI may conduct more intensive internal audit procedure for verifying BRSR data on periodic basis.

vii. CUMI may take steps to assess its emission targets following the "Science-Based Targets" methodology (Sectoral de-carbonization approach, or Absolute-based targets, or Economic approach);

viii. CUMI can opt for certification of Zero Waste to Landfill in order to improve the waste disclosures.

ix. Increase Renewable Energy Mix: CUMI can further expand its use of renewable energy to reduce both energy costs and associated greenhouse gas (GHG) emissions.

x. Conduct Water and Energy Audits: CUMI can perform comprehensive water and energy audits to identify savings opportunities and initiate corresponding improvement projects.

Conflict of Interest

In the context of BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintain high integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers need to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TUVI diligently identifies any relationships, affiliations, or financial interests that could potentially cause conflict of interest. We proactively implement measures to mitigate or manage these conflicts, ensuring independence and impartiality in our assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognize that failure to address conflict of interest adequately could undermine the creditability of the assurance process and the reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take necessary measures to avoid, disclose, or mitigate conflicts of interest effectively. Please refer para **"Independence and Code of Conduct"** below.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR Core KPI described in the BRSR report along with the referenced information complies with BRSR Core requirements as per Annexure I for the 9 attributes, and meets the general content and quality requirements of the BRSR. TUVI confirms its competency to conduct the assurance engagement for the BRSR as per SEBI guidelines. Our engagement team members were assigned based on competence requirements in ESG verification, assurance methodologies, and regulatory frameworks. We ensure independence, employ robust methodologies, and maintain continuous improvement to perform the assurance engagement. Based on our procedures, we did not identify any material changes in the methodologies applied for the preparation of the selected BRSR KPIs during the reporting period. CUMI has established a policy-led data control framework for BRSR disclosures, with documented processes and defined roles and responsibilities. The Company has established key data controls for BRSR reporting that are designed in accordance with its internal control framework. Data controls relevant to KPI reporting were reviewed for design and implementation to support verification procedures. However, testing of operating effectiveness of controls was not within the scope of this assurance engagement.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the BRSR requirements. CUMI refers to general disclosure to report contextual information about CUMI, while the Management & Process disclosures the management approach for each indicator *(09 attributes as per Annexure I - Format of BRSR* Core).

Reasonable Assurance: TUVI conducted the reasonable assurance engagement in accordance with ISAE 3000 (Revised) and applicable SEBI BRSR Core requirements, including defined assurance procedures, risk-based verification and evaluation of supporting evidences. Based on the procedures performed and evidence obtained, in our opinion, the BRSR Core disclosures for the applicable nine attributes are prepared, in all material respects, in accordance with the applicable BRSR Core criteria prescribed under Annexure I.

BRSR complies with the below requirements Statements relating to governance, leadership, stakeholder responsiveness, materiality and broader BRSR principles represent management disclosures and were reviewed only to the extent relevant to the defined BRSR Core assurance scope; such statements were not independently assured unless specifically covered within the assurance scope.

a) Conciseness: The Report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation is applied. At the same time, due care is taken to maintain continuity of information flow in the BRSR.

b) Reliability and completeness: CUMI has established internal data aggregation and evaluation systems to derive the performance. CUMI confirms that, all data provided to TUVI, has been passed through QA/QC function. The majority of the data and information was verified by TUVI's assurance team (on sample basis) during the BRSR verification and found to be fairly accurate. All data, is reported transparently, in a neutral tone and without material error.

c) Consistency and comparability: The information presented in the BRSR is on yearly basis and found reliable and complete manner. Thus, the principle of consistency and comparability is established.

Independence and Code of Conduct: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognize the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI *circular SEBIIHOICFDICFD-SEC-2/PICIR/2023/122, dated 12/07/2023 and Industry Standards on Reporting of BRSR Core. circular SEBIIHOICFDICFD-PoD-1/PICIR/2024/177. dated 20/12/2024*.

TUVI confirms its independence in accordance with the ethical requirements of the IESBA Code, SEBI BRSR Core assurance expectations and its own Policy regarding Independence and Impartiality. TUVI declares that during the reporting period:

a. No consulting, advisory, system design, data preparation, or implementation services related to ESG or BRSR were provided to CUMI,

b. TUVI was not involved in the preparation of the BRSR or underlying data,

c. No relationships or circumstances exist that could create a conflict of interest or impair independence,

Appropriate safeguards were applied to ensure objectivity, impartiality, and professional judgment throughout the assurance engagement.

TUVI solely focuses on delivering verification and assurance services and does not engage in the sale of service or the provision of any non-audit/non-assurance services, including consulting.

References to NGRBC, GRI Standards and SEBI guidance are contextual and do not imply assurance over the complete BRSR report, unless explicitly covered under BRSR Core KPIs.

Quality control: The assurance team complies with quality control standards, ensuring that the engagement partner possesses requisite expertise and the assigned team collectively has the necessary competence to perform engagements in reference with standards and regulations. Assurance team follows the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing ESG Assurance services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with CUMI on any engagement that could compromise the independence or impartiality of our findings, conclusions, and observations. TUVI was not involved in the preparation of any content or data included in the BRSR, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Product Head - Sustainability Assurance Service
TUV India Private Limited
Project Reference No: 8124528038

Place: Mumbai, India
Date: 12.05.2026

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 "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate company along with its wholly owned subsidiaries (the "associate") and joint ventures (refer Notes 33, 6A and 6B to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2026, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2026, 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 is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Notes 29B and 29C of the consolidated financial statements, which describe that the financial information of two step-down subsidiaries CUMI AWUKO Abrasives GmbH, Germany ('CAAG') and Foskor Zirconia (Pty) Ltd, South Africa ('FZL') have been prepared on a realisable value basis of accounting for the reasons mentioned in the aforesaid Notes. In this regard, the Group has recorded an aggregate expense of ₹1,345.66 million under "Exceptional items" in the consolidated financial statements, representing write-down of various assets (of CAAG and FZL) and recognition of restructuring costs (of CAAG).

   Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Key Audit Matters

5. 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
Impact assessment of uncertain operating environment for Volzhsky Abrasive Works ('VAW'), step-down subsidiary of the Holding Company domiciled in Russia, including those arising from VAW's inclusion in the United States of America's Department of Treasury's Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List 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 ₹11,907.81 million (including goodwill amounting to ₹1,636.65 million), which represents 22.51% of the total assets of the Group.	Our audit procedures included the following: • Understood the design and tested the operating effectiveness of the Group's key controls over impact assessment of sanctions including the related impairment assessment. • Inquired and discussed with auditors of VAW (the 'component auditors') and auditors of the intermediate holding company of VAW (CUMI International Limited, Cyprus), management expert, management of the Holding Company and the component in understanding the impact of the geo-political conflict and the related sanctions on VAW including the ability of the Group to exercise control over VAW.

Key audit matter	How our audit addressed the key audit matter
As set out in Note 5A to the consolidated financial statements, the current geo-political situation combined with related international sanctions and territory embargoes including VAW's inclusion in United States of America's Department of Treasury's Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List create an uncertain environment for the operations of VAW and ability of the Group to exercise control over VAW. The Holding Company had undertaken an assessment of the recoverability of various assets and recorded an impairment expense (representing certain balances held in foreign currency with a clearing agency by VAW and export receivables of VAW outside the Group) of ₹1,041.29 million in the prior year. The carrying amount of assets is significant to the consolidated financial statements. We have considered this to be a key audit matter as Management judgement is required in assessing the impact of current geo-political situation on the step-down subsidiary's operations including its ability to exercise control over VAW.	• Evaluated the independence, objectivity and competence of the management expert. • Examined the documents supporting the assessment of the Group's ability to exercise control over VAW. • Perused the audit report and other related communication of the component auditors and noted no adverse or qualificatory comments including those relating to going concern. • Assessed the reasonableness of the management's computation of the recoverable amount of carrying value of assets pertaining to VAW ('the model') by: • Verifying that the forecasts considered within the model have been approved. • Assessing the historical accuracy of Management's forecasts by comparing the forecasts used in the prior year models with the actual performance in the current year and assessing the reasonableness of the forecasts within the model. • Engaging 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, growth rate and probability weighting of scenarios. • Evaluated the adequacy of the disclosures made in the consolidated financial statements in relation to impairment assessment of carrying amount of assets including goodwill.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including annexures, 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 15 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

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian 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 and of 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 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 Board of Directors of the Holding Company, as aforesaid.

8. 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 respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

9. 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 respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. 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.

11. 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 company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company 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.

13. 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.

14. 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

15. The financial statements/ financial information of twelve subsidiaries, reflect total assets of ₹40,105.14 million and net assets of ₹29,958.06 million as at March 31, 2026, total revenue of ₹22,775.50 million, total comprehensive income (comprising of profit and other comprehensive income) of ₹ (4,297.16) million and net cash flows amounting to ₹1,523.41 million for the year ended on that date, has been 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 ₹259.20 million for the year ended March 31, 2026 as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements have not been audited by us. The financial statements/ financial information of these subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and other auditors, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint ventures, is based on the reports of the other auditors and the procedures performed by us.

16. We did not audit the financial information of two subsidiaries, whose financial information reflect total assets of ₹0.89 million and net assets of ₹(76.58) million as at March 31, 2026, total revenue of ₹ Nil, total comprehensive income (comprising of loss and other comprehensive income) of ₹(6.57) million and net cash flows amounting to ₹(1.94) million for the year ended on that date, as considered in the consolidated financial statements. The financial information of these subsidiaries are unaudited and have been furnished to us by the Holding Company's management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries 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, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Holding Company's management, these financial information are not material to the Group.

17. Of the subsidiaries referred to in paragraph 15, the financial statements/ financial information of six subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹26,909.15 million and net assets of ₹23,726.81 million as at March 31, 2026, total revenue of ₹10,879.71 million, total comprehensive income (comprising of loss and other comprehensive income) of ₹(1,280.61) million and net cash flows amounting to ₹1,522.78 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 Holding Company'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 Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company 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 reports of the other auditors and the financial information certified by the Holding Company's management.

Report on Other Legal and Regulatory Requirements

18. 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 in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company, a subsidiary and associate and by the respective auditors in their CARO 2020 reports issued in respect of the financial statements of the companies which are included in these consolidated financial statements, to whom CARO 2020 is applicable.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the following:

        i. in relation to a subsidiary audited by us, for payroll records, in the absence of sufficient appropriate audit evidence, we are unable to verify whether the backup of books of account and other books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the year;

        ii. the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) (“Rules”).

    c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Holding Company, a subsidiary and an associate, as on March 31, 2026 taken on record by the Board of Directors of the Holding Company, the subsidiary and associate respectively, and the reports of the statutory auditors of its subsidiaries and joint ventures incorporated in India, none of the directors of the Group companies, its associate and joint ventures incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 19(b) above and paragraph 19(h)(vi) below.

    g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

    h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures - Refer Notes 6A, 6B and 34 to the consolidated financial statements.

        ii. The Group (other than a subsidiary), its associate and joint ventures did not have any long-term contracts including derivative contracts as at March 31, 2026 for which there were any material foreseeable losses. In respect of a subsidiary, the subsidiary has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, associate and joint ventures incorporated in India during the year.

        iv. (a) The respective managements of the Holding Company and its subsidiaries, joint ventures 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 and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in Note 42(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, joint ventures 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, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company 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 Holding Company and its subsidiaries, joint ventures 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 and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the Note 42(vii) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries, joint ventures 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 Holding Company or any of such subsidiaries, joint ventures and associate 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.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' 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 (including interim dividend) declared and paid by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India during the year is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend. The respective Board of Directors of the Holding Company, its subsidiaries, associate and joint venture have proposed final dividend for the year, which is subject to the approval of the respective members at their ensuing Annual General Meetings, and is in accordance with Section 123 of the Act, to the extent applicable.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group, its associate and joint ventures have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our audit procedures, other than as described below where the question of commenting does not arise, we, and the respective auditors of the above referred subsidiaries and joint ventures, did not notice any instance of the audit trail feature being tampered with. Additionally, other than as described below, the audit trail, to the extent maintained in the prior year, has been preserved by the Holding Company and above referred subsidiaries, associate and joint ventures as per the statutory requirements for record retention:

- In respect of the entities audited by us

Holding Company	In respect to an accounting software of a third party service provider used for maintaining certain records, where in the absence of the independent service auditor's report for the financial year, we are unable to comment on the audit trail (edit log) feature in the aforesaid accounting software.
A Subsidiary	• In respect of the core accounting software, the audit trail feature at the database level was not enabled throughout the year but was enabled from April 29, 2025 to March 31, 2026; and • With respect to another accounting software of a third party service provider used during the year, for maintaining certain records, in the absence of the independent service auditor's report, we are unable to comment on the audit trail (edit log) feature in that accounting software.

Associate company	Audit trail is not maintained at the application level for modification, if any, by certain users with specific access and for direct database changes.

For the period where audit trail has not operated/ not maintained/ not determinable, the question of our commenting on whether the audit trail has been tampered with does not arise.

In respect of an entity audited by other auditors, the following paragraph relating to audit trail was included in their audit report reproduced by us as under:

A joint venture of the Parent	"Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and the audit trail feature at the application level has operated throughout the year for all relevant transactions recorded in the software. However, audit trail was not enabled at the database level to enable the log of any direct data change. Consequently, we are unable to comment whether there were any instances of the audit trail feature being tampered with. Refer note 41 to the financial statements. Additionally, the audit trail that was enabled and operated for the year ended March 31, 2025, as indicated in note 41 to the financial statements, has been preserved by the Company as per the statutory requirements for record retention." Note 41 referred to above is reproduced in Note 41 to the consolidated financial statements.

20. The Group, its associate and joint ventures incorporated in India have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126KILBJC8183

Place: Chennai
Date: May 14, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(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, 2026

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, 2026, we have audited the internal financial controls with reference to consolidated financial statements of Carborundum Universal Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, its associate and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiaries, its associate company and joint ventures, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 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 consolidated 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 specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated 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 company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries, its associate and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, 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 report 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 subsidiaries and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126KILBJC8183

Place: Chennai
Date: May 14, 2026

Consolidated Balance Sheet

(in Indian Rupees million, unless otherwise stated)

Particulars	Notes	As at 31.03.2026	As at 31.03.2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	12819.67	11195.22
(b) Right of use assets	4B	1072.52	1037.03
(c) Capital work-in-progress	4C	1409.70	1183.80
(d) Goodwill	5A	2974.91	2674.80
(e) Other Intangible assets	5B	2193.76	2252.94
(f) Investment accounted for using the equity method			
(i) Investment in associate	6A	952.00	913.83
(ii) Investments in Joint Venture	6B	1013.47	1012.28
(g) Financial assets			
(i) Investments	6C	22.65	88.12
(ii) Other financial assets	7A	300.98	217.46
(h) Deferred tax assets (net)	8A	1304.76	1221.32
(i) Other non-current assets	9A	434.20	632.90
Total Non-current assets		**24498.62**	**22429.70**
Current assets			
(a) Inventories	10	11171.51	10550.05
(b) Financial assets			
(i) Trade receivables	11	8907.76	7662.36
(ii) Cash and cash equivalents	12A	6978.78	3779.27
(iii) Bank balances other than (ii) above	12B	25.65	26.58
(iv) Other financial assets	7B	181.41	1147.93
(c) Other current assets	9B	1141.67	837.04
Total Current assets		**28406.78**	**24003.23**
Total Assets		**52905.40**	**46432.93**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	190.49	190.42
(b) Other equity	14	38807.73	35095.85
Equity attributable to owners of the Company		38998.22	35286.27
Non-controlling interests	15	1084.83	1472.34
Total Equity		**40083.05**	**36758.61**
Non-Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	257.76	248.82
(ii) Lease liabilities	4B	901.00	871.30
(iii) Other financial liabilities	20A	427.43	393.62
(b) Provisions	17A	355.11	322.91
(c) Deferred tax liabilities (net)	8B	194.35	633.59
(d) Other non-current liabilities	21A	40.22	31.02
Total Non-current liabilities		**2175.87**	**2501.26**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2791.92	953.46
(ii) Lease liabilities	4B	174.66	89.96
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	19	223.12	169.21
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	19	3997.21	3329.17
(iv) Other financial liabilities	20B	1006.37	978.93
(b) Other current liabilities	21B	770.87	492.70
(c) Provisions	17B	1621.31	867.57
(d) Current tax liabilities (net)	8C	61.02	292.06
Total Current liabilities		**10646.48**	**7173.06**
Total Liabilities		**12822.35**	**9674.32**
Total Equity and Liabilities		**52905.40**	**46432.93**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
Chennai
May 14, 2026

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

Rekha Surendhiran
Company Secretary

Consolidated Statement of Profit and Loss

(in Indian Rupees million, unless otherwise stated)

S.No.	Particulars	Notes	For the year 2025-26	For the year 2024-25
I	Revenue from Operations	22	52063.05	48942.24
II	Other income	23	716.51	409.94
III	**Total Income (I+II)**		**52779.56**	**49352.18**
IV	**Expenses**			
	Cost of materials consumed		19117.56	16879.83
	Purchases of stock-in-trade		2185.25	2272.69
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(932.00)	(1202.16)
	Employee benefits expense	25	9531.59	8622.52
	Finance costs	26	187.58	139.71
	Depreciation and amortisation expense	27	2467.93	2120.26
	Other expenses	28	16371.32	15251.47
	Total expenses (IV)		**48929.23**	**44084.32**
V	**Profit before share of profit of equity accounted investees, exceptional items and tax [III]-[IV]**		**3850.33**	**5267.86**
VI	Share of profit of Associate (net of tax)	6A	54.56	148.05
VII	Share of profit of Joint Ventures (net of tax)	6B	257.66	304.03
VIII	**Profit before exceptional items and tax [V] +[VI]+[VII]**		**4162.55**	**5719.94**
IX	**Exceptional items**	29	(1345.66)	(1041.29)
X	**Profit before tax [VIII]+[IX]**		**2816.89**	**4678.65**
XI	**Tax expense**			
	(1) Current tax	30A	1532.61	1683.80
	(2) Deferred tax	8	(393.71)	7.79
	Total tax expense [XI]		**1138.90**	**1691.59**
XII	**Profit for the year [X]-[XI]**		**1677.99**	**2987.06**
XIII	**Other Comprehensive Income [OCI]**			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit plans		(50.72)	(8.63)
	(b) Equity instruments through other comprehensive income		107.95	-
	(c) Share of OCI in Associate and Joint Ventures, to the extent not to be reclassified to profit or loss (net of tax)		(0.91)	(3.05)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30B	(19.81)	8.38
			36.51	(3.30)
B	(i) Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		2471.42	923.80
	(b) Net gain/(loss) on Cash flow hedge		1.18	(0.78)
	(c) Share of OCI in Associate and Joint Ventures, to the extent that may be reclassified to profit or loss (net of tax)		16.05	9.94
	(ii) Income tax relating to items that will be reclassified to profit or loss	30B	(0.30)	0.20
			2488.35	933.16
	Total Other Comprehensive Income [XIII]		**2524.86**	**929.86**

Consolidated Statement of Profit and Loss

(in Indian Rupees million, unless otherwise stated)

S.No.	Particulars	Notes	For the year	
			2025-26	2024-25
XIV	**Total Comprehensive Income [XII]+[XIII]**		**4202.85**	**3916.92**
	Profit for the year attributable to: [XII]		**1677.99**	**2987.06**
	- Owners of the Company		1947.24	2927.39
	- Non-Controlling Interests		(269.25)	59.67
	Other Comprehensive Income: [XIII]		**2524.86**	**929.86**
	- Owners of the Company		2393.29	892.55
	- Non-Controlling Interests		131.57	37.31
	Total Comprehensive Income: [XIV]		**4202.85**	**3916.92**
	- Owners of the Company		4340.53	3819.94
	- Non-Controlling Interests		(137.68)	96.98
XV	**Earnings per share (Re.1 each) on Profit for the year attributable to the owners of the Company (XII) (in ₹)**	31		
	- Basic (Rs.)		10.30	15.58
	- Diluted (Rs.)		10.30	15.55

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
Chennai
May 14, 2026

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

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 31,2024	**190.26**
Changes in equity share capital during the year	
Shares issued against ESOP Scheme/Plan	0.16
Balance as at March 31,2025	**190.42**
Changes in equity share capital during the year	
Shares issued against ESOP Scheme/Plan	0.07
Balance as at March 31,2026	**190.49**

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 Company - Refer Note: 14	Non-controlling interests [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, 2024	**6.03**	**27.68**	**20.56**	**546.56**	**9730.94**	**226.92**	**21270.14**	**(454.70)**	**42.39**	**(0.19)**	**(373.31)**	**23.74**	**31066.76**	**1393.14**	**32459.90**
Profit for the year	-	-	-	-	-	-	2927.39	-	-	-	-	-	2927.39	59.67	2987.06
Other Comprehensive income for the year	-	-	-	-	-	-	(4.33)	-	-	(0.35)	897.23	-	892.55	37.31	929.86
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2923.06**	**-**	**-**	**(0.35)**	**897.23**	**-**	**3819.94**	**96.98**	**3916.92**
Additions during the year	-	-	-	54.32	-	101.52	-	-	-	-	-	-	155.84	-	155.84
Proceeds from sale of treasury shares net of related expenses and tax	-	-	-	-	-	-	752.54	-	-	-	-	-	752.54	133.91	886.45
Final dividend paid during the year	-	-	-	-	-	-	(475.67)	-	-	-	-	-	(475.67)	-	(475.67)
Interim dividend paid during the year	-	-	-	-	-	-	(285.63)	-	-	-	-	-	(285.63)	-	(285.63)
Transfer to General reserve	-	-	-	-	500.00	-	(500.00)	-	-	-	-	-	-	-	-
Recognised during the year	-	-	-	-	-	-	-	61.08	-	-	-	-	61.08	-	61.08
Transaction with Non-Controlling interest arising from change in shareholding of subsidiary	-	-	-	-	-	-	0.99	-	-	-	-	-	0.99	(0.99)	-
Dividend paid to Non-Controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(150.70)	(150.70)
Balance at the end of the year - March 31, 2025	**6.03**	**27.68**	**20.56**	**600.88**	**10230.94**	**328.44**	**23685.43**	**(393.62)**	**42.39**	**(0.54)**	**523.92**	**23.74**	**35095.85**	**1472.34**	**36568.19**

Consolidated Statement of Changes in Equity

(in Indian Rupees million, unless otherwise stated)

Particulars	Reserves and Surplus - Refer Note: 14A								Items of Other comprehensive income - Refer Note 14B				Attributable to owners of the Company - Refer Note: 14	Non-controlling interests [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)			
Profit for the year	-	-	-	-	-	-	1947.24	-					1947.24	(269.25)	1677.99
Other Comprehensive income for the year	-	-	-	-	-	-	(51.49)	-	73.58	0.54	2370.66	-	2393.29	131.57	2524.86
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1895.75**	**-**	**73.58**	**0.54**	**2370.66**	**-**	**4340.53**	**(137.68)**	**4202.85**
Additions during the year	-	-	-	22.45	-	144.48		-	-	-	-	-	166.93	-	166.93
Transfer from Reserve for equity instruments	-	-	-	-	-	-	115.97	-	(115.97)	-	-	-	-	-	-
Final dividend paid during the year	-	-	-	-	-	-	(476.07)	-	-	-	-	-	(476.07)	-	(476.07)
Interim dividend paid during the year	-	-	-	-	-	-	(285.70)	-	-	-	-	-	(285.70)	-	(285.70)
Transfer to General reserve	-	-	-	-	500.00		(500.00)	-	-	-	-	-	-	-	-
Recognised during the year	-	-	-	-	-	-	-	(33.81)	-	-	-	-	(33.81)	-	(33.81)
Dividend paid to Non-Controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(249.83)	(249.83)
Balance at the end of the year - March 31, 2026	**6.03**	**27.68**	**20.56**	**623.33**	**10730.94**	**472.92**	**24435.38**	**(427.43)**	**-**	**-**	**2894.58**	**23.74**	**38807.73**	**1084.83**	**39892.56**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
Chennai
May 14, 2026

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

Rekha Surendhiran
Company Secretary

Consolidated Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars	For the year 2025-26		For the year 2024-25	
A. Cash flow from Operating activities				
Profit before tax		**2816.89**		**4678.65**
Adjustment for:				
Share of profit of associate	(54.56)		(148.05)	
Share of profit of Joint ventures	(257.66)		(304.03)	
Exceptional items - Refer Note: 29	1345.66		1041.29	
Loss on Fair value of Investments	2.67		0.39	
Depreciation and amortisation	2467.93		2120.26	
Finance costs	187.58		139.71	
Interest income	(490.21)		(290.92)	
Dividend income	(5.85)		(13.22)	
Expenses recognised in respect of equity-settled share-based payments	144.48		106.46	
Impairment loss on financial assets (net)	19.25		21.27	
Allowance/(Reversal) for doubtful receivable and advances (net)	110.30		(162.93)	
Loss on sale of assets (net)	24.43		47.62	
Unrealised exchange (gain)/Loss (net)	(117.37)	3376.65	0.75	2558.60
Operating profit before working capital changes		**6193.54**		**7237.25**
Movement in working capital				
(Increase)/decrease in trade receivables	(957.27)		(556.79)	
(Increase)/decrease in Inventories	(73.05)		(1559.96)	
(Increase)/decrease in Other financial asset	(27.54)		(70.07)	
(Increase)/decrease in Other assets	(292.12)		(122.85)	
Increase/(decrease) in Trade payables	347.85		44.66	
Increase/(decrease) in Provision & other current liabilities	133.08		124.24	
Increase/(decrease) in Other financial liabilities	61.94	(807.11)	(76.44)	(2217.21)
Cash generated from Operations		**5386.43**		**5020.04**
Income tax paid		(1712.87)		(1977.69)
Net cash generated by operating activities [A]		**3673.56**		**3042.35**
B. Cash flow from Investing activities				
Payments to acquire Property, plant and equipment	(3002.96)		(2740.57)	
Payments for Intangible asset	(100.70)		(35.91)	
Proceeds from sale of Property, plant and equipment	29.23		9.08	
Payment for acquisition of subsidiary, net of cash acquired amounting to ₹11.70 million	-		(584.35)	
Proceeds from sale of non-current Investments, net of tax	150.00		-	
(Investments) in/ Redemption of Bank deposits with original maturity beyond three months (net)	(23.74)		3.53	
Balances held with a Clearing agency	-		(936.09)	

Consolidated Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars		For the year 2025-26		For the year 2024-25	
Interest income received		484.12		285.22	
Dividend income from Associate		30.00		37.50	
Dividend income from Joint ventures		258.00		122.54	
Dividend income received - Others		5.85		13.22	
Net cash used in investing activities	[B]		(2170.20)		(3825.83)
C. Cash flow from Financing activities					
Proceeds from issue of equity shares		22.52		54.48	
Proceeds from Non current borrowings		-		45.37	
Repayment of Non current borrowings		(51.11)		(63.04)	
Proceeds from current borrowings (net)		1602.30		40.64	
Transactions with Non Controlling interest		-		(10.29)	
Principal portion of lease payments		(120.97)		(161.34)	
Finance costs paid		(139.30)		(93.19)	
Dividend paid to Shareholders		(761.77)		(761.30)	
Dividend paid to Non Controlling interests		(249.83)		(150.70)	
Proceeds from sale of treasury shares		962.30		-	
Income tax relating to sale of treasury shares		(72.50)		-	
Net cash generated from/ (used in) financing activities	**[C]**		**1191.64**		**(1099.37)**
Net increase/(decrease) in cash and cash equivalents [A]+[B]+[C]			**2695.00**		**(1882.85)**
Add: Cash and Cash equivalents at the beginning of the year			**3779.27**		**5548.78**
Effect of exchange rate changes on the balances of cash and cash equivalents held in foreign currencies			504.51		113.34
Cash and Cash equivalents at the end of the year *			**6978.78**		**3779.27**
Non Cash Financing and Operating activities					
- Acquisition of right of use assets			62.98		542.25

* Includes cash and cash equivalents amounting to ₹2971.06 Million (March 31, 2025 - ₹1749 million) not available for use by other entities within the Group. - Refer Note: 12A

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
Chennai
May 14, 2026

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

Rekha Surendhiran
Company Secretary

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Statement showing the applicable Key Accounting Standards (Ind AS) with related Policy & Notes references as per Consolidated financial statements

Ind AS No.	Description	Accounting policy Reference	Note Reference
2	Inventories	3(A)(h), 3(B)(c)	10
7	Statement of Cash flows	3(B)(l)	12,36
8	Accounting Policies, Changes in Accounting Estimates and Errors	3(A)(a),3(A)(b)	
10	Events after the reporting period		40
12	Income taxes	3(B)(o)	8,9A,30
16	Property, plant and equipment	3(A)(c), 3(B)(a)	4A,4C,27
19	Employee benefits	3(A)(i), 3(B)(m)	25,35
24	Related party disclosures		37
28	Investments in associates and joint ventures	3(B)(u)	6A,6B
33	Earnings per share	3(B)(r)	31
36	Impairment of assets	3(A)(o), 3(B)(e),	4A,4B,4C,5,36
37	Provisions, Contingent liabilities and Contingent assets	3(B)(p)	17,34
38	Intangible assets	3(A)(e), 3(B)(b)	5,27
102	Share based payment	3(B)(n)	13e,14f,25,
103	Business combinations	3(B)(t)	5A
32, 107 & 109	Financial instruments	3(A)(f),3(A)(g),3(B)(d)	6C,7,11,16,18,19,20,36
108	Operating segments	3(A)(l)	32
110	Consolidated Financial Statements		
112	Disclosure of interest in other entities		6A,6B,15
113	Fair value measurement		36
115	Revenue from Contracts with Customers	3(A)(j)	21,22,32
116	Leases	3(A)(d), 3(B)(h)	4B,26,27

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

1. Brief description of the Group

Carborundum Universal Limited (CUMI) was incorporated in India as a Public Limited Company in 1954 and the shares of the Company are listed in National Stock Exchange of India Ltd. and BSE Ltd. The address of its registered office and place of business are disclosed in the Annual Report. The Consolidated Financial Statements comprise the Company (CUMI - Parent Company/Holding Company) and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates and joint ventures.

CUMI Group manufactures and sells mainly Abrasives, Ceramics (Industrial Ceramics, Refractories) and Electrominerals. (Refer Note: 32).

2. Basis of preparation

a. Preparation and compliance with Ind AS

The Consolidated Financial Statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements of two subsidiaries as considered in the consolidated financial statements have been prepared on a realisable basis of accounting (non-going concern basis). Refer Note 29 for further details. Consequently, in relation to the said subsidiaries, assets have been stated at the lower of their carrying amount and net realisable value / fair value less costs of disposal, as applicable, and liabilities have been recognised and measured in accordance with applicable Ind AS, based on present obligations existing as at the balance sheet date. The change in basis of preparation is applied prospectively and accordingly, the comparative financial information continues to be presented on a going concern basis and has not been restated.

b. Historical cost convention

The Consolidated Financial Statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

c. Current/non-current classification

The assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. Deferred tax assets are classified as non-current.

d. New and amended standards adopted by the Group.

The Ministry of Corporate Affairs vide notification dated 7st May 2025 and 13th August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1st April 2025:

a. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

b. Supplier Finance Arrangements - Amendments to Ind AS 7 and Ind AS 107

c. International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

d. Lack of Exchangeability - Amendments to Ind AS 21

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

e. New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1st April 2026, as outlined below. Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8

Group does not expect this amendment to have an impact on its operations or financial statements.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

3A. Material accounting policies

a) Use of estimates

The preparation of Consolidated Financial Statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date and reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the date of Balance Sheet. The estimates and the assumptions used in the accompanying Consolidated Financial Statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

b) Critical estimates and judgement

The preparation of Consolidated Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements:

S. No	Particulars	Notes
I	Impairment test of Goodwill: Key assumption underlying recoverable amounts	5A
II	Assessment of control over components and consolidation decisions and classification of joint arrangements	5A, 6B
III	Recognition of deferred tax assets: Availability of future taxable profit against which tax losses carried forward can be used.	8
IV	Impairment of Trade receivables: Expected credit loss	11 & 36
V	Recognition and measurement of provisions and contingencies (including current and deferred tax balances subject to uncertain tax treatments); key assumption about the likelihood and magnitude of an outflow of resources.	17 & 34
VI	Measurement of defined benefit obligation: Key actuarial assumptions.	35
VII	Determination of fair value of put option obligation over non-controlling interest	36
VIII	Assumptions surrounding estimation of recoverable amount for assets consequent to financial statements of certain subsidiaries being prepared on a realizable value basis and recognition of liabilities in relation to restructuring	29

The estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

c) Property, plant, and equipment

Freehold land is carried at historical cost. All other property, plants and equipment are recognised at historical cost less depreciation.

Except in the case of a subsidiary where written down value method is adopted, depreciation is calculated using straight line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives. Individual assets costing less than INR 5,000 are depreciated in full in the year of acquisition. Leasehold improvements are depreciated over the shorter of their useful life or the lease term unless the entity expects to use the assets beyond the lease term.

The useful lives considered are as prescribed in Schedule II to the Companies Act, 2013 and applicable statutes of the relevant territories except in case of holding company where the useful lives have been determined based on technical evaluation done by the management which are different than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. Estimated useful life of assets are as follows:.

Assets category	Useful life range
Buildings	1 - 60 years
Plant and equipment	1-15 years
Vehicles	1 - 8 years
furniture and fittings	1 - 10 years

See note 3B(a) for the other accounting policy relevant to property, plant, and equipment.

d) Leases (where the Group is the Lessee)

The Group leases various assets for its business purposes but may have extension options which are mutually exercisable.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case of leases entered into by the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in the financing conditions since third-party financing was received.
- makes adjustments specific to the lease, if any, e.g.: term, country, currency, and security

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option.

See note 3B(h) for the other accounting policies relevant to leases.

e) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

The Group amortises intangible assets using the straight-line method over their estimated useful lives determined based on technical evaluation done by the management.

See note 3B(b) for the other accounting policies relevant to intangible assets.

f) Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Those measured subsequently at Fair Value Through Other Comprehensive Income (in case of certain investments in equity instruments - an irrevocable option exercised on an instrument-by-instrument basis on initial recognition) and through Statement of Profit and Loss (in case of investments in mutual funds and other equity instruments); and
- Those measured at amortised cost.

The classification is based on the Group's business model for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

See note 3B(e)for the other accounting policies relevant to Financial assets.

g) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised as fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less loss allowance.

For trade receivables, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

h) Inventories

The costs of individual items of inventory are determined as follows:

- In respect of raw materials, stores and spare parts, traded stock cost is determined on weighted average basis, except in the case of two subsidiaries, 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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

overheads, to bring the goods to the present location and condition.

See note 3B(c) for the other accounting policies relevant to inventory.

i) Employee benefit obligations

(i) Post-employment benefits

The Group sponsors defined benefit plans for qualifying employees of the Parent company and its subsidiaries, wherever applicable. The defined benefit plans are administered by an independent Fund that is legally separated from the respective entities, where it is funded.

Under the plans applicable to the Parent Company and its domestic subsidiaries, the employees are entitled to post-retirement yearly instalments amounting to 57.69% of final salary for each year of service until the retirement age of 58. Where the plan is funded, Parent Company and its domestic subsidiaries makes contribution to recognised funds in India. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

In respect of the subsidiary in United Arab Emirates, the end of service benefits is accounted on time basis in full for every employee in the service of that entity in accordance with the provisions of the applicable labour laws of that country.

In respect of a subsidiary in Germany, the defined benefit plans provided to the employees are post-retirement pension benefits and long service awards. The liability is ascertained using actuarial valuation and is accounted accordingly.

In respect of the subsidiary in South Africa, the defined benefit plans provided to the employees are post-retirement health benefits and long service awards. The liability is ascertained using actuarial valuation and is accounted accordingly.

(ii) Other retirement benefit:

The employees of the Parent and the Parent make monthly fixed contributions to the Carborundum Universal Limited Employee's Provident Fund Trust (Till January 31, 2026), equal to a specified percentage of the covered employee's salary. The interest rate payable by the Trust to the beneficiaries is being notified by the Government every year. The Parent obtains an independent actuarial valuation of the Interest Guarantees as at the Balance Sheet date and provides for the shortfall, if any, in the present value of obligation of interest over the fair value of the surplus in the Fund.

The Group also operates defined contribution retirement benefit plans under various jurisdictions for all qualifying employees. The assets of the plans are held separately from those of respective companies under the control of trustees/Government organisations. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the respective companies in the Group are reduced by the amount of forfeited contributions.

See note 3B(m) for the other accounting policies for employee benefit obligations.

j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price for each separate performance obligation taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The transaction price is net of estimated customer returns, rebates and other similar allowances. No significant element of financing is deemed present as the sales are made with a credit term predominantly ranging from 30 to 90 days, which is consistent with the market price.

The specific recognition criteria described below must also be met before revenue is recognised.

<u>Sale of goods</u>

Revenue from the sale of goods is recognized at a point in time when the control of the products has transferred which generally coincides with dispatch of products to customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

<u>Rendering of services</u>

Revenue from divisible service contracts

i. service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

ii. the revenue relating to supplies are measured in line with policy set out under sale of goods above.

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (i) above.

k) Other income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised and accrued using effective interest rate method.

Rental income is recognised on a straight-line basis in accordance with the agreement.

l) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

The Business Group Management Committee headed by the Managing Director (CODM) and consisting of Chief Financial Officer, Leaders of Strategic Business Units, functional heads such as Human Resources, Information technology, Environmental Health and Safety, Risk & Taxation, Manufacturing and Company Secretary have identified the reportable segment and its reviews and monitors the operating results of the business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed. The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

- Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.
- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis, have been included under "Un-allocated Corporate expenses".

m) Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

n) Put and Call options over non-controlling interest shares.

If a put option is held by a non-controlling interest ('NCI') in a subsidiary undertaking, whereby the holder of the put option can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, the Group carefully examines the nature of such a put option. The Group assesses whether or not the NCI continues to have a present ownership interest in the shares subject to the put option. Present ownership interest can be evidenced by NCI continuing to have a right to the receipt of dividends or benefitting from increases in net assets while holding a voting entitlement to the shares subject to the put option. If it is deemed that the put option holders continue to have a present ownership interest, the Group applies the partial recognition of NCI method as follows:

a. the Group continues to recognise the amount that would have been recognised for the non-controlling interest, including an update to reflect its share of profit and losses, dividends and other changes;

b. the Group recognises a financial liability in accordance with Ind AS 32 being the estimate of the fair value of the consideration to acquire the NCI shares that are subject to the put option and records this in a separate reserve in equity; and

c. changes in the fair value of the financial liability are reflected in equity as a movement in the put liability reserve.

If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the put option exercise. If the put option expires unexercised, the financial liability is derecognised with a corresponding credit to equity.

If the non-controlling interest does not have present ownership rights from the put option, then the transaction is accounted for as if the Group had acquired the NCI at the date of entering into the put option.

If the Group has a call option over the shares held by a NCI in a subsidiary undertaking, where the Group can require the NCI to sell its shareholding in the subsidiary at a future date, the option is classified as a derivative and is recognised as a financial instrument on inception with fair value movements recognised in the income statement.

o) Impairment of tangible and intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

p) Exceptional items

Exceptional items are those which in the management's judgement are material items that derive from events or transactions falling within the ordinary activities of the Group but are not expected to be recurring. The nature and amount of exceptional items are relevant to the users of the financial statements in understanding the financial position or performance of the Group. The same is presented separately in the Statement of Profit and Loss (pre-tax) and Balance Sheet as applicable.

3B. Summary of other accounting policies

a. Property, plant, and equipment

Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the Management.

Subsequent costs related to an item of property, plant and equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets.' Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition is recognised in the Statement of Profit and Loss.

The depreciation charge for each year is recognised in the Statement of Profit and Loss. The useful life and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

b. Intangible assets

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

An intangible asset is derecognised at disposal, or when no future economic benefits are expected from use or disposal.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

c. Inventories

Inventories are stated at lower of cost and net realisable value. Cost includes freight, taxes, and duties net of non-refundable taxes credit wherever applicable. Cost of work in progress and finished goods comprises of purchase price, non- refundable taxes, labour and applicable manufacturing overheads. Cost of inventory also includes all other costs incurred to bring the inventory to the present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written down for obsolete/ slow moving/ non-moving items, wherever necessary.

d. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provision of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 Statement of Profit and Loss.

e. Financial assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Those measured subsequently at Fair Value Through Other Comprehensive Income (in case of investments in equity instruments) and through Statement of Profit and Loss (in case of investments in mutual funds); and
- Those measured at amortised cost.

The classification is based on the Group business model for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

Investment in equity instruments at Fair Value Through Other Comprehensive Income [FVTOCI]

On initial recognition, the Group can make an irrevocable election (on an instrument- by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity investment is held for trading.

These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gain and loss arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instrument through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and 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 one entity (March 31, 2025 - two entities), which are not held for trading. The Group has elected the FVTOCI irrevocable option for both of these investments (Refer Note: 6C). Fair value is determined in the manner described in Note: 36.

Dividend on these investments are recognised in Statement of Profit and Loss when the Group right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, which does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividend recognised in Statement of Profit and Loss is included in 'Other income' line item.

Financial assets at Fair Value Through Profit or Loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gain or loss on them on different bases. The Group has not designated any such debt instrument as at FVTPL.

Financial asset at FVTPL is measured at fair value at the end of each reporting period, with gains or losses arising on re-measurement recognised in Statement of Profit and

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Loss. The net gain or loss recognised in Statement of Profit and Loss incorporate any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial asset at FVTPL is recognised when the Group right to receive the dividends is established. It is probable that the economic benefits associated with the dividend will flow to the entity which does not represent a recovery of part of cost of the investment and the amount can be measured reliably.

Impairment of financial assets

The Group applied the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivable, trade receivable, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayments, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instruments at an amount equal to 12 month expected credit losses. The 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 short falls that are predicted over 12 months.

If the Group measured loss allowance for the financial instruments at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual rights to receive cash or other financial assets that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the Balance Sheet.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains subsequently all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On de-recognition of a financial asset other than its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carried over amount of financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Statement of Profit and 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.

<u>Foreign exchange gain and loss</u>

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 Statement of Profit and 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 Statement of Profit and Loss and other changes in the fair value of FVTOCI financial asset are recognised in other comprehensive income.

f. Financial liabilities and equity instruments

<u>Classification as debt or equity</u>

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.

<u>Equity instruments</u>

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.

<u>Financial liabilities</u>

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:

<u>Financial liabilities at FVTPL</u>

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,

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

and its performance is evaluated on a fair value basis, in accordance with the Group documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and 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 Statement of Profit and Loss, in which case these effect of changes in credit risk are recognised in Statement of Profit and 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 Statement of Profit and Loss.

Gain or loss on financial guarantee contract and loan commitments issued by the Group that are designated by the Group as at Fair Value Through Profit or Loss is recognised in Statement of Profit and Loss. Fair value is determined in the manner described in Note: 36.

Financial liabilities subsequently measured at amortised cost.

Financial liabilities are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expenses that are not capitalised as part of cost of an asset is included in the 'Finance cost' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a 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.

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 Statement of Profit and Loss.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or have expired. An exchange between lenders of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

consideration paid and payable is recognised in Statement of Profit and Loss.

g. Other operating revenue

Export Incentives

Incentives on exports are recognised in books after consideration of certainty of utilisation/receipt of such incentives.

Government Grants

Government grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in Statement of Profit and 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 Statement of Profit and 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 Statement of Profit and Loss in the period in which they become receivable.

Export benefits on account of entitlement to import goods free of duty under 'Exports Benefit Scheme' are accounted based on eligibility and when there is no uncertainty in receiving the same.

h. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

(i) Fixed payments (including in-substance fixed payments), less any lease incentives receivable

(ii) Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

(iii) Amounts expected to be payable by the Group under residual value guarantees

(iv) The exercise price of a purchase option if the Group is reasonably certain to exercise that option,

(v) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

(i) The amount of the initial measurement of lease liability

(ii) Any lease payments made at or before the commencement date less any lease incentives received

(iii) Any initial direct costs and

(iv) Restoration costs

i. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period agreed with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

j. Contributed equity.

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

k. Foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year-end

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognised in the Statement of Profit and Loss.

Foreign currency monetary items (other than derivative contracts) of the respective Companies, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the respective Companies are carried at historical cost.

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the respective Companies are recognised as income or expense in the Statement of Profit and Loss.

l. Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents for the purpose of presentation in the Cash Flow Statement comprises cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

m. Employee benefits

<u>Short-term obligations</u>

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The same has been presented under other financial liabilities in the Balance Sheet. In accordance with paragraph 41 of Ind AS 1, previous year amounts [earlier presented under trade payables] have been reclassified to confirm to current year's classification.

<u>Other long-term employee benefit obligations</u>

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The Group does not have a right to defer settlement for the obligation and accordingly these are presented as current liability under the heading Provisions in the Balance sheet. In accordance with paragraph 41 of Ind AS 1, previous year amounts have been reclassified to confirm to current year's classification.

<u>Post employment obligations</u>

<u>Gratuity applicable to the Parent and domestic subsidiaries</u>

The liability recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period as reduced by the fair value of the plan assets and disclosed under the heading Provisions in the Balance sheet.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gain and loss, the effect of the changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and 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 Statement of Profit and Loss in the line item

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

'Employee benefit expense'. Curtailment gain and loss are accounted for as past service costs.

A liability for a termination benefit is recognised when the entity can no longer withdraw the offer of the termination benefit as per the relevant scheme.

Voluntary retirement compensation

Compensation to employees who have retired under voluntary retirement scheme is charged off to revenue.

n. Share based payment arrangements.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in Note: 35 of Standalone Financial Statements.

The fair value determined at the grant date of the equity-settled-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share options outstanding account.

o. Taxes on Income

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years (Temporary differences) and items that are never taxable or deductible (Permanent differences). The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside Statement of Profit and Loss is either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

p. Provision and contingent liabilities

Provisions

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

Contingent liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognised as contingent liability.

q. Research and Development

All revenue expenditure related to research and developments are charged to the respective heads on the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

r. Earnings Per Share

Basic earnings per share are computed by dividing the profit/(loss) after tax by the weighted average number of parent equity shares outstanding during the year excluding treasury shares. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential parent equity shares, by the weighted average number of parent equity shares considered for deriving basic earnings per share and the parent weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

s. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

t. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- Fair values of the assets transferred.
- liabilities incurred to the former owners of the acquired business.
- equity interests issued by the group.
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 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 Statement of Profit and 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 Statement of Profit and Loss or other comprehensive income, as appropriate.

u. Associates and Joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of Profit and Loss.

v. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date on which control ceases to exist.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

w. Foreign currency translation

The Consolidated Financial Statements are presented in Indian Rupee, which is the Parent's functional and presentation currency and includes the financial position and results in respect of foreign operations, initially measured using the currency of the primary economic environment in which the entity operates (i.e. their functional currency) and translated as follows:

- Assets and liabilities are translated at the closing rate at the date of that Balance Sheet;
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- 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.

x. Treasury Shares

Shares of the Parent Company held by the Group are treated as treasury shares. No gain or loss are recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. The amount paid for acquisition of treasury shares are shown as a deduction to equity and any gain or loss on disposal of treasury shares are also reflected within equity.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

4A. Property, plant and equipment

Particulars	As at 31.03.2026	As at 31.03.2025
Carrying amounts		
Freehold land	889.30	840.11
Buildings	3749.92	3339.02
Leasehold Improvement	26.33	32.94
Plant and equipment	7534.26	6375.97
Furniture and fittings	438.37	416.35
Vehicles	181.49	190.83
	12819.67	**11195.22**

Cost	Freehold land	Buildings (a)	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2024	**804.54**	**4011.57**	**50.84**	**13146.89**	**672.16**	**302.05**	**18988.05**
Acquisition through Business Combination	31.29	82.89	-	15.33	7.06	-	136.57
Additions (b)	-	323.11	0.35	1718.13	120.90	75.83	2238.32
Disposals	-	(13.34)	-	(180.29)	(8.08)	(19.81)	(221.52)
Translation differences	4.28	145.97	-	497.67	11.94	14.39	674.25
Balance at March 31, 2025	**840.11**	**4550.20**	**51.19**	**15197.73**	**803.98**	**372.46**	**21815.67**
Additions (b)	2.19	470.99	0.10	2471.24	113.84	43.93	3102.29
Disposals	-	(10.69)	(0.77)	(120.87)	(18.27)	(42.05)	(192.65)
Translation differences	47.00	262.28	-	811.23	115.55	37.56	1273.62
Balance at March 31, 2026	**889.30**	**5272.78**	**50.52**	**18359.33**	**1015.10**	**411.90**	**25998.93**

Accumulated depreciation and impairment	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2024	**-**	**991.25**	**11.68**	**7400.90**	**274.23**	**135.97**	**8814.03**
Depreciation expense	-	191.64	6.57	1292.09	114.19	47.75	1652.24
Eliminated on disposals	-	(9.36)	-	(165.13)	(6.43)	(12.18)	(193.10)
Translation differences	-	37.65	-	293.90	5.64	10.09	347.28
Balance at March 31, 2025	**-**	**1211.18**	**18.25**	**8821.76**	**387.63**	**181.63**	**10620.45**
Depreciation expense	-	225.45	6.64	1553.50	140.67	43.41	1969.67
Impairment expenses - (f)	-	21.41	-	94.19	1.94	-	117.54
Eliminated on disposals	-	(3.14)	(0.70)	(113.17)	(13.57)	(18.95)	(149.53)
Translation differences	-	67.96	-	468.79	60.06	24.32	621.13
Balance at March 31, 2026	**-**	**1522.86**	**24.19**	**10825.07**	**576.73**	**230.41**	**13179.26**

Carrying amounts	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2024	**804.54**	**3020.32**	**39.16**	**5745.99**	**397.93**	**166.08**	**10174.02**
Acquisition through Business Combination	31.29	82.89	-	15.33	7.06	-	136.57
Additions	-	323.11	0.35	1718.13	120.90	75.83	2238.32
Depreciation expense	-	(191.64)	(6.57)	(1292.09)	(114.19)	(47.75)	(1652.24)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Carrying amounts	Freehold land	Buildings	Leasehold Improvement	Plant and equipment	Furniture and fittings	Vehicles	Total
Disposals (net)	-	(3.98)	-	(15.16)	(1.65)	(7.63)	(28.42)
Translation differences	4.28	108.32	-	203.77	6.30	4.30	326.97
Balance at March 31, 2025	**840.11**	**3339.02**	**32.94**	**6375.97**	**416.35**	**190.83**	**11195.22**
Additions	2.19	470.99	0.10	2471.24	113.84	43.93	3102.29
Depreciation expense	-	(225.45)	(6.64)	(1553.50)	(140.67)	(43.41)	(1969.67)
Impairment expenses - (f)	-	(21.41)	-	(94.19)	(1.94)	-	(117.54)
Disposals (net)	-	(7.55)	(0.07)	(7.70)	(4.70)	(23.10)	(43.12)
Translation differences	47.00	194.32	-	342.44	55.49	13.24	652.49
Balance at March 31, 2026	**889.30**	**3749.92**	**26.33**	**7534.26**	**438.37**	**181.49**	**12819.67**

(a) Includes ₹1088.93 million (Previous year: ₹1109.58 million) being cost of building on leasehold land.

(b) Includes Research and Development capital expenditure of ₹31.67 million (Previous year: ₹27.58 million) - Refer Note: 38(b) on Research & Development expenditure.

(c) Capitalised borrowing cost:

Borrowing costs capitalised on property, plant and equipment during the year - ₹ Nil (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 & Equipment, 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.

(e) **Contractual obligations:**

Refer Note: 34B for disclosure of Contractual commitments for acquisition of property, plant and equipment.

(f) **Impairment expense:**

Impairment expense relates to write-down of assets for reasons as set out in Note: 29. Recoverable amount of assets have been determined based on an estimate of fair value less cost of disposal. This is a level 3 measurement as per fair value hierarchy.

4B. Leases

i) Amount recognised in balance sheet

Particulars	As at 31.03.2026	As at 31.03.2025
Right of use Assets		
Land	129.72	126.08
Building	751.65	729.27
Plant and equipment	6.09	6.09
Furniture & Fixtures	9.48	9.49
Vehicles	175.58	166.10
	1072.52	**1037.03**
Lease liabilities		
Non Current	901.00	871.30
Current	174.66	89.96
	1075.66	**961.26**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Cost	Land	Building	Plant and equipment	Furniture & Fixtures	Vehicles	Total
Balance at March 31, 2024	**141.86**	**666.29**	**11.50**	**13.66**	**186.45**	**1019.76**
Additions	-	495.29	0.45	-	46.51	542.25
Disposals	-	(140.76)	(0.27)	-	-	(141.03)
Translation differences	0.53	4.82	1.28	0.26	4.18	11.07
Balance at March 31, 2025	**142.39**	**1025.64**	**12.96**	**13.92**	**237.14**	**1432.05**
Additions	5.48	31.15	2.58	0.33	23.44	62.98
Disposals	-	(13.44)	-	-	(1.08)	(14.52)
Translation differences	0.84	152.72	1.45	2.54	44.54	202.09
Balance at March 31, 2026	**148.71**	**1196.07**	**16.99**	**16.79**	**304.04**	**1682.60**

Accumulated depreciation and impairment	Land	Building	Plant and equipment	Furniture & Fixtures	Vehicles	Total
Balance at March 31, 2024	**13.70**	**275.02**	**3.66**	**3.26**	**42.74**	**338.38**
Depreciation expense	2.53	127.77	2.53	1.09	27.54	161.46
Disposals	-	(110.01)	-	-	-	(110.01)
Translation differences	0.08	3.59	0.68	0.08	0.76	5.19
Balance at March 31, 2025	**16.31**	**296.37**	**6.87**	**4.43**	**71.04**	**395.02**
Depreciation expense	2.57	109.16	3.18	1.95	36.50	153.36
Impairment expense - Refer Note: 29	-	-	-	-	5.74	5.74
Disposals	-	(9.58)	-	-	(0.42)	(10.00)
Translation differences	0.11	48.47	0.85	0.93	15.60	65.96
Balance at March 31, 2026	**18.99**	**444.42**	**10.90**	**7.31**	**128.46**	**610.08**

Carrying amount	Land	Building	Plant and equipment	Furniture & Fixtures	Vehicles	Total
Balance at March 31, 2024	**128.16**	**391.27**	**7.84**	**10.40**	**143.71**	**681.38**
Additions	-	495.29	0.45	-	46.51	542.25
Depreciation expense	(2.53)	(127.77)	(2.53)	(1.09)	(27.54)	(161.46)
Disposals(net)	-	(30.75)	(0.27)	-	-	(31.02)
Translation differences	0.45	1.23	0.60	0.18	3.42	5.88
Balance at March 31, 2025	**126.08**	**729.27**	**6.09**	**9.49**	**166.10**	**1037.03**
Additions	5.48	31.15	2.58	0.33	23.44	62.98
Depreciation expense	(2.57)	(109.16)	(3.18)	(1.95)	(36.50)	(153.36)
Impairment expense - Refer Note: 29	-	-	-	-	(5.74)	(5.74)
Disposals(net)	-	(3.86)	-	-	(0.66)	(4.52)
Translation differences	0.73	104.25	0.60	1.61	28.94	136.13
Balance at March 31, 2026	**129.72**	**751.65**	**6.09**	**9.48**	**175.58**	**1072.52**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

ii) Amount recognised in profit and loss

Particulars	For the year 2025-26	For the year 2024-25
Depreciation charge of right of use assets - Refer Note: 27		
Land	2.57	2.53
Building	109.16	127.77
Plant and equipment	3.18	2.53
Furniture & Fixtures	1.95	1.09
Vehicles	36.50	27.54
	153.36	**161.46**
Interest expenses (included in Finance cost) - Refer Note: 26	55.15	37.48
Expenses related to Short term leases (included in Rent: Other expenses) - Refer Note: 28	156.72	105.34

a) Addition to the right of use assets during the year: ₹62.98 million (Previous year: ₹542.25 million).

b) The total cash outflow for leases for the year: ₹176.12 million (Previous year: ₹198.82 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 31.03.2026	As at 31.03.2025
Capital work-in-progress	1409.70	1183.80

Capital work in progress movement	Total
Balance at March 31, 2024	**781.00**
Addition during the year - **(a)**	2556.67
Capitalised during the year	(2238.32)
Exchange translation impact	84.50
Balance at March 31, 2025	**1183.80**
Addition during the year - **(a)**	3280.52
Capitalised during the year	(3102.29)
Impairment- Refer Note: 29	(7.65)
Exchange translation impact	55.32
Balance at March 31, 2026	**1409.70**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

(a) Includes Research and Development capital expenditure of ₹0.59 million (Previous year: ₹0.40 million) - Refer Note: 38(b) on Research & Development expenditure.

(b) Capitalised borrowing cost:

Borrowing costs capitalised on Capital work-in-progress during the year - ₹ Nil (Previous year- ₹ Nil).

(c) Ageing of Capital Work-in-Progress:

As at March 31, 2026

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	1127.83	188.60	66.28	26.99	1409.70
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025

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	798.82	350.74	33.73	0.51	1183.80
Projects temporarily suspended	-	-	-	-	-

(d) The expected completion of amounts lying in capital work in progress which are delayed is as below:

As at March 31, 2026

Particulars	Amount of Capital Work-in-progress to be complete in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Growth projects	218.08	7.59	-	-	225.67
Total	**218.08**	**7.59**	**-**	**-**	**225.67**

As at March 31, 2025

Particulars	Amount of Capital Work-in-progress to be complete in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Growth projects	22.81	25.07	42.71	-	90.59
Total	**22.81**	**25.07**	**42.71**	**-**	**90.59**

There is no reportable cost over-run project for the year ended March 31, 2026 and March 31, 2025.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

5A. Goodwill

Particulars	As at 31.03.2026	As at 31.03.2025
Cost	3027.52	2712.14
Accumulated impairment losses	(52.61)	(37.34)
	2974.91	**2674.80**

Particulars	For the year 31.03.2026	For the year 31.03.2025
Balance at beginning of the year	2674.80	2474.39
Less: Impairment of Goodwill related to AWUKO - Refer Note: 29	(15.27)	-
Add: Goodwill on acquisition of Silicon Carbide Products, LLC	-	145.93
Add: Exchange difference during the year on translation of goodwill of foreign subsidiaries	315.38	54.48
Balance at end of the year	**2974.91**	**2674.80**

The carrying amount of goodwill as at the year ended March 31, 2026 majorly comprises of goodwill initially recognised at the time of acquisition of Volzhsky Abrasive Works [VAW], PLUSS Advanced Technologies Limited [PLUSS] and Rhodius Abrasives GmbH [Rhodius] and the balance relates to the goodwill recognised on acquisition of other subsidiaries.

(i) Goodwill recognised at the time of acquisition of Volzhsky Abrasive Works [VAW]

The goodwill recognized at the time of VAW's acquisition represents a significant portion of the total goodwill carried by the Group. This goodwill arose when VAW was acquired through the Group's wholly owned subsidiary, CUMI International Limited, Cyprus in the financial year 2007-08.

VAW, a step-down subsidiary of the Holding Company domiciled in Russia, is engaged in the manufacturing of Electromineral, Abrasive, and Ceramic products. As of March 31, 2026, the carrying amount of total assets considered within the consolidated financial statements amounts to ₹11907.81 million, including goodwill of ₹1636.65 million, representing 22.51% of the Group's total assets.

The geo-political situation continues to present an uncertain environment for the operations of the step-down subsidiary, Volzhsky Abrasive Works (VAW), Russia, held through CUMI International Ltd including those arising from international sanctions and territory embargoes. As per the US Department of State's press release dated January 10, 2025, a set of Russian companies in the manufacturing sector which includes VAW were added to the US Department of Treasury's Office of Foreign Assets Control (OFAC)'s Specially Designated Nationals and Blocked Persons List (SDN list), for operating or having operated in the manufacturing sector of the Russian Federation economy. As a result of VAW's designation, all of VAW's property and interests in property that are in the United States or in the possession or control of US persons are blocked. Further, most financial transactions involving US currency and transactions involving US persons are not possible for VAW unless authorized by a general or specific license issued by OFAC or exempt.

Consequent to the above designation, the Holding company made a detailed assessment of the liquidity position of VAW including its ability to continue as a going concern, control over the entity and has also comprehensively assessed the recoverability and carrying values of its assets comprising of property, plant and equipment, intangible assets, trade receivables, inventory and other assets as at the respective balance sheet date including the related goodwill at CUMI International Ltd's consolidated level. Basis the above assessment, an impairment expense (representing certain balances held in foreign currency with a clearing agency by VAW and export receivables of VAW outside the Group) amounting to ₹1041.29 Million had been recognised in the previous year under the heading exceptional items in the consolidated financial statements. No additional impairment was deemed necessary for the current year.

Cash and cash equivalents of VAW amounting to ₹2971.06 million as of March 31, 2026 (Previous year: ₹1749 million) are not available for use by other entities within the Group due to temporary repatriation restrictions.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

The impact assessment is a continuing process and given the evolving nature of uncertainties associated, the Holding Company will continue to monitor all material changes to the internal and external environment.

To determine the recoverable amount of VAW's assets and related goodwill, the Holding Company has adopted a value-in-use approach, discounting future expected cash flows based on financial budgets approved by management for the period up to December 2030. Beyond this period, an extrapolated growth rate of 4% per annum which does not exceed the long-term average growth rate has been applied.

Given the uncertainty surrounding the Russia-Ukraine geopolitical situation and VAW's designation, the Holding Company has incorporated an expected cash flow approach, considering four probability-weighted scenarios:

1. Base scenario (40% weighting): Assumes conflict resolution and VAW's removal from the SDN List by January 2027.
2. Pessimistic scenario (10% weighting): Assumes continued conflict and VAW's designation indefinitely.
3. Downside scenario 1 (30% weighting): Assumes resolution and de-designation by January 2028.
4. Downside scenario 2 (20% weighting): Assumes resolution and de-designation by January 2029.

In arriving at the value in use, the Holding Company has applied a pre-tax discount rate of 26.39% per annum during the conflict and one year thereafter, followed by a pre-tax discount rate of 22.22% per annum for subsequent periods.

The impact assessment is a continuing process and given the evolving nature of uncertainties associated, the Holding Company will continue to monitor all material changes to the internal and external environment.

(ii) Goodwill recognised at the time of acquisition of PLUSS Advanced Technologies Limited [PLUSS]

The value in use is arrived at by discounting the cash flow projections using the financial budgets covering a period of four years, approved by the Board of Directors of PLUSS and extrapolating it beyond four years using a growth rate of 4% per annum. This growth rate does not exceed the long term average growth rate. The cash flows have been discounted using a pre-tax rate of 23.87% per annum. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount. Carrying amount of Goodwill as on March 31, 2026: ₹231.80 million.

(iii) Goodwill recognised at the time of acquisition of Rhodius Abrasives GmbH [Rhodius]

The value in use is arrived at by discounting the cash flow projections using the financial budgets covering a period of five years, approved by the Board of Directors of Rhodius and extrapolating it beyond five years using a growth rate of 3% per annum. The cash flows have been discounted using a pre-tax rate of 11.50 % per annum. The Group believes that any reasonable further change in the key assumptions on which recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount. Carrying amount of Goodwill as on March 31, 2026: ₹916.36 million.

(iv) Goodwill recognised at the time of acquisition of other entities

This represents the goodwill recognised on the acquisition of other subsidiaries viz., Silicon Carbide Products, LLC, 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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

5B. Other Intangible assets

Particulars	As at 31.03.2026	As at 31.03.2025
Carrying amounts		
Brand	19.50	19.68
Software	117.88	140.56
Copyrights, Patents And Intellectual Property	1323.20	1376.51
Customer Relationship	704.11	683.13
Non-compete	15.07	23.93
Technical know-how	14.00	9.13
Total	**2193.76**	**2252.94**

Cost	Brand	Software	Copyrights, Patents And Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2024	**-**	**261.20**	**1892.87**	**719.84**	**35.30**	**149.56**	**3058.77**
Acquisition through Business Combination	20.30	-	25.37	139.54	14.38	-	199.59
Additions **(a)**	-	86.36	18.23	-	-	-	104.59
Disposals	-	(5.08)	-	-	-	-	(5.08)
Translation differences	0.24	14.94	14.14	14.12	0.17	-	43.61
Balance at March 31, 2025	**20.54**	**357.42**	**1950.61**	**873.50**	**49.85**	**149.56**	**3401.48**
Additions **(a)**		68.01	22.10			10.59	100.70
Disposals	-	(7.99)	-	-	-	-	(7.99)
Translation differences	2.18	33.72	139.49	137.48	1.54	-	314.41
Balance at March 31, 2026	**22.72**	**451.16**	**2112.20**	**1010.98**	**51.39**	**160.15**	**3808.60**

Accumulated amortisation and impairment	Brand	Software	Copyrights, Patents And Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2024	**-**	**160.55**	**402.01**	**123.10**	**17.65**	**134.94**	**838.25**
Amortisation expense	0.85	58.41	168.95	64.60	8.26	5.49	306.56
Disposals	-	(5.00)	-	-	-	-	(5.00)
Translation differences	0.01	2.90	3.14	2.67	0.01	-	8.73
Balance at March 31, 2025	**0.86**	**216.86**	**574.10**	**190.37**	**25.92**	**140.43**	**1148.54**
Amortisation expense	2.12	62.63	179.52	84.85	10.06	5.72	344.90
Impairment expense - Refer Note: 29	-	46.47	-	-	-	-	46.47
Disposals	-	(7.42)	-	-	-	-	(7.42)
Translation differences	0.24	14.74	35.38	31.65	0.34	-	82.35
Balance at March 31, 2026	**3.22**	**333.28**	**789.00**	**306.87**	**36.32**	**146.15**	**1614.84**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Carrying amounts	Brand	Software	Copyrights, Patents And Intellectual Property	Customer Relationship	Non-compete	Technical know-how	Total
Balance at March 31, 2024	**-**	**100.65**	**1490.86**	**596.74**	**17.65**	**14.62**	**2220.52**
Additions	-	86.36	18.23	-	-	-	104.59
Acquisition through Business Combination	20.30	-	25.37	139.54	14.38	-	199.59
Amortisation expense	(0.85)	(58.41)	(168.95)	(64.60)	(8.26)	(5.49)	(306.56)
Disposals (net)	-	(0.08)	-	-	-	-	(0.08)
Translation differences	0.23	12.04	11.00	11.45	0.16	-	34.88
Balance at March 31, 2025	**19.68**	**140.56**	**1376.51**	**683.13**	**23.93**	**9.13**	**2252.94**
Additions	-	68.01	22.10	-	-	10.59	100.70
Amortisation expense	(2.12)	(62.63)	(179.52)	(84.85)	(10.06)	(5.72)	(344.90)
Impairment expense - Refer Note: 29	-	(46.47)	-	-	-	-	(46.47)
Disposals (net)	-	(0.57)	-	-	-	-	(0.57)
Translation differences	1.94	18.98	104.11	105.83	1.20	-	232.06
Balance at March 31, 2026	**19.50**	**117.88**	**1323.20**	**704.11**	**15.07**	**14.00**	**2193.76**

(a) Includes Research & Development capital expenditure of ₹12.66 million (Previous year: ₹0.21 million) - Refer Note: 38(b) on Research & Development expenditure

(b) Internally generated intangible assets - Nil.

6A. Investment in Associate

Particulars	As at 31.03.2026		As at 31.03.2025	
	No. of shares	Amount	No. of shares	Amount
Wendt (India) Ltd. [WENDT]	750000	952.00	750000	913.83
Total Carrying value	**750000**	**952.00**	**750000**	**913.83**
Book value of Quoted Investment	-	952.00	-	913.83
Market value of Quoted Investment	-	4443.38	-	6646.28

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 31.03.2026	Proportion of ownership's interest/ voting rights held by the Group As at 31.03.2025
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".

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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, if any.

Wendt (India) Ltd.		
Particulars	**As at 31.03.2026**	**As at 31.03.2025**
Non-current assets	1141.80	1166.90
Current assets	1914.20	1841.10
Non-current liabilities	(18.20)	(19.80)
Current liabilities	(499.10)	(551.30)
Particulars	**For the year 2025-26**	**For the year 2024-25**
Revenue	2363.20	2337.20
Profit for the year	145.50	394.80
Other Comprehensive Income	36.30	21.00
Total Comprehensive Income	181.80	415.80
Dividend received from WENDT	30.00	37.50

Reconciliation of the above summarised financial information to the carrying amount of the interest in Wendt (India) Ltd. recognised in consolidated financial statements is given below:

Particulars	**As at 31.03.2026**	**As at 31.03.2025**
Net assets of WENDT	2538.70	2436.90
Proportion of the Group's ownership interest in WENDT	37.50%	37.50%
Carrying amount of the Group's interest in WENDT	952.00	913.83

Fair value of the Group's interest in Wendt (India) Ltd., which is listed in the Stock exchange of India as on March 31, 2026 was ₹4443.38 million (as at March 31, 2025 ₹6646.28 million)

Particulars	**As at 31.03.2026**	**As at 31.03.2025**
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 31.03.2026**		**As at 31.03.2025**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Unquoted Investment - Equity shares				
Murugappa Morgan Thermal Ceramics Limited [MMTCL]	1430793	899.14	1430793	882.56
Ciria India Limited [CIRIA]	59998	114.33	59998	129.72
Total Carrying value		**1013.47**		**1012.28**
Aggregate value of unquoted investments		1013.47		1012.28

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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	
			31.03.2026	31.03.2025
Murugappa Morgan Thermal Ceramics Limited	**Ceramics**	**India**	**49%**	**49%**
Ciria India Limited	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, if any.

Murugappa Morgan Thermal Ceramics Limited

Particulars	As at 31.03.2026	As at 31.03.2025
Non-current assets	1268.23	1248.24
Current assets	983.14	921.03
Non-current liabilities	(23.84)	(50.44)
Current liabilities	(392.55)	(317.68)

The above amount of assets and liabilities includes the following:

Particulars	As at 31.03.2026	As at 31.03.2025
Cash and cash equivalents	161.62	83.72
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 2025-26	For the year 2024-25
Revenue	2568.15	2530.01
Profit for the year	410.21	476.94
Other Comprehensive Income	3.23	(1.47)
Total Comprehensive Income	413.44	475.47
Dividend received from MMTCL	186.00	71.54

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year 2025-26	For the year 2024-25
The above profit for the year includes the following:		
Depreciation and amortisation	151.21	93.54
Interest income	3.69	4.27
Interest expense	-	-
Income tax expense	125.32	174.43

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 31.03.2026	As at 31.03.2025
Net assets of MMTCL	1834.98	1801.15
Proportion of the Group's ownership interest in MMTCL	49%	49%
Carrying amount of the Group's interest in MMTCL	899.14	882.56

Ciria India Limited

Particulars	As at 31.03.2026	As at 31.03.2025
Non-current assets	46.68	58.62
Current assets	526.68	581.59
Non-current liabilities	(25.94)	(19.28)
Current liabilities	(166.31)	(188.52)

The above amount of assets and liabilities includes the following:

Particulars	As at 31.03.2026	As at 31.03.2025
Cash and cash equivalents	18.02	77.19
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

Particulars	As at 31.03.2026	As at 31.03.2025
Revenue	1106.93	1309.48
Profit for the year	188.88	234.45
Other Comprehensive Income	(0.17)	(0.89)
Total Comprehensive Income	188.71	233.56
Dividend received from CIRIA	72.00	51.00
The above profit for the year includes the following:		
Depreciation and amortisation	9.21	11.45
Interest income	2.27	3.07
Interest expense	0.01	0.05
Income tax expense	64.71	85.27

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 31.03.2026	As at 31.03.2025
Net assets of CIRIA	381.11	432.41
Proportion of the Group's ownership interest in CIRIA	30.00%	30.00%
Carrying amount of the Group's interest in CIRIA	114.33	129.72

Unrecognised share of losses of Joint Ventures: MMTCL & CIRIA

Particulars	For the year 2025-26	For the year 2024-25
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 31.03.2026		As at 31.03.2025	
	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	-	1.82	-	0.65
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	4.83	-	32.24	-

6C. Other Investments

Particulars	As at 31.03.2026	As at 31.03.2025
Non-current		
(a) Investment in Equity instruments at FVTOCI		
Unquoted		
(i) Murugappa Management Services Private limited	11.30	11.30
(ii) Murugappa Water Technology And Solutions Private Limited	-	62.80
(b) Investments in Equity Instruments & Others at FVTPL		
(i) Quoted	10.79	13.46
(ii) Unquoted	0.56	0.56
Total (a+b)	**22.65**	**88.12**
Aggregate book value of quoted investments	10.79	13.46
Aggregate market value of quoted investments	10.79	13.46
Aggregate carrying value of unquoted investments	11.86	74.66
Aggregate amount of impairment in value of investments	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Category wise other investments - as per Ind AS 109	As at 31.03.2026	As at 31.03.2025
Financial asset measured at FVTPL - Equity instruments & Others	11.35	14.02
Financial asset measured at FVTOCI - Equity instruments	11.30	74.10
	22.65	**88.12**

7. Other financial assets

Particulars	As at 31.03.2026	As at 31.03.2025
A. Non-current		
Margin money deposit	24.60	0.12
Security deposit	276.38	217.34
	300.98	**217.46**
B. Current		
Deposits	15.48	1.48
Contract assets	22.70	25.33
Other receivables		
Considered good*	143.23	1121.12
Considered doubtful	1028.03	937.09
Less: Allowance for doubtful receivables#	(1028.03)	(937.09)
	181.41	**1147.93**

* includes receivable pertaining to sale of treasury shares amounting to ₹ Nil (March 31, 2025 - ₹962.29 million)

\# includes provision amounting to ₹1027.96 million (March 31, 2025 - ₹937.02 million) in relation to balances held in foreign currency with clearing agency by VAW. Refer Note: 5A

8. Income tax

Particulars	As at 31.03.2026	As at 31.03.2025
A. Deferred tax assets (net)	**1304.76**	**1221.32**
B. Deferred tax liabilities (net)	**194.35**	**633.59**

Particulars	2025-26				
	Balance as at 31.03.2025	Recognised in Profit or Loss	Recognised in OCI	Translation adjustment	Balance as at 31.03.2026
A. Deferred tax assets					
Allowance for doubtful receivables and advances	434.08	2.38	-	59.79	496.25
Voluntary retirement scheme payments	0.07	0.16	-	-	0.23
Expenses allowed on payment/realisation basis	129.11	12.49	2.62	3.25	147.47
Temporary difference attributable to Property, plant and equipment	155.08	7.74	-	13.92	176.74
Tax losses including unabsorbed depreciation	487.80	(103.84)	-	99.12	483.08
Tax on unrealised profit on stock	118.83	14.82	-	-	133.65
Others	262.22	(15.29)	(0.95)	34.76	280.74
Total Deferred tax assets	**1587.19**	**(81.54)**	**1.67**	**210.84**	**1718.16**
B. Deferred tax liabilities					
Fair value adjustment arising on Business combination	201.78	(33.85)	-	-	167.93
Accelerated depreciation for tax purposes	379.05	29.99	-	29.07	438.11
Tax on undistributed profit	418.05	(472.08)	-	54.03	-
Others	0.58	0.69	0.30	0.14	1.71
Total Deferred tax liabilities	**999.46**	**(475.25)**	**0.30**	**83.24**	**607.75**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	2025-26				
	Balance as at 31.03.2025	Recognised in Profit or Loss	Recognised in OCI	Translation adjustment	Balance as at 31.03.2026
Net Deferred tax (asset)/liabilities - (B-A)	**(587.73)**	**(393.71)**	**(1.37)**	**(127.60)**	**(1110.41)**
8A. Presented as deferred tax asset (net)	1221.32				1304.76
8B. Presented as deferred tax liability (net)	633.59				194.35
Net Deferred tax (asset)/liabilities - (8B-8A)	**(587.73)**				**(1110.41)**

	Particulars	2024-25				
		Balance as at 31.03.2024	Recognised in Profit or Loss	Recognised in OCI	Translation adjustment	Balance as at 31.03.2025
A.	**Deferred tax assets**					
	Allowance for doubtful receivables and advances	137.85	203.70	-	92.53	434.08
	Voluntary retirement scheme payments	0.18	(0.11)	-	-	0.07
	Expenses allowed on payment/ realisation basis	106.93	13.81	8.38	(0.01)	129.11
	Temporary difference attributable to Property, plant and equipment	113.14	26.19	-	15.75	155.08
	Tax losses including unabsorbed depreciation	744.90	(279.45)	-	22.35	487.80
	Tax on unrealised profit on stock	118.06	2.07	-	(1.30)	118.83
	Others	142.72	95.76	0.20	23.54	262.22
	Total Deferred tax assets	**1363.78**	**61.97**	**8.58**	**152.86**	**1587.19**
B.	**Deferred tax liabilities**					
	Fair value adjustment arising on Business combination	235.63	(33.85)	-	-	201.78
	Accelerated depreciation for tax purposes	306.78	47.68	-	24.59	379.05
	Tax on undistributed profit	321.99	54.92	-	41.14	418.05
	Others	2.16	1.01	-	(2.59)	0.58
	Total Deferred tax liabilities	**866.56**	**69.76**	**-**	**63.14**	**999.46**
	Net Deferred tax (asset)/liabilities - (B-A)	**(497.22)**	**7.79**	**(8.58)**	**(89.72)**	**(587.73)**
8A.	**Presented as deferred tax asset (net)**	1105.60				1221.32
8B.	**Presented as deferred tax liability (net)**	608.38				633.59
	Net Deferred tax (asset)/liabilities - (8B-8A)	**(497.22)**				**(587.73)**

(a) Tax losses in respect of subsidiaries where the foreseeable business profits are estimated reasonably in the near future is considered for recognition of deferred tax assets in respective entities in compliance with tax laws of the respective countries.

(b) Deferred tax assets have not been recognised in respect of certain losses as they may not be used to offset taxable profit elsewhere in the Group, also they have arisen in subsidiaries that are loss-making and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Particulars	As at 31.03.2026	As at 31.03.2025
(c) Unrecognised Deferred tax asset on unused tax losses.	1670.71	576.78

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

8C. Current tax liabilities (net)

Particulars	As at 31.03.2026	As at 31.03.2025
Current tax liabilities (net)	61.02	292.06

9. Other assets

Particulars	As at 31.03.2026	As at 31.03.2025
A. Non-current		
Capital advances	144.63	415.12
Prepayments *	134.48	52.04
Deposits paid under protest relating to Sales tax, Central excise and Service tax demands	12.41	12.41
Taxation (net of provisions)	142.68	153.33
	434.20	**632.90**
B. Current		
Prepayments *	292.73	268.65
Trade advance to Suppliers	396.70	337.25
Balances with Statutory authorities	452.24	231.14
	1141.67	**837.04**

* Includes an amount of INR 74.03 million (non-current) and 3.18 million (current) as of March 31, 2026 (net of amortisation amounting to INR 2.39 million) towards investment in the equity capital of Grian Energy Private Limited (GEPL). This investment was made to enable the Holding Company to access contracted capacity of approximately 10 MW from GEPL's captive power plant, pursuant to the power purchase agreement entered into with GEPL. Based on an evaluation of the terms of the agreement, the Holding Company has concluded that the investment does not constitute an equity investment in substance. Accordingly, the amount paid has been classified as a prepayment, to be amortised over the tenure of the power purchase agreement.

10. Inventories

Particulars	As at 31.03.2026	As at 31.03.2025
Raw materials	3541.22	3755.08
Raw materials in transit	5.33	16.13
Work-in-progress	2323.59	2124.53
Stock-in-trade	690.25	666.94
Finished goods	3419.59	2839.74
Stores and spares	1156.57	1145.88
Stores and spares in transit	34.96	1.75
	11171.51	**10550.05**

a. The mode of valuation of inventories has been stated in Note: 3(A)(h), 3(B)(c).

b. Raw materials includes captively manufactured intermediaries.

c. The cost of inventories recognised as an expense (consumption) during the year was ₹22708.87 million (Previous year: ₹20082.04 million).

d. Write-down of inventories amounting to ₹378.95 million - Refer Note: 29.

e. All the above inventories are expected to be recovered within twelve months.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

11. Trade receivables (Unsecured)

Particulars	As at 31.03.2026	As at 31.03.2025
Current		
a. Considered good	9857.03	8451.08
b. Which have significant increase in Credit Risk	-	-
c. Credit impaired	22.72	15.10
Allowance for doubtful receivables (expected credit loss allowance)	(971.99)	(803.82)
	8907.76	**7662.36**

a. Trade receivables are generally due between 30 to 60 days. The Group's terms includes charging of interest for delayed payment beyond agreed credit days. However, the entities under the Group exercise charging of interest after considering the historical trend, business prospects, reason for delay, market conditions etc.

b. Credit risk is managed at the respective entity level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The entities under the Group may consider credit rating when needed. The credit limit and the credit period are reviewed regularly at periodical intervals.

c. Concentration risk considers significant exposures relating to industry, counterparty, geography, currency etc. The concentration of credit risk is not significant due to the fact that the customer base is large and diversified.

d. The respective entities under the Group have used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information.

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 ₹76.32 million (Previous year: ₹75.29 million).

g Movement in the expected credit loss allowance	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	803.82	633.77
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses including translation impact	168.17	170.05
	971.99	**803.82**

11A Ageing of Trade receivables

Particulars	As at 31 March 2026							
	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	-	7417.34	2139.73	122.19	77.61	61.75	38.41	9857.03
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	11.95	2.79	7.98	22.72
(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 Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars		As at 31 March 2025							
		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	-	6201.61	2026.26	78.31	90.25	23.17	31.48	8451.08
(ii)	Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	
(iii)	Undisputed Trade receivable-credit impaired	-	-	-	-	5.03	4.09	5.98	15.10
(iv)	Disputed Trade receivable-Considered good	-	-	-	-	-	-	-	-
(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 31.03.2026	As at 31.03.2025
Balances with banks	2260.39	1297.66
Highly liquid money market instruments	2828.79	1675.82
Deposit account with original maturity less than three months	1887.65	802.32
Cash on hand	1.95	3.47
	6978.78	**3779.27**

Cash and cash equivalents of Volzhsky Abrasive Works [VAW] amounting to ₹2971.06 million (Previous year: ₹1749 Million) are not available for use by other entities within the Group due to temporary repatriation restrictions - Refer Note: 5A

12B. Bank balances other than above

Particulars	As at 31.03.2026	As at 31.03.2025
Earmarked funds	20.06	21.25
Bank Deposit with original maturity more than three months but remaining maturity less than 12 months	5.59	5.33
	25.65	**26.58**

13. Equity Share Capital

Particulars	As at 31.03.2026	As at 31.03.2025
Authorised share capital:		
387,250,000 (as at March 31, 2025: 387,250,000) equity shares of Re.1 each	387.25	387.25
Issued, Subscribed and Paid-up		
190,492,502 (as at March 31, 2025: 190,422,718) equity shares of Re.1 each fully paid	**190.49**	**190.42**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2026		As at 31.03.2025	
Equity shares with voting rights	**No. of Shares**	**Value of Shares**	**No. of Shares**	**Value of Shares**
At the beginning of the year	190422718	190.42	190257608	190.26
Add: Shares issued against Employee Stock Option Scheme/Plan	69784	0.07	165110	0.16
At the end of the year	**190492502**	**190.49**	**190422718**	**190.42**

b) Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. Repayment of capital and surplus, if any, will be in proportion to the number of equity shares held.

c) Dividend details

Final dividend of ₹2.50/- per share was proposed for the year ended March 31, 2026 at the meeting of the Board of Directors held on May 14,2026 (previous year final dividend of ₹2.50/- 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 29, 2026 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 13, 2025 and the same had 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 31.03.2026		As at 31.03.2025	
	No. of Shares held*	**% of holding**	**No. of Shares held***	**% of holding**
Ambadi Investments Limited	56054244	29.43%	56054244	29.44%
SBI Mutual Fund	18426274	9.67%	18306415	9.61%

*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: 35 of the standalone financial statements

(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, 2026		March 31, 2025		
		Nos.	%	Nos.	%	
1	M A M ARUNACHALAM As a Karta of M A Murugappan HUF	92000	0.05%	92000	0.05%	-
2	M M MURUGAPPAN As a Karta of M M Muthiah HUF	335200	0.18%	335200	0.18%	-
3	M M MURUGAPPAN Karta of M M Murugappan HUF	16000	0.01%	16000	0.01%	-
4	UMAYAL.R.	979504	0.51%	979504	0.51%	-
5	A VENKATACHALAM Karta of A VENKATACHALAM HUF**	-	-	1000	0.00%	-100.0%
6	VALLI ANNAMALAI	259134	0.14%	136480	0.07%	89.9%
7	M A M ARUNACHALAM Trustee of Arun Murugappan Children Trust (AOP)	345600	0.18%	345600	0.18%	-
8	ARUN ALAGAPPAN Trustee of M A Alagappan Grandchildren Trust (AOP)	345600	0.18%	345600	0.18%	-
9	M A M ARUNACHALAM	1003800	0.53%	1003800	0.53%	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (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, 2026		March 31, 2025		
		Nos.	%	Nos.	%	
10	ARUN ALAGAPPAN	471400	0.25%	471400	0.25%	-
11	M.A.ALAGAPPAN	786000	0.41%	786000	0.41%	-
12	LAKSHMI CHOCKALINGAM	-	-	176121	0.09%	-100.0%
13	A VELLAYAN*	-	-	303260	0.16%	-100.0%
14	LALITHA VELLAYAN	116500	0.06%	116500	0.06%	-
15	MEYYAMMAI VENKATACHALAM	100000	0.05%	100000	0.05%	-
16	M A ALAGAPPAN Karta of M A ALAGAPPAN HUF	188000	0.10%	188000	0.10%	-
17	M M MURUGAPPAN	340140	0.18%	340140	0.18%	-
18	MA ALAGAPPAN Karta of AMM Arunachalam HUF	300400	0.16%	300400	0.16%	-
19	A M MEYYAMMAI	21300	0.01%	21300	0.01%	-
20	M V SUBBIAH As a Karta of M V SUBBIAH HUF	81600	0.04%	81600	0.04%	-
21	MEENAKSHI MURUGAPPAN	479900	0.25%	479900	0.25%	-
22	VALLI ALAGAPPAN	15151	0.01%	15151	0.01%	-
23	A VENKATACHALAM	721204	0.38%	598900	0.31%	20.4%
24	V NARAYANAN	419000	0.22%	205900	0.11%	103.5%
25	V ARUNACHALAM	396840	0.21%	183740	0.10%	116.0%
26	ARUN VENKATACHALAM	187840	0.10%	186840	0.10%	0.5%
27	SOLACHI RAMANATHAN	2000	0.00%	2000	0.00%	-
28	A V NAGALAKSHMI	75	0.00%	75	0.00%	-
29	M V AR MEENAKSHI*	-	-	367898	0.19%	-100.0%
30	A.KEERTIKA UNNAMALAI	1000	0.00%	1000	0.00%	-
31	UMA RAMANATHAN	3250	0.00%	3250	0.00%	-
32	V VASANTHA	50	0.00%	50	0.00%	-
33	DHRUV M ARUNACHALAM	1200	0.00%	1200	0.00%	-
34	PRANAV ALAGAPPAN	2000	0.00%	2000	0.00%	-
35	KRISHNA MURUGAPPAN MUTHIAH	5000	0.00%	5000	0.00%	-
36	A M M VELLAYAN SONS P LTD	1700	0.00%	1700	0.00%	-
37	E.I.D.PARRY (INDIA) LTD.	2000	0.00%	2000	0.00%	-
38	M.M.MUTHIAH SONS PRIVATE LTD	304000	0.16%	304000	0.16%	-
39	M.M.MUTHIAH RESEARCH FOUNDATION	1104160	0.58%	1104160	0.58%	-
40	AMBADI INVESTMENTS LIMITED	56054244	29.43%	56054244	29.44%	-
41	CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED	6000	0.00%	6000	0.00%	-
42	SUBBIAH.M.V, ALAGAPPAN M A and M M MURUGAPPAN holds on behalf of the firm Murugappa & Sons	480	0.00%	480	0.00%	-
43	M A ALAGAPPAN HOLDINGS PRIVATE LIMITED	210020	0.11%	210020	0.11%	-
44	M M VENKATACHALAM, Trustee of Lakshmi Venkatachalam Family Trust	200000	0.10%	200000	0.11%	-
45	A A ALAGAMMAI, Trustee of Lakshmi Ramaswamy Family Trust	390000	0.21%	390000	0.20%	-
46	SIGAPI ARUNACHALAM As a trustee of Murugappan Arunachalam Children Trust	-	-	300000	0.16%	-100.0%
47	SOUTHERN ENERGY DEVELOPMENT CORPORATION LTD @	1449240	0.76%	2449240	1.29%	-40.8%

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (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, 2026		March 31, 2025		
		Nos.	%	Nos.	%	
48	M M VENKATACHALAM, Trustee of M V Muthiah Family Trust	262400	0.14%	262400	0.14%	-
49	M M MURUGAPPAN, Trustee of M M Veerappan Family Trust	352000	0.18%	352000	0.18%	-
50	M M VENKATACHALAM, trustee of M M Venkatachalam Family Trust	222740	0.12%	222740	0.12%	-
51	M M VENKATACHALAM, Trustee of M V Subramanian Family Trust	262400	0.14%	262400	0.14%	-
52	M M MURUGAPPAN, Trustee of M M Muthiah Family Trust	352000	0.18%	352000	0.18%	-
53	MURUGAPPA EDUCATIONAL AND MEDICAL FOUNDATION	3811920	2.00%	3811920	2.00%	-
54	AR.LAKSHMI ACHI TRUST	153140	0.08%	153140	0.08%	-
55	M V SUBBIAH, trustee of Saraswathi Trust	388860	0.20%	388860	0.20%	-
56	M V SUBBIAH, trustee of Shambho Trust	339421	0.18%	599021	0.31%	-43.3%
57	M A MURUGAPPAN HOLDINGS LLP	145940	0.08%	145940	0.08%	-
58	VALLIAMMAI MURUGAPPAN	52000	0.03%	52000	0.03%	-

* Shri A. Vellayan passed away on November 17, 2025. Following his demise, the shares he held have been duly transmitted to his legal heirs in accordance with applicable laws and procedures and ceases to be Promoter of the Company as at March 31, 2026.

Smt. M V AR Meenakshi passed away on September 23, 2025 and the shares held by her have been transmitted to the legal heirs in accordance with applicable laws and procedures and ceases to be Member of Promoter Group of the Company as at March 31, 2026.

** During the year, A. Venkatachalam (HUF) was fully partitioned, and the shares held by the HUF were distributed among the members in accordance with the terms of the partition

@ On March 28, 2025, Southern Energy Development Corporation Limited had sold 1,000,000 shares in the Company and the transfer was effected in the demat accounts on April 02, 2025. Consequently the above disclosure has been provided based on the dematerialised holding as at March 31, 2025 as per the depository participant statement. However it may be noted as at March 31, 2025, Southern Energy Development Corporation Limited effective holding shares in the Company was 1,449,240.

14. Other equity

Particulars			As at 31.03.2026	As at 31.03.2025
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	623.33	600.88
	e.	General reserve	10730.94	10230.94
	f.	Share options outstanding account	472.92	328.44
	g.	Retained earnings	24435.38	23685.43
	h.	Non Controlling interest put option reserve	(427.43)	(393.62)
B.	**Items of Other Comprehensive Income**			
	i.	Reserve for equity instruments	-	42.39
	j.	Effective portion of Cash flow Hedge	-	(0.54)
	k.	Foreign currency translation reserve	2894.58	523.92
	l.	Revaluation surplus	23.74	23.74
Total Other Equity			**38807.73**	**35095.85**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

a. Profit on forfeiture of shares/warrants

Particulars	As at 31.03.2026	As at 31.03.2025
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 31.03.2026	As at 31.03.2025
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 Parent company.

c. Capital reserve on consolidation

Particulars	As at 31.03.2026	As at 31.03.2025
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 acquired 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 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	600.88	546.56
Movements	22.45	54.32
Balance at end of the year	**623.33**	**600.88**

The Securities premium received during the year represents the premium received towards allotment of 69,784 shares. Cumulatively 3,784,502 equity shares were allotted during the period FY 2009-10 to FY 2025-26 under ESOP Scheme 2007 and ESOP Plan 2016 (Refer Note: 35 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.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

e. General reserve

Particulars	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	10230.94	9730.94
Movements: Transfer from retained earning	500.00	500.00
Balance at end of the year	**10730.94**	**10230.94**

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 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	328.44	226.92
Movements	144.48	101.52
Balance at end of the year	**472.92**	**328.44**

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: 35 of Standalone Financial Statements for details.

g. Retained earnings

Particulars	As at 31.03.2026	As at 31.03.2025
Opening Balance	23685.43	21270.14
Add: Profits for the year	1947.24	2927.39
Add: Transfer from Non Controlling interest on account of increase in shareholding	-	0.99
Add: Parent share of proceeds from sale of treasury shares net of related expenses and tax	-	752.54
Less: Transfer from Reserve for equity instruments	115.97	-
Less: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of tax	(51.49)	(4.33)
Less: Transfer to General reserve	(500.00)	(500.00)
Less: Final dividend paid	(476.07)	(475.67)
Less: Interim dividend	(285.70)	(285.63)
	24435.38	**23685.43**

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 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	(393.62)	(454.70)
Movements: Change in Fair Value	(33.81)	61.08
Balance at end of the year	**(427.43)**	**(393.62)**

The above reserve represents the fair value of the consideration payable on the put option exercisable by the non-controlling interest of a subsidiary. The Holding company at the time of acquisition has provided the erstwhile promoters of PLUSS, a put option exercisable within a pre-defined time period to sell their entire remaining holding to the Holding company 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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

The put option qualifies as a liability under Ind AS 32, since the Holding company does not have an right to not purchase the interest as per the terms of the Agreement. In accordance with Ind AS, the Group has elected an accounting policy choice to recognise the gross liability with a corresponding debit to Group's other equity in its consolidated financial statements with subsequent change in the fair value of gross liability in other equity.

Since the call option is exercisable at fair value, the fair value of the option is NIL and accordingly no accounting is performed.

i. Reserve for equity instruments

Particulars	**As at 31.03.2026**	**As at 31.03.2025**
Balance at the beginning of the year	**42.39**	**42.39**
Movements	73.58	-
Transfer to Retained earnings	(115.97)	-
Balance at end of the year	**-**	**42.39**

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 has been reclassified to retained earnings as those assets are disposed off.

j. Effective portion of Cash flow Hedge

Particulars	**As at 31.03.2026**	**As at 31.03.2025**
Balance at the beginning of the year	(0.54)	(0.19)
Movements	0.54	(0.35)
Balance at end of the year	**-**	**(0.54)**

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 31.03.2026**	**As at 31.03.2025**
Balance at the beginning of the year	523.92	(373.31)
Movements	2370.66	897.23
Balance at end of the year	**2894.58**	**523.92**

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 31.03.2026**	**As at 31.03.2025**
Balance at the beginning of the year	23.74	23.74
Movements	-	-
Balance at end of the year	**23.74**	**23.74**

Land & Buildings of the Parent company added upto 31st August 1984 were revalued in 1984 based on the valuation done by an independent valuer. The value added on revaluation amounting to ₹58.41 million was credited to fixed asset revaluation reserve. The depreciation charged on the revalued portion was recouped every year from this reserve upto March 31, 2015 under previous GAAP.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

15. Non-Controlling Interests [NCI]

Particulars	As at 31.03.2026	As at 31.03.2025
Balance at beginning of the year	1472.34	1393.14
Share of Profit	(269.25)	59.67
Share of Other Comprehensive Income	131.57	37.31
Dividend paid to Non-Controlling Interest	(249.83)	(150.70)
Share of proceeds from sale of treasury shares net of related expenses and tax	-	133.91
Transaction with Non-Controlling interest arising from change in shareholding of a subsidiary	-	(0.99)
Balance as at the end of the year	**1084.83**	**1472.34**

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	
		31.03.2026	31.03.2025
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 Abrasive Works	Russia	2.56%	2.56%
Foskor Zirconia (Pty) Ltd.	South Africa	49.00%	49.00%
PLUSS Advanced Technologies Limited*	India	24.26%	24.26%

* 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	
	31.03.2026	31.03.2025	2025-26	2024-25	2025-26	2024-25
Southern Energy Development Corporation Limited	30.41	147.31	6.18	(1.69)	13.27	0.14
Sterling Abrasives Limited	462.09	429.24	50.52	56.81	1.42	(0.72)
CUMI (Australia) Pty Limited	425.32	340.48	102.42	86.43	-	-
Volzhsky Abrasive Works	231.18	196.37	11.71	7.19	-	-
Foskor Zirconia (Pty) Ltd.	(231.28)	174.35	(420.87)	(61.41)	(0.27)	1.29
PLUSS Advanced Technologies Limited	166.67	183.91	(18.94)	(32.00)	1.70	0.26
Consolidation adjustment	0.44	0.68	(0.27)	4.34	115.45	36.34
Total	**1084.83**	**1472.34**	**(269.25)**	**59.67**	**131.57**	**37.31**

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The information below represents amounts before intragroup eliminations.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Southern Energy Development Corporation Limited		Sterling Abrasives Limited		CUMI (Australia) Pty Limited	
	As at		As at		As at	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Non-Current assets*	92.66	161.94	847.92	881.55	540.15	459.11
Current assets	124.37	998.61	632.93	622.09	1067.97	821.39
Non-Current liabilities	(1.48)	(2.16)	(48.94)	(106.42)	(307.95)	(278.44)
Current liabilities	(16.00)	(191.72)	(276.68)	(324.12)	(413.51)	(289.31)
Equity attributable to owners of the Company	**169.14**	**819.36**	**693.14**	**643.86**	**461.34**	**372.27**
Non-Controlling Interest	**30.41**	**147.31**	**462.09**	**429.24**	**425.32**	**340.48**

*Southern Energy Development Corporation Limited : Non Current assets excludesfair valuation of the Holding 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	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue	155.19	296.76	1376.86	1356.15	2120.60	1819.60
Expenses#	(114.66)	(307.82)	(1250.56)	(1214.13)	(1910.65)	(1642.42)
Profit / (Loss) for the year	**40.53**	**(11.06)**	**126.30**	**142.02**	**209.95**	**177.18**
Profit / (Loss) attributable to owners of the Company	34.35	(9.37)	75.78	85.21	107.53	90.75
Profit / (Loss) attributable to the Non-Controlling Interest of the Company	6.18	(1.69)	50.52	56.81	102.42	86.43
Profit / (Loss) for the year	**40.53**	**(11.06)**	**126.30**	**142.02**	**209.95**	**177.18**
Other Comprehensive Income attributable to owners of the Company*	73.79	0.80	2.14	(1.09)	-	-
Other Comprehensive Income attributable to Non-Controlling Interest of the Company	13.27	0.14	1.42	(0.72)	-	-
Other Comprehensive Income for the year	**87.06**	**0.94**	**3.56**	**(1.81)**	**-**	**-**
Total Comprehensive Income attributable to owners of the Company	108.14	(8.57)	77.92	84.12	107.53	90.75
Total Comprehensive Income attributable to Non-Controlling Interest of the Company	19.45	(1.55)	51.94	56.09	102.42	86.43
Total Comprehensive Income for the year	**127.59**	**(10.12)**	**129.86**	**140.21**	**209.95**	**177.18**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Southern Energy Development Corporation Limited		Sterling Abrasives Limited		CUMI (Australia) Pty Limited	
	For the year		For the year		For the year	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Dividend paid to Non-Controlling Interests	**(136.36)**	**-**	**(19.08)**	**(18.00)**	**(91.63)**	**(121.15)**
Net cash inflow / (outflow) from Operating activities	(109.80)	(9.10)	250.31	162.07	328.09	354.28
Net cash inflow / (outflow) from Investing activities	1055.90	9.60	(34.49)	(44.42)	(31.82)	(17.35)
Net cash inflow / (outflow) from Financing activities	(894.70)	(0.60)	(217.44)	(115.11)	238.59	(287.72)
Net cash inflow / (outflow)	**51.40**	**(0.10)**	**(1.62)**	**2.54**	**534.86**	**49.21**

*Southern Energy Development Corporation Limited: Other Comprehensive excludes fair valuation and gain on disposal of the Holding Company's shares held by it.

Particulars	Volzhsky Abrasive Works		Foskor Zirconia (Pty) Ltd.		PLUSS	
	As at		As at		As at	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Non-Current assets	3436.87	3367.86	155.83	421.42	885.80	1024.03
Current assets	6834.29	5415.30	1017.56	1066.15	355.78	266.32
Non-Current liabilities	(51.03)	(9.65)	(265.88)	(188.11)	(230.15)	(278.14)
Current liabilities	(1203.72)	(1114.70)	(1379.51)	(943.65)	(324.29)	(254.01)
Equity attributable to owners of the Company	**8785.23**	**7462.44**	**(240.72)**	**181.46**	**520.47**	**574.29**
Non-Controlling Interest	**231.18**	**196.37**	**(231.28)**	**174.35**	**166.67**	**183.91**

Particulars	Volzhsky Abrasive Works		Foskor Zirconia (Pty) Ltd.		PLUSS	
	For the year		For the year		For the year	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue	6808.41	8571.93	2352.27	1928.33	1003.47	827.23
Expenses #	(6351.71)	(8291.63)	(3211.19)	(2053.66)	(1081.57)	(959.15)
Profit / (Loss) for the year	**456.70**	**280.30**	**(858.92)**	**(125.33)**	**(78.10)**	**(131.92)**
Profit / (Loss) attributable to owners of the Company	444.99	273.11	(438.05)	(63.92)	(59.16)	(99.92)
Profit / (Loss) attributable to the Non-Controlling Interest of the Company	11.71	7.19	(420.87)	(61.41)	(18.94)	(32.00)
Profit / (Loss) for the year	**456.70**	**280.30**	**(858.92)**	**(125.33)**	**(78.10)**	**(131.92)**
Other Comprehensive Income attributable to owners of the Company	-	-	(0.31)	1.34	5.32	0.82
Other Comprehensive Income attributable to Non-Controlling Interest of the Company	-	-	(0.27)	1.29	1.70	0.26
Other Comprehensive Income for the year	**-**	**-**	**(0.58)**	**2.63**	**7.02**	**1.08**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Volzhsky Abrasive Works		Foskor Zirconia (Pty) Ltd.		PLUSS	
	For the year		For the year		For the year	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Total Comprehensive Income attributable to owners of the Company	444.99	273.11	(438.36)	(62.58)	(53.84)	(99.10)
Total Comprehensive Income attributable to Non-Controlling Interest of the Company	11.71	7.19	(421.14)	(60.12)	(17.24)	(31.74)
Total Comprehensive Income for the year	**456.70**	**280.30**	**(859.50)**	**(122.70)**	**(71.08)**	**(130.84)**
Dividend paid to Non-Controlling Interests	**(2.76)**	**(11.55)**	-	-	-	-
Net cash inflow / (outflow) from Operating activities	1032.74	478.79	36.70	9.14	39.58	14.01
Net cash inflow / (outflow) from Investing activities	(14.60)	(594.25)	(55.83)	(16.43)	(40.67)	(7.88)
Net cash inflow / (outflow) from Financing activities	(78.15)	(456.61)	(2.34)	(2.94)	(1.06)	(14.32)
Net cash inflow / (outflow)	**939.99**	**(572.07)**	**(21.47)**	**(10.23)**	**(2.15)**	**(8.19)**

Expenses after netting off other income and includes exceptional item

During the previous year, the Holding company acquired 3293 equity shares of ₹3127 per share in PLUSS. Difference between consideration paid and acquired net worth has been considered as decrease in Non-Controlling interest amounting to ₹0.99 million.

16. Borrowings - Non Current:

Particulars	Maturity date	Repayment terms	Interest rate	As at	
				31.03.2026	31.03.2025
Secured - at amortised cost (a)					
Term loan from Bank	Apr-27	43 equal monthly installment starting from September 2023	Term loans carry an interest rate at 6 M Euribor Euro + Spread 1.702 p.a	98.94	150.06
Unsecured - at Amortised cost					
Long term borrowing - Others	Apr-30	Fixed Monthly installment of 1.15 million Rand (equivalent ₹6.41 million)	SA Prime rate + 3%	315.30	230.25
				414.24	**380.31**
Less: Current maturities of: (Refer Note: 18)					
- Term loan from Bank				79.54	67.20
- Long term borrowing- others				76.94	64.29
Total Non - Current Borrowings				**257.76**	**248.82**

(a) The funding facility availed by the subsidiary is secured by exclusive charge of factory building.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

17. Provisions

Particulars		As at 31.03.2026	As at 31.03.2025
A.	Non Current		
	Employee benefits	**355.11**	**322.91**
B.	Current		
	Employee benefits	873.58	837.64
	Restructuring related provision - Refer Note: 29	717.28	-
	Provision for Warranties	30.45	29.93
	Total	**1621.31**	**867.57**

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.

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 of Warranties	31.03.2026	31.03.2025
Opening balance	29.93	33.00
Created/(Released) during the year	(1.51)	(4.12)
Exchange difference	2.03	1.05
Closing balance	**30.45**	**29.93**

Movement for restructuring related provision - Refer Note: 29	31.03.2026	31.03.2025
Opening balance	-	-
Created/(Released) during the year^	717.28	-
Closing balance	**717.28**	**-**

^On March 30, 2026, the Board of Directors of CUMI International Limited, Cyprus (CIL), the holding company of CUMI AWUKO Abrasives GmbH (CAAG), a step-down subsidiary of the Holding Company in Germany, approved the initiation of the closure of CAAG through a voluntary winding-up process in accordance with the applicable laws in Germany. In connection with the wind down, the CAAG has recognised restructuring cost and other severance payments payable to employees. The entire provision is expected to be fully utilised over the next 12 months.

18. Borrowings - Current

Particulars	As at 31.03.2026	As at 31.03.2025
Unsecured - at amortised cost		
Cash credit (repayable on demand)	1.42	1.27
Short term money market loan - **(a)**	109.04	-
Current maturities of Non current borrowing - Others - Refer Note: 16	76.94	64.29
Loan from Banks	1232.18	-
Secured - at amortised cost		
Short term money market loan - **(a)**	1090.44	553.92
Current maturities of Term loan from bank - Refer Note: 16	79.54	67.20
Cash credit (repayable on demand) - **(b)**	39.88	140.91
Cash credit (repayable on demand) - **(c)**	162.48	125.87
	2791.92	**953.46**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

(a) The funding facility availed by the subsidiaries is secured by certain amount of receivables.

(b) The funding facility availed by the subsidiary is secured by hypothecation of all existing and future current and movable fixed assets of the subsidiary except on movable fixed asset amounting to ₹250 million at a plant of the subsidiary.

(c) The funding facility availed by the subsidiary is secured by current assets.

Particulars	31.03.2026
Unsecured - at amortised cost	
Current maturities of Non current borrowing - Others - Refer Note: 16	SA Prime rate+3%
Short term money market loan - (a)	3.717% to 4.514% + Margin
Loan from Banks	2.25% p.a.+3 Months - EURIBOR
Secured - at amortised cost	
Short term money market loan - (a)	3.717% to 4.514% + Margin
Cash credit (repayable on demand) - (b)	Repo Rate + 2% (Spread)
Cash credit (repayable on demand) - (c)	Interest is charged at Floating rate based on spread of 1.5% over repo rate

Particulars	31.03.2025
Unsecured - at amortised cost	
Current maturities of Non current borrowing - Others - Refer Note: 16	SA Prime rate+3%
Secured - at amortised cost	
Short term money market loan - (a)	3.94% to 4.21% + Margin
Cash credit (repayable on demand) - (b)	Repo Rate + 2% (Spread)
Cash credit (repayable on demand) - (c)	Interest is charged at Floating rate based on spread of 1.5% over repo rate

19. Trade payables

Particulars	As at 31.03.2026	As at 31.03.2025
Total outstanding dues to Micro enterprises and Small enterprises (c)	223.12	169.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	3997.21	3329.17
	4220.33	**3498.38**

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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

19A Ageing of Trade Payables

Particulars	As at 31 March 2026					
	Not due	0-1 Years	1- 2 years	2-3 Years	More than 3 years	Total
(i) MSME	206.17	9.36	3.60	1.54	2.45	223.12
(ii) Others	1777.76	1795.98	411.10	2.69	9.68	3997.21
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Particulars	As at 31 March 2025					
	Not due	0-1 Years	1- 2 years	2-3 Years	More than 3 years	Total
(i) MSME	147.31	17.77	1.66	2.45	0.02	169.21
(ii) Others	1667.89	1462.82	151.89	43.10	3.47	3329.17
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

20. Other financial liabilities (Current)

Particulars	As at 31.03.2026	As at 31.03.2025
A. Non Current		
Fair value of non-controlling interest put option	427.43	393.62
	427.43	**393.62**
B. Current		
Unclaimed and Unpaid dividends	27.13	27.07
Remuneration payable to directors	28.46	28.33
Derivative Financial instruments	2.01	0.41
Deposits	58.92	56.77
Employee benefit payable	482.32	458.93
Payable for purchase of PLUSS ESOP shares (a)	13.45	13.45
Payable relating to Capital expenditure - MSME	9.30	-
Payable relating to Capital expenditure - Others	188.40	184.66
Other payables	196.38	209.31
	1006.37	**978.93**

(a) Refer Note: 17 of the standalone financial statement. Since all the shares of PLUSS ESOP Trust have been vested on the acquisition date under original ESOP plan, no disclosure have been given on this ESOP scheme.

(b) Refer Note: 14 in relation to fair value of non-controlling interest put option.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

21. Other Current/ Non-Current Liabilities

Particulars		As at 31.03.2026	As at 31.03.2025
A.	**Non Current**		
	Contract liabilities (a)	39.25	29.80
	Deferred income	0.97	1.22
		40.22	**31.02**
B.	**Current**		
	Contract liabilities (a)	336.77	170.39
	Statutory liabilities	414.10	302.31
	Others	20.00	20.00
		770.87	**492.70**

(a) Details about Contract Liabilities:

(i) The outstanding balances in Contract liabilities have increased from last year mainly on account of net increase in receipt of advances during current year.

(ii) Revenue recognized in relation to Contract liabilities.

The following summary shows how much of the revenue recognized in the current year relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in the prior year.

Particulars	For the year 2025-26	For the year 2024-25
Revenue recognized that was included in the Contract liabilities balance at the beginning of the period	170.39	175.00
Revenue recognized from performance obligations satisfied in previous periods	-	-

iii) In respect of the remaining performance obligations, the disclosure towards allocation of transaction price do not arise as the contracts that have an original expected duration of more than one year are not material.

22. Revenue from operations

Particulars		For the year 2025-26	For the year 2024-25
a.	**Sales / Income from Operations - Refer Note: 32 "Segmental Disclosure" for breakup of sales.**		
	Sale of products	50113.16	46850.88
	Sale of services	1380.69	1484.30
		51493.85	**48335.18**
b.	**Other operating income:**		
	Service income	84.91	70.80
	Scrap Sales	167.80	224.77
	Miscellaneous income	316.49	311.49
		569.20	**607.06**
Total Revenue from operations (a + b)		**52063.05**	**48942.24**

No element of financing is deemed present as the sales are made with a credit term which is one year or less.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Reconciliation of Revenue recognised with Contract price:

Particulars	For the year 2025-26	For the year 2024-25
Gross sales/income from operations	**52348.41**	**49097.50**
Service income	84.91	70.80
Scrap sales	167.80	224.77
Contract price	**52601.12**	**49393.07**
Less: Discount - Variable Consideration	854.56	762.32
Revenue recognized under Ind AS 115	**51746.56**	**48630.75**
Add: Miscellaneous income	316.49	311.49
Revenue from operations	**52063.05**	**48942.24**

23. Other Income

	Particulars	For the year 2025-26	For the year 2024-25
(a)	**Dividend Income**		
	Dividend Income from Long term Investments	5.85	13.22
(b)	**Interest Income earned on financial assets that are not designated as at Fair Value Through Profit or Loss [FVTPL]**		
	Interest Income		
	from banks	73.83	110.67
	from others	416.38	180.25
		490.21	**290.92**
(c)	**Other Non-operating income**		
	Profit on sale of assets	8.79	1.41
	Profit on foreign exchange fluctuation (net)	160.36	16.08
	Rental income	16.54	7.01
	Miscellaneous income	34.76	81.30
		220.45	**105.80**
Total Other Income (a + b + c)		**716.51**	**409.94**

24. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars		For the year 2025-26	For the year 2024-25
Opening stock			
Work-in-progress		2124.53	1991.23
Stock-in-trade		666.94	381.09
Finished goods		2839.74	2011.93
	(A)	**5631.21**	**4384.25**
Add: Acquisition under Business combination	**(B)**	-	44.80
Less: Write down of inventories - Refer Note: 29	**(C)**	(129.78)	-
Less: Closing stock			
Work-in-progress		2323.59	2124.53
Stock-in-trade		690.25	666.94
Finished goods		3419.59	2839.74
	(D)	**6433.43**	**5631.21**
(Accretion) / Decretion to stock (A) + (B) + (C) - (D)		**(932.00)**	**(1202.16)**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

25. Employee benefits expense

Particulars	For the year 2025-26	For the year 2024-25
Salaries, wages and bonus	7827.47	7150.35
Contribution to provident and other funds	521.46	413.43
Share based payments to employees (ESOPs) *	144.48	106.46
Remuneration to Managing Director - Refer Note: 22 of Standalone financial statements	42.84	40.38
Welfare expenses	995.34	911.90
	9531.59	**8622.52**

*includes expenses related to PLUSS ESOP scheme amounting ₹ Nil million (Previous year: ₹4.94 million) - Refer Note:20

On November 21, 2025, the Government of India notified four Labour Codes, effective immediately, replacing the existing 29 labour laws. In accordance with Ind AS 19 - Employee Benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Profit and Loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India.

The implementation of the Labour Codes has resulted in an increase of ₹43.20 Million in the provision for defined benefit obligation and other long term employee benefit which has been recognised as an Employee benefits expense in the current year. The Group continues to monitor the finalisation of Central and State Rules, as well as Government clarifications on various aspects of other Labour Codes, and will incorporate accounting treatment based on these developments as required.

26. Finance costs

Particulars	For the year 2025-26	For the year 2024-25
Interest costs		
- on Loans from Banks and others	126.45	97.07
- on Lease liabilities - Refer Note: 4B	55.15	37.48
Other borrowing costs	5.98	5.16
	187.58	**139.71**

27. Depreciation and amortisation expense

Particulars	For the year 2025-26	For the year 2024-25
Depreciation of property, plant and equipment - Refer 4A	1969.67	1652.24
Depreciation of Right to use asset - Refer 4B	153.36	161.46
Amortisation of intangible assets - Refer 5B	344.90	306.56
	2467.93	**2120.26**

28. Other expenses

Particulars	For the year 2025-26	For the year 2024-25
Consumption of stores and spares **(a)**	1587.83	1446.49
Power and fuel	5143.97	4666.58
Rent	329.06	216.39
Rates and taxes	135.73	137.07
Insurance	192.67	149.28
Repairs to: **(b)**		
- Buildings	273.66	327.72

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year 2025-26	For the year 2024-25
- Plant and Equipment	1446.89	1426.93
- Others	78.52	78.20
Data Processing Charges	173.44	161.83
Technical Fee / Royalty	47.98	54.35
Directors' Sitting fees	3.66	4.30
Commission to Non-whole-time Directors	17.60	18.01
Auditors' remuneration (Refer Note: 38 of Standalone financial statements)	12.70	11.28
Net loss arising on financial assets mandatorily measured at FVTPL (Refer Note: 6C(b)(i))	2.67	0.39
Travel and Conveyance	332.85	354.07
Freight, delivery and shipping charges	1662.75	1987.99
Selling commission	286.99	255.21
Advertisement and publicity	271.28	217.06
Printing, stationery and communication	81.43	72.33
Professional fees	591.39	734.51
Impairment loss on financial assets	82.24	29.84
Less: Provision adjusted	(62.99)	(8.57)
	19.25	21.27
(Net Reversal)/ Allowance for doubtful receivables and advances	110.30	(162.93)
Services outsourced	2951.38	2391.30
Loss on sale of assets	33.22	49.03
Miscellaneous expenses	584.10	632.81
	16371.32	**15251.47**

(a) Includes consumption of packing materials amounting ₹833.54 million (Previous year: ₹754.28 million)

(b) Repairs includes consumption of stores and spares amounting to ₹750.23 million (Previous year: ₹685.19 million)

29. Exceptional items

	Particulars	For the year 2025-26	For the year 2024-25
A.	Impairment expense resulting from assessment consequent to sanctions imposed on Volzhsky Abrasive Works (VAW), Russia, a step-down subsidiary of the Holding Company	-	(1041.29)
B.	Write-down of various assets and recognition of restructuring costs in relation to decision to wind down the operations of CUMI AWUKO Abrasives GmbH (CAAG), a step-down subsidiary of the Holding Company	(1185.60)	-
C.	Write-down of various assets of Foskor Zirconia (Pty) Ltd (FZL), a step-down subsidiary of the Holding Company	(160.06)	-
		(1345.66)	**(1041.29)**

29A. The geo-political situation continues to present an uncertain environment for the operations of the step-down subsidiary, Volzhsky Abrasive Works (VAW), Russia, held through CUMI International Ltd including those arising from international sanctions and territory embargoes. As per the US Department of State's press release dated January 10, 2025, a set of Russian companies in the manufacturing sector which includes VAW were added to the US Department of Treasury's Office of Foreign Assets Control (OFAC)'s Specially Designated Nationals and Blocked Persons List (SDN list), for operating or having operated in the manufacturing sector of the Russian Federation economy. As a result of VAW's designation, all of VAW's property and interests in property that are in the United States or in the possession or control of US persons are blocked. Further, most financial transactions involving US currency

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

and transactions involving US persons are not possible for VAW unless authorized by a general or specific license issued by OFAC or exempt.

Consequent to the above designation, the Company (CUMI) made a detailed assessment of the liquidity position of VAW including its ability to continue as a going concern, control over the entity and has also comprehensively assessed the recoverability and carrying values of its assets comprising of property, plant and equipment, intangible assets, trade receivables, inventory and other assets as at the respective balance sheet date including the related goodwill at CUMI International Ltd's consolidated level. Basis the above assessment, an impairment expense (representing certain balances held in foreign currency with a clearing agency by VAW and export receivables of VAW outside the Group) amounting to ₹1041.29 million had been recognised in the previous year under the heading exceptional items in the consolidated financial statements. No additional impairment was deemed necessary for the current year.

Cash and cash equivalents of VAW amounting to ₹2971.06 million are not available for use by other entities within the Group due to temporary repatriation restrictions.

The impact assessment is a continuing process and given the evolving nature of uncertainties associated, the Holding Company will continue to monitor all material changes to the internal and external environment.

29B. On March 30, 2026, the Board of Directors of CUMI International Limited, Cyprus (CIL), the holding company of CUMI AWUKO Abrasives GmbH (CAAG), a step-down subsidiary of the Holding Company in Germany, approved the initiation of the closure of CAAG through a voluntary winding-up process in accordance with the applicable laws in Germany. This decision was taken in view of the continued underperformance of CAAG, characterised by mounting losses and its inability to achieve a turnaround given the prevailing market conditions. CAAG is not a material subsidiary of the Group, and accordingly, its winding down is not expected to have an adverse impact on the Group's overall business operations.

Pursuant to this decision, the financial information of CAAG has been prepared on a realisable value (non-going concern) basis. In this context, the Group has performed a detailed assessment of the carrying value of assets and the recognition of liabilities in connection with the winding down of operations and has recognised an expense of ₹1185.60 million under the heading exceptional items in the consolidated financial statements, representing write-down of various assets and recognition of restructuring costs.

29C. On May 13, 2026, the Board of Directors of Foskor Zirconia (Pty) Ltd, South Africa (FZL), a step-down subsidiary of the Holding Company in South Africa, reviewed the financial position of FZL and concluded that it is not in a position to continue the operations and there is no realistic alternative. This assessment was based on the continued underperformance of FZL, evidenced by sustained losses and the absence of a viable turnaround in light of prevailing market conditions.

Consequent to this decision, the financial information of FZL has been prepared on a realisable value (non-going concern) basis. In this context, the Group has performed a detailed assessment of the carrying value of assets and has recognized an impairment expense of ₹160.06 million under the heading exceptional items in the consolidated financial statements, representing a write-down of various assets.

30. Income tax expense

Particulars	For the year 2025-26	For the year 2024-25
A. Income tax expense recognised in Profit and loss:		
a. Current tax		
In respect of the current year	1532.61	1683.80
	1532.61	**1683.80**
b. Deferred tax	**(393.71)**	**7.79**
Total Income tax expense recognised during the year (net)	**1138.90**	**1691.59**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Income tax reconciliation

Profit before tax	**A**	**2816.89**	**4678.65**
Less: Share of Profit from Associate and Joint ventures	B	312.22	452.08
Profit before share of profit of equity accounted investees and income tax	C= (A-B)	**2504.67**	**4226.57**
Applied tax rate as per Parent jurisdiction	D	25.168%	25.168%
Income tax expense calculated at the tax rate of 25.168%, applicable to the Parent Company	E = C x D	630.38	1063.74
Total Tax expenses charged in Profit and Loss for the year	F	1138.90	1691.59
Differential tax impact	G = (F-E)	**508.52**	**627.85**
Differential tax impact due to the following (tax benefit)/tax expenses			
Effect of Income that is exempt from taxation net of disallowances		(0.01)	(0.01)
Effect of expenses that are not deductible in determining taxable profit		138.06	159.06
Tax on Undistributed profit		(472.08)	54.92
Effect of change in tax rate in the applicable jurisdiction		-	(76.62)
Tax benefit on utilisation of losses on which deferred tax had been previously unrecognised		(10.20)	-
Reversal of previously recognised deferred tax on losses and non-recognition of deferred tax on losses		1093.93	536.78
Effect of tax rate differentials in respect of subsidiaries operating in other jurisdictions		(137.70)	(20.12)
Others		(103.48)	(26.16)
Total	G	**508.52**	**627.85**

B. Income tax recognised in Other Comprehensive Income:

Particulars	**For the year 2025-26**	**For the year 2024-25**
Remeasurement of the defined benefit plans	1.68	8.38
Equity instruments through other comprehensive income	(21.49)	-
Net gain/(loss) on Cash flow hedge	(0.30)	0.20
Total income tax recognised in Other Comprehensive Income	**(20.11)**	**8.58**
Bifurcation of the income tax recognised in Other Comprehensive Income into:		
Items that will not be reclassified to profit or loss	(19.81)	8.38
Items that will be reclassified to profit or loss	(0.30)	0.20

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

31. Earnings per share

Particulars	For the year 2025-26	For the year 2024-25
Basic earnings per share (₹)	10.30	15.58
Diluted earnings per share (₹)	10.30	15.55
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	1947.24	2927.39
Weighted average number of equity shares outstanding during the year		
- Basic	188991241	187885104
- Dilutive	189103521	188231030

The weighted average number of equity shares for the purpose of diluted earnings per share reconciled to the weighted average number of equity shares used in the calculation of basic earnings per share as given below:

Particulars	For the year 2025-26	For the year 2024-25
Weighted average number of equity shares used in the calculation of basic earnings per share	188991241	187885104
Shares deemed to be issued for no consideration in respect of:		
- Employee Stock Option Scheme/Plan	112280	345926
Weighted average number of equity shares used in the calculation of diluted earnings per share	189103521	188231030

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

32. Segment information

The Group provides solutions majorly for five industrial manufacturing needs by developing, manufacturing and marketing products using the properties of materials known as electrominerals.

The Business Group Management Committee headed by Managing Director (CODM) consists of Chief Financial Officer, Leaders of Strategic Business Units, Human Resources and Company Secretary reviews the performance of the Group and has identified three core reportable business segments organised using differences in products and services.

- Surface engineering (material removal, cutting, polishing) known as Abrasives. Abrasive segment comprise of Bonded, Coated, Processed cloth, Polymers, Power tools and Coolants.
- Technical ceramics and super refractory solutions to address wear protection, corrosion resistance, electrical resistance, heat protection and ballistic protection known as Ceramics.
- Electrominerals for surface engineering, refractories, energy and environment. It includes fused alumina, silicon carbide, zirconia, specialty minerals and captive power generation from hydel power plant.

Besides the above three core segments, the Group has a power generation entity to serve its power requirements of the core business segments. The Group also has an IT services company which provides IT infrastructure facility management services, software application development services, remote infrastructure management services and IT security management services and the Group has a Company with manufacturing facility for phase change materials and speciality polymeric additives, which are shown under "Others". The Business Group Management Committee monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

Particulars	Abrasives		Ceramics		Electrominerals		Power		IT Services		Others		Eliminations		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue																
External Sales	22278.12	21161.71	12398.84	11162.93	14296.30	13516.70	142.04	159.06	38.80	71.27	959.06	779.21	-	-	50113.16	46850.88
Sale of Services	386.34	406.98	249.55	414.51	191.30	159.66	-	-	531.16	476.47	22.34	26.68	-	-	1380.69	1484.30
Inter segment sales	41.19	25.61	32.00	23.32	1830.13	2059.14	13.15	137.58	44.35	49.28	-	0.02	(1960.82)	(2294.95)	-	-
Sales / Income from Operations	**22705.65**	**21594.30**	**12680.39**	**11600.76**	**16317.73**	**15735.50**	**155.19**	**296.64**	**614.31**	**597.02**	**981.40**	**805.91**	**(1960.82)**	**(2294.95)**	**51493.85**	**48335.18**
Results																
Segment result - EBITDA	1988.90	2431.72	3137.62	3329.82	1566.72	2301.40	28.05	(15.15)	37.79	44.42	93.63	14.45	-	-	6852.71	8106.66
Depreciation/amortisation	(1023.38)	(917.42)	(575.77)	(465.30)	(657.63)	(527.03)	(3.59)	(5.08)	(15.40)	(14.82)	(158.78)	(159.22)	-	-	(2434.55)	(2088.87)
Unallocated corporate expenses (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(873.64)	(913.98)
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(187.58)	(139.71)
Profit from Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54.56	148.05
Profit from Joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257.66	304.03
Interest and dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	496.06	304.15
Fair valuation of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.67)	(0.39)
Exceptional items - Refer Note: 29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1345.66)	(1041.29)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Power		IT Services		Others		Eliminations		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Profit before tax	**965.52**	**1514.30**	**2561.85**	**2864.52**	**909.09**	**1774.37**	**24.46**	**(20.23)**	**22.39**	**29.60**	**(65.15)**	**(144.77)**	**-**	**-**	**2816.89**	**4678.65**
Less: Income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1138.90	1691.59
Net profit after taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1677.99**	**2987.06**
Less: Non controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(269.25)	59.67
Profit for the year attributable to Owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1947.24**	**2927.39**
Other information:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment assets	19370.76	17659.84	11386.78	9634.73	13816.78	11743.05	205.10	1083.01	342.07	296.04	1407.53	1433.41	-	-	46529.02	41850.08
Unallocated corporate assets *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6376.38	4582.85
Total assets	**19370.76**	**17659.84**	**11386.78**	**9634.73**	**13816.78**	**11743.05**	**205.10**	**1083.01**	**342.07**	**296.04**	**1407.53**	**1433.41**	**-**	**-**	**52905.40**	**46432.93**
Segment liabilities	3521.72	2443.97	2050.89	1573.35	2358.68	1895.99	16.49	33.26	192.40	170.12	223.13	204.04	-	-	8363.31	6320.73
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4459.04	3353.59
Total liabilities	**3521.72**	**2443.97**	**2050.89**	**1573.35**	**2358.68**	**1895.99**	**16.49**	**33.26**	**192.40**	**170.12**	**223.13**	**204.04**	**-**	**-**	**12822.35**	**9674.32**
Addition to Non - current assets #	1291.93	1025.13	1178.77	1007.70	544.89	707.52	-	-	12.20	29.10	42.47	8.73				
Cost of materials consumed (including inter-segment transaction)	9185.01	8483.15	3449.08	3052.82	7379.80	6734.14	100.06	279.86	-	-	398.59	258.27				
Depreciation & Amortization	1023.38	917.42	575.77	465.30	657.63	527.03	3.59	5.08	15.40	14.82	158.78	159.22				
Non-cash items other than depreciation and amortisation	(34.64)	14.29	29.29	(30.09)	110.77	(131.36)	-	-	2.50	-	9.63	4.00				

* includes Investment in Associate and Joint Ventures under equity method - ₹1965.47 million (Previous year: ₹1926.11 million)

excludes business combination effect

Particulars	Abrasives		Ceramics		Electrominerals		Power		IT Services		Others		Eliminations/ (Unallocable)		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue recognised under Ind AS 115																
Sales / Income from Operations	22705.65	21594.30	12680.39	11600.76	16317.73	15735.50	155.19	296.64	614.31	597.02	981.40	805.91	(1960.82)	(2294.95)	51493.85	48335.18
Service income	11.26	10.78	-	-	35.08	15.01	-	-	-	-	-	-	38.57	45.01	84.91	70.80
Scrap sales	87.04	121.89	36.88	54.69	43.61	50.71	-	0.12	-	-	0.29	-	(0.02)	(2.64)	167.80	224.77

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Power		IT Services		Others		Eliminations/ (Unallocable)		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Total	**22803.95**	**21726.97**	**12717.27**	**11655.45**	**16396.42**	**15801.22**	**155.19**	**296.76**	**614.31**	**597.02**	**981.69**	**805.91**	**(1922.27)**	**(2252.58)**	**51746.56**	**48630.75**
Revenue recognised under Ind AS 115																
- At the point in time	22406.35	21309.21	10347.76	9690.04	16170.04	15626.55	155.19	296.76	41.10	80.98	959.35	779.23	(1960.84)	(2297.59)	48118.95	45485.18
- Over the period	397.60	417.76	2369.51	1965.41	226.38	174.67	-	-	573.21	516.04	22.34	26.68	38.57	45.01	3627.61	3145.57
Total	**22803.95**	**21726.97**	**12717.27**	**11655.45**	**16396.42**	**15801.22**	**155.19**	**296.76**	**614.31**	**597.02**	**981.69**	**805.91**	**(1922.27)**	**(2252.58)**	**51746.56**	**48630.75**

Sales between operating segments are carried out at arm's length basis and are eliminated at Group level consolidation.

The accounting policies of the reportable segments are same as that of Group's accounting policies described in Note: 3(A)(j). Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments other than investments, loans, current and deferred tax assets, unallocable current and non-current assets.

2. All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities and unallocable current and non-current liabilities.

Geographical information

The Parent company is domiciled in India. The amount of its revenue from external customers are broken down by location of those customers and information about its non-current assets other than investment, other financial instruments and deferred tax assets are given below:

Particulars	Sales from external customers		Non-current assets	
	For the year		As at	
	2025-26	2024-25	31.03.2026	31.03.2025
India	22922.10	22169.33	10547.85	9278.56
Rest of the world	28571.75	26165.85	10356.91	9698.13
	51493.85	48335.18	20904.76	18976.69

Information about major customers

No single customer contributed 10% or more to the Group's revenue during the years 2025-26 and 2024-25

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 31.03.2026	31.03.2025
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	74.06%	74.06%
CUMI USA, Inc.	Investment company	USA	100%	100%
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 and 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	Netherlands	100%	100%
Rhodius France S.A.R.L.	Trading of Abrasives product	France	100%	100%
Rhodius Korea Inc.	Trading of Abrasives product	Korea	100%	100%
RHODIUS SOUTH AMERICA ASSESSORIA TECNICA E COMERCIAL EM ABRASIVOS LTDA.	Trading of Abrasives product	South America	100%	100%
PLUSS Advanced Technologies B.V.*	Trading of Speciality Polymer additives and Phase change materials	Netherlands	74.06%	74.06%
Silicon Carbide Products LLC	Manufacturer of ceramic components for high stress industrial applications and serves original equipment	USA	100%	100%
CUMI Europe s.r.o ^	Trading of Electromineral products	Czech Republic	-	100%

* Effective ownership after excluding share held by PLUSS trust is 75.74% (Previous year:75.74%)

^ CUMI Europe s.r.o., Czech Republic, a step-down wholly owned subsidiary of the Company which had been set up for marketing purposes in Prague has been voluntarily deregistered as per the Czech Republic laws and its name is deleted from the Commercial Register effective December 31, 2025. Accordingly CUMI Europe s.r.o., Czech Republic ceased to be a step-down subsidiary of the Company effective December 31, 2025.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Composition of the Group:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries As at 31.03.2026	Number of wholly-owned subsidiaries As at 31.03.2025
Manufacture & Trading of Abrasive products	China, America, UAE, Germany, Netherlands, France, Korea, South America	9	9
Manufacture & Trading of Ceramics product	America	1	1
Trading of Electromineral products	Czech Republic	-	1
IT services	India	1	1
Investment company	Cyprus, America	2	2
		13	14

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries As at 31.03.2026	Number of non wholly-owned subsidiaries As at 31.03.2025
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,Netherlands	2	2
		7	7

Details of the Non-Controlling Interest relating to non-wholly owned subsidiary of the Group are disclosed in Note: 15

34. Contingent Liabilities and commitments in respect of which no provision is considered necessary:

S.No	Particulars	As at 31.03.2026	As at 31.03.2025
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.	471.82	345.09
(b)	Claims against the companies in the Group not acknowledged as debts:		
	i. Disputed demands by Electricity Board	38.96	38.96
	ii. Others	677.01	677.01
(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.		

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

S.No	Particulars	As at 31.03.2026	As at 31.03.2025
B.	**Commitments**		
	Estimated amount of contracts remaining to be executed and not provided for:		
	- Towards capital account	636.18	1356.35
	In respect of joint ventures refer note 6B.		
C.	**Others**		
(a)	Outstanding guarantees/letter of comfort given on behalf of Joint venture	150.00	150.00
(b)	Outstanding letters of credit	935.82	372.98

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 2025-26	For the year 2024-25
Contribution to Provident fund and Other funds recognised in Profit and Loss	435.19	364.08
Amounts outstanding as at the end of the respective year and paid subsequently	30.41	26.32

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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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, 2026 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-employment 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, 2026, 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 31.03.2026	As at 31.03.2025
Discount rate	4.21% to 7.64%	3.48% to 6.93%
Expected salary escalation	1% to 10%	1% to 10%
Mortality table used	Indian Assured Lives Mortality (2012-14) Ultimate for domestic entities	Indian Assured Lives Mortality (2012-14) Ultimate for domestic entities

Estimates of future salary increase takes into account: inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A. Gratuity

The details of actuarial valuation in respect of Gratuity liability is given below:

	Particulars	As at 31.03.2026	As at 31.03.2025
i.	Projected benefit obligation as at beginning of the year	764.57	689.81
	Service cost	78.70	42.43
	Interest cost	46.24	43.57
	Remeasurement (gain)/ loss:		
	Actuarial (gain)/loss arising from experience and financial adjustments	9.05	31.08
	Benefits paid	(99.78)	(42.32)
	Projected benefit obligation as at end of the year	**798.78**	**764.57**
ii.	Fair value of plan assets as at beginning of the year	479.20	426.23
	Expected return on plan assets	32.28	30.67
	Contributions	68.23	57.46
	Benefits paid	(92.32)	(35.36)
	Transfer in / (out)	(0.01)	2.91
	Remeasurement gain/ (loss):		
	Actuarial Gain /(losses) on plan assets	2.32	(2.71)
	Fair value of plan assets as at end of the year	**489.70**	**479.20**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars		As at 31.03.2026	As at 31.03.2025
iii.	Amount recognised in the balance sheet:		
	Projected benefit obligation at the end of the year	798.78	764.57
	Fair value of the plan assets at the end of the year	489.70	479.20
	(Liability) / Asset recognised in the Balance sheet - net	**(309.08)**	**(285.37)**
iv.	Cost of the defined benefit plan for the year:		
	Current service cost	44.50	42.43
	Past services cost	34.20	-
	Interest on obligation	46.24	43.57
	Expected return on plan assets	(32.28)	(30.67)
	Components of defined benefit cost recognised in the Statement of Profit and Loss	**92.66**	**55.33**
	(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	9.05	31.08
	Actuarial (gain) / loss on plan assets	(2.32)	2.71
	Components of defined benefit costs recognised in Other Comprehensive Income	**6.73**	**33.79**
	Total cost of the defined benefit plan for the year	**99.39**	**89.12**
v	Present value of defined benefit obligation	798.78	764.57
	Fair value of plan assets	489.70	479.20
	Balance sheet (Liability)/ Asset	(309.08)	(285.37)

Particulars	As at 31.03.2026	As at 31.03.2025
Profit and Loss	92.66	55.33
Experience adjustment on plan liabilities (gain) / loss	9.05	31.08
Experience adjustment on plan assets (gain) / loss	(2.32)	2.71

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 ₹34.59 million (for the year ended March 31, 2025: ₹27.96 million).

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below:

Particulars	As at 31.03.2026	As at 31.03.2025
Discount rate - 100 basis point higher	(50.13)	(48.40)
Discount rate - 100 basis point lower	51.58	51.01
Salary escalation rate - 100 basis point higher	52.98	51.42
Salary escalation rate - 100 basis point lower	(47.37)	(45.69)
Attrition rate - 100 basis point higher	(1.67)	(2.30)
Attrition rate - 100 basis point lower	1.62	2.91

In the above table, positive figures indicate increase in the liability and negative figures indicate decrease in the liability.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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, 2026 ranges from 2.83 to 15.61 years (as at March 31, 2025: 2.83 to 15.43 years).

The Group expects to make a contribution of ₹70.82 million (as at March 31, 2025: ₹57.72 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:

During the year, the Holding Company has decided to migrate the provident fund compliance from Carborundum Universal Employees Provident Fund ("Trust") to EPFO. The trustees of the trust have decided to surrender the exemption certificate with effect from January 31, 2026 and liquidate it subsequently. The trustees are in the process of transferring the investments of trust to the EPFO. Subsequently, provident fund is contributed to Employees Provident Fund Organisation.

Fund and plan asset position of the Parent Company are as follows

Particulars	As at 31.03.2026	As at 31.03.2025
Plan asset at the end of the year	-	1588.25
Present value of benefit obligation at the end of the year	30.10	1596.91
Surplus/(Deficit)	(30.10)	(8.66)
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 March 31, 2026	As at March 31, 2025
Discount rate	NA	6.93%
Remaining term to maturity of portfolio (years)		6.84 years
Expected guaranteed rate (%) #		8.25%
Attrition rate		2%

8.25% (till January 31, 2026 the date of surrender of exemption under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 by the Holding Company)

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate - 100 basis point higher	NA	(8.17)
Discount rate - 100 basis point lower		9.00
Guaranteed interest rate - 100 basis point higher		54.04
Guaranteed interest rate - 100 basis point lower		(92.01)
Current yield - 100 basis point higher		(94.62)
Current yield - 100 basis point lower		66.63

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 March 31, 2026	As at March 31, 2025
In respect of Gratuity	(6.73)	(33.79)
In respect of Provident Fund	(43.64)	20.53
In respect of other plan of subsidiaries that are not material	(0.35)	4.63
Total Credited / (debited) to Other Comprehensive Income	**(50.72)**	**(8.63)**

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 March 31, 2026	As at March 31, 2025
Debt	3049.68	1202.28
Equity	38998.22	35286.27
Debt to Equity ratio	0.08	0.03

Lease liability amounting to ₹1075.66 million (Previous year: ₹961.26 million) arising on account of implementation of Ind AS 116 is not considered in the above working, as management consider this a non-debt liability for the Capital management review. (Refer Note: 4B)

<u>Loan covenants</u>

As on March 31, 2026,the group has complied covenants applicable for long term loan outstanding, wherever applicable.

Disclosure related to "Changes in liabilities arising from financial activities" under Ind AS 7 Statement of Cash flows:

Net debts reconciliation:	**31.03.2026**	**31.03.2025**
Cash and Cash equivalents	6978.78	3779.27
Borrowings	(3049.68)	(1202.28)
Net Cash/(Net debt)	**3929.10**	**2576.99**

Particulars	Other assets	Liabilities from Financing activities	Total
	Cash and Cash equivalents	Borrowings	
Net Cash/(Net debt) as at 31st March 2024	**5548.78**	**(1127.22)**	**4421.56**
Finance cost component added	(1882.85)	(22.97)	(1905.82)
Cash flows (net) *	-	(29.82)	(29.82)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Other assets	Liabilities from Financing activities	Total
	Cash and Cash equivalents	Borrowings	
The effect of changes in foreign exchange rates	113.34	(22.27)	91.07
Net Cash/(Net debt) as at 31st March 2025	**3779.27**	**(1202.28)**	**2576.99**
Cash flows (net)	2695.00	(1551.19)	1143.81
Finance cost component added	-	(48.28)	(48.28)
The effect of changes in foreign exchange rates	504.51	(247.93)	256.58
Net Cash/(Net debt) as at 31st March 2026	**6978.78**	**(3049.68)**	**3929.10**

* In FY 2024-25, Cash flow represents outflows net of cash amounting to ₹11.70 million acquired on business combination.

Categories of financial instruments

	Particulars	As at 31.03.2026	As at 31.03.2025
A.	**Financial assets**		
	Measured at Fair Value through Profit or Loss (FVTPL) - Mandatorily measured:		
	- Equity and other investments	11.35	14.02
	Measured at Amortised cost		
	- Cash and bank balances	7004.43	3805.85
	- Other financial assets (including trade receivable balances)	9390.15	9027.75
	Measured at Fair Value through Other Comprehensive Income (FVTOCI)		
	- Investments in equity instruments designated upon initial recognition	11.30	74.10
B.	**Financial liabilities**		
	Measured at amortised cost (including trade payable balances)		
	- Derivate financial Instruments	2.01	0.41
	Measured at amortised cost (including trade payable balances)*	9350.03	6640.44

* The above excludes fair value of non-controlling interest put option amounting ₹427.43 million (Previous year: ₹393.62 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.

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)/respective functional currencies.	Cash flow forecasting Sensitivity analysis	Foreign exchange forward contracts

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Risk	Exposure arising from	Measurement	Management
ii. Market risk - Interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Market trends, Interest rate swaps
iii. Market risk - Price risk	Investment in securities	Sensitivity analysis	Portfolio diversification
c. Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sanctioned credit lines and borrowing facilities

The risk management is governed by policies developed in accordance with the Group guidelines and approved by the Board of Directors of the respective companies in the Group. They identify, evaluate and hedge financial risks in close co-ordination with their operating units.

a. Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a(i). Trade receivables

Customer credit risk is managed by respective companies under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored through credit lock and release to effectively manage the exposure.

An impairment analysis is performed at each reporting date on an individual basis for all the customers. The impairment is based on expected credit model considering the historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note: 11.

The Group has low concentration of risk with respect to trade receivables, as its customers are located in various geographies and belong to diversified industries and operate in largely independent markets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In grouping the receivables, the management has deemed the probability of default in relation to related party receivables to the extent not eliminated to be negligible given its historical experience and the relative networth of the related parties. Further in relation to certain overseas subsidiaries, the probability of default has also been considered to be negligible considering the historical experience, the portfolio of customers, the ageing balance among others.

The expected loss rates are based on the payment profiles of sales over the past 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery.

Particulars	As at 31.03.2026			
	Not due & less than 6 months	6 months to 1 year	More than 1 year	Total
Gross carrying amount *	9506.41	116.27	185.87	9808.55
Expected loss rate	7.7%	59.0%	91.9%	
Expected Credit loss	732.56	68.57	170.86	971.99
Carrying amount net of impairment	8773.85	47.70	15.01	8836.56

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	As at 31.03.2025			
	Not due & less than 6 months	6 months to 1 year	More than 1 year	Total
Gross carrying amount *	8096.78	62.63	148.54	8307.95
Expected loss rate	8.5%	25.8%	66.2%	
Expected Credit loss	689.38	16.13	98.31	803.82
Carrying amount net of impairment	7407.40	46.50	50.23	7504.13

*Excludes trade receivables on which probability of default has been assessed to be NIL.

Also this is a derived percentage representing the weighted average of expected loss rate under each bucket of the various entities.

a(ii). Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the respective companies in accordance with their policy. Group recommends investments of surplus funds in short-term liquid funds and deposits with banks. The Investment limits are set out and are reviewed by the Board of Directors of the respective company on an quarterly basis.

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, Investments (FVTOCI) and derivative financial instruments.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being measured and managed.

b (i). Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign exchange rate exposures are managed within policy parameters developed under guidelines of the Group and approved by Board of Directors of the respective companies. The Group recommends to its operating entities to perform, to the extent it is possible, their transactions in their functional currencies. Where this is not possible, the transactional currency risk may be hedged on an individual basis by currency forwards. The Group recommends hedging of around 50% of the net material exposure by currency. Exposures relating to capital expenditure beyond a threshold are hedged as per respective company's policy at the time of commitment.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period are as under:

Currency	Liabilities as at		Assets as at	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
US Dollar (USD)	348.26	311.65	3397.20	3211.60
Euro (EUR)	312.30	615.59	1569.80	986.11
Great British Pound (GBP)	-	-	21.43	135.29
Australian Dollar (AUD)	13.68	-	-	-
Swedish Krona(SEK)	5.93	-	-	-
Japanese Yen (JPY)	15.05	10.80	2.18	1.56
Chinese Yuan (CNY)	32.54	8.19	68.85	27.08
Czech Kroner (CZK)	-	-	46.58	36.18
South Korean (Won)	-	-	32.46	7.28
Brazillian (Real)	-	-	17.53	15.67
Turkish lira	-	-	-	0.05

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
USD	115.65	123.12	113.58	77.02

As at 31st March 2026, the outstanding forward exchange contracts were USD 1.22 million taken for receivable position & USD 1.19 million taken for payable position.

The value of the contracts outstanding currency wise is given below in the table:

Contracts booked for	Currency	As at 31.03.2026	As at 31.03.2025
		Notional value in ₹ in million	
Export receivable *	USD	113.58	77.02
Import payment	EUR	115.65	123.12

* 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 (Rs. million) relating to the foreign currencies of:	As at 31.03.2026		As at 31.03.2025	
	Profit or loss	Equity	Profit or loss	Equity
US Dollar (USD)	228.44	228.44	220.46	220.46
Euro (EUR)	94.10	94.10	27.73	27.73
Great British Pound (GBP)	1.60	1.60	10.12	10.12
Australian Dollar (AUD)	(1.02)	(1.02)	-	-
Swedish Krona(SEK)	(0.44)	(0.44)	-	-
Japanese Yen (JPY)	(0.96)	(0.96)	(0.69)	(0.69)
Chinese Yuan (CNY)	2.72	2.72	1.41	1.41
Czech Kroner (CZK)	3.49	3.49	2.71	2.71
South Korean (Won)	2.43	2.43	0.54	0.54
Brazillian (Real)	1.31	1.31	1.17	1.17
Turkish lira	-	-	0.00	0.00
Total	**331.67**	**331.67**	**263.45**	**263.45**

The Group sensitivity impact to foreign currency has marginally decreased during the current year mainly due to the decrease in the value of exposure of EUR currency as at the end of the reporting period.

b(ii). Interest rate risk Management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has been availing the borrowings on a fixed and variable rate of interest. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Classification of borrowings by nature of interest rate	As at 31.03.2026	As at 31.03.2025
Borrowings at variable interest rate		
- Non-Current	257.76	248.82
- Current*	2791.92	953.46
Borrowings at fixed interest rate		
- Non-Current	-	-
- Current*	-	-
Total Borrowings	**3049.68**	**1202.28**

* including non-current maturities.

The Impact of sensitivity on interest cost towards current and non-current borrowings at variable interest rate is not expected to be material considering the relative short tenure of the borrowing and stability of the relevant benchmark.

b(iii). Price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group equity investments are held for strategic rather than trading purposes. The Group also holds certain other equity investments for trading purposes.

Equity price sensitivity analysis

The accumulated fair value change recognised on equity investment which are held for strategic purpose and designated at Fair value through Other Comprehensive Income as at 31st March 2026 is ₹ Nil (31st March 2025: ₹42.39 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:

Classification of borrowings by nature of interest rate	Impact to Other Comprehensive Income / equity	
	As at 31.03.2026	As at 31.03.2025
Increase by 5%	-	3.14
Decrease by 5%	-	(3.14)

The impact of change in equity price on non-current investment recorded at Fair value through Profit and Loss and other investment designated as Fair value through Other Comprehensive Income is not significant.

c. Liquidity risk management

The Group has established a liquidity risk management framework. The Group manages liquidity risk through cash generation from business and by having adequate banking facilities. The Group continuously monitors forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Contractual maturities of financial liabilities

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2026:

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 *	257.76	-	334.67	169.25	-	503.92
Lease liabilities	901.00	-	509.16	231.95	397.60	1138.71
Other financial liabilities	427.43	-	511.55	-	-	511.55

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Carrying amount / Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Current financial liabilities						
Borrowings *	2791.92	2791.92	-	-	-	2791.92
Lease liabilities	174.66	174.66	-	-	-	174.66
Trade payables	4220.33	4220.33	-	-	-	4220.33
Other financial liabilities	1006.37	1006.37	-	-	-	1006.37
Others						
Outstanding guarantee/letter of comfort given on behalf of Joint venture	150.00	150.00	-	-	-	150.00

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2025:

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 *	248.82	-	211.43	128.58	3.51	343.52
Lease liabilities	871.30	-	443.40	272.16	339.65	1055.21
Other financial liabilities	393.62	-	554.62	-	-	554.62
Current financial liabilities						
Borrowings *	953.46	953.46	-	-	-	953.46
Lease liability	89.96	89.96	-	-	-	89.96
Trade payables	3498.38	3498.38	-	-	-	3498.38
Other financial liabilities	978.93	978.93	-	-	-	978.93
Others						
Outstanding guarantee/letter of comfort given on behalf of Joint venture	150.00	150.00	-	-	-	150.00

*Amount included in the above maturity analysis assumes interest outflows based on the actual interest rates.

Contractual maturities of financial assets

The table below provides details regarding the contractual maturities of financial assets as at 31st March 2026:

Particulars	Carrying amount / Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial assets						
Other financial assets	300.98	-	152.78	-	148.20	300.98
Current financial assets						
Trade receivables	8907.76	8907.76	-	-	-	8907.76
Other receivables	181.41	181.41	-	-	-	181.41

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

The table below provides details regarding the contractual maturities of financial assets as at March 31, 2025:

Particulars	Carrying amount / Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial assets						
Other financial assets	217.46	-	109.48	-	107.98	217.46
Current financial assets						
Trade receivables	7662.36	7662.36	-	-	-	7662.36
Other receivables	1147.93	1147.93	-	-	-	1147.93

Maturity analysis of Derivative financial instruments

The following table details the Group maturity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted estimated cash flows determined by reference to the projected market rates at the end of the reporting period.

Currency	Contracts booked for	As at 31.03.2026			As at 31.03.2025		
		Notional amount	Less than 1 year	1-3 years	Notional amount	Less than 1 year	1-3 years
USD	Export receivable	113.58	113.58	-	77.02	77.02	-
USD	Import payment	115.65	115.65	-	123.12	123.12	-

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 31.03.2026	As at 31.03.2025
Unsecured term loans from bank:		
Amount used	-	-
Amount unused	-	-
	-	-
Unsecured cash credit and other borrowings facility:		
Amount used	1342.64	1.27
Amount unused	4599.72	4004.06
	5942.36	**4005.33**
Secured term loan from bank:		
Amount used	98.94	703.98
Amount unused	220.00	589.28
	318.94	**1293.26**
Secured cash credit and other borrowings facility:		
Amount used	1292.80	266.78
Amount unused	1784.80	1317.92
	3077.60	**1584.70**
Total		
Amount used	2734.38	972.03
Amount unused	6604.52	5911.26
	9338.90	**6883.29**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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
	31.03.2026	31.03.2025		
Investments in quoted instruments at FVTPL	10.79	13.46	Level 1	Quoted bid price in an active market
Investments in unquoted instruments at FVTPL	0.56	0.56	Level 3	Fair valuation - (a)
Investments in unquoted instruments at FVTOCI	11.30	74.10	Level 3	Fair valuation - (a)
Other Financial liabilities - Derivative financial Instruments	2.01	0.41	Level 2	Basis bank forex rates
Other Financials liabilities - Put option payables	427.43	393.62	Level 3	Fair valuation - (b)

There were no changes in the fair value hierarchy levels in the above periods.

(a) These investment in equity are not significant in value and hence additional disclosures are not presented.

(b) The significant assumptions in relation to determination of put option liability are the same as used in determination of recoverable amount of PLUSS. Refer Note 5A. Sensitivities are set out as below:

Change in assumptions	Increase/ (Decrease) in liability as at March 31, 2026	Increase/ (Decrease) in liability as at March 31, 2025
Discount rate - 50 basis point higher	(20.81)	(16.89)
Discount rate - 50 basis point lower	23.36	18.45
Terminal growth rate - 50 basis point higher	18.60	13.95
Terminal growth rate - 50 basis point lower	(7.17)	(12.73)

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 31.03.2026		As at 31.03.2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets held at amortised cost					
Non-current financial assets					
Other financial assets	Level 3	300.98	282.90	217.46	204.51
Current financial assets					
Trade receivable	Level 3	8907.76	8907.76	7662.36	7662.36
Other receivables	Level 3	181.41	181.41	1147.93	1147.93
Financial liabilities held at amortised cost					
Non-current financial liabilities					
Borrowings	Level 2	257.76	257.76	248.82	248.82
Lease Liabilities	Level 3	901.00	901.00	871.30	871.30

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Fair value hierarchy	As at 31.03.2026		As at 31.03.2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Current financial liabilities					
Borrowings	Level 2	2791.92	2791.92	953.46	953.46
Lease Liabilities	Level 3	174.66	174.66	89.96	89.96
Trade payables	Level 3	4220.33	4220.33	3498.38	3498.38
Others financial liabilities	Level 3	1004.36	1004.36	978.52	978.52

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	31.03.2026			31.03.2025		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non Current						
Investments	11.35	11.30	-	14.02	74.10	-
Other financial assets	-	-	300.98	-	-	217.46
Current						
Trade receivables	-	-	8907.76	-	-	7662.36
Cash and Cash equivalents	-	-	6978.78	-	-	3779.27
Bank balances other than above	-	-	25.65	-	-	26.58
Other financial assets	-		181.41	-		1147.93
	11.35	**11.30**	**16394.58**	**14.02**	**74.10**	**12833.60**
Financial Liabilities						
Non Current						
Borrowings	-	-	257.76	-	-	248.82
Lease Liabilities	-	-	901.00	-	-	871.30
Other financial liabilities*	-	-	-	-	-	-
Current						
Borrowings	-	-	2791.92	-	-	953.46
Lease Liabilities	-	-	174.66	-	-	89.96
Trade payables	-	-	4220.33	-	-	3498.38
Other financial liabilities	2.01	-	1004.36	0.41	-	978.52
	2.01	**-**	**9350.03**	**0.41**	**-**	**6640.44**

* excludes fair value of non-controlling interest put option amounting to ₹427.43 million (Previous year: ₹393.62 million) measured at fair value with subsequent changes in fair value recognised in equity

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

37. Related Party Disclosures

List of related parties

Related party relationships are as identified by the management and relied upon by the auditors.

Joint ventures	
Murugappa Morgan Thermal Ceramics Limited	[MMTCL]
Ciria India Limited	[Ciria]
Associate and its subsidiary	
Wendt (India) Limited	[Wendt]
Wendt Grinding Technologies Limited	[WGTL]
Wendt GmbH Germany **	[WGG]
** Wendt GmbH, Germany, a wholly owned subsidiary of Wendt (India) Limited was incorporated in Germany on July 8, 2025	
Key Management Personnel	
Mr. Sridharan Rangarajan, Managing Director	[SR]
Other Related parties	
Ambadi Investments Limited (Shareholder with significant influence and promoter holding more than 10%)	[AIL]
Parry Enterprises India Limited (Subsidiary of AIL)	[PEIL]
Parry Agro Industries Limited (Subsidiary of AIL)	[PAL]
Carborundum Universal Employees Provident fund	[CUEPF]
Non Executive Directors	
Mr. M M Murugappan, Chairman	[MMM]
Mr. Sanjay Jayavarthanavelu (till July 31, 2024)	[SJ]
Mr. Aroon Raman (till July 31, 2024)	[AR]
Mr. P S Raghavan (till November 24, 2025)	[PSR]
Mr. Sujjain S Talwar	[ST]
Mrs. Soundara Kumar (till August 02, 2024)	[SK]
Ms. Usha Rajeev (w.e.f August 01, 2024)	[UR]
Mr. Sriram Viji (w.e.f August 01, 2024)	[SV]
Mr. Muthiah Murugappan (w.e.f August 01, 2024)	[MM]
Amb.D B Venkatesh Varma (w.e.f March 04, 2026)	[VV]

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, 2026 (in Indian Rupees million, unless otherwise stated)

A. Transactions during FY 2025-26

Related Party	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	Sitting Fees and commission
Joint Ventures									
MMTCL	33.05	186.00	33.96	-	-	-	2.95	-	-
Ciria	42.17	72.00	-	-	-	-	-	-	-
Total	**75.22**	**258.00**	**33.96**	**-**	**-**	**-**	**2.95**	**-**	**-**
Associate & its subsidiary									
Wendt	61.80	30.00	59.28	2.18	4.80	-	16.11	-	-
WGTL	93.13	-	8.22	-	-	-	-	-	-
Total	**154.93**	**30.00**	**67.50**	**2.18**	**4.80**	**-**	**16.11**	**-**	**-**
Other related parties									
PEIL	0.90	-	-	57.68	-	-	-	-	-
PAL	0.80	-	-	0.31	-	-	-	-	-
CUEPF	-	-	-	-	-	-	-	179.50	-
Total	**1.70**	**-**	**-**	**57.99**	**-**	**-**	**-**	**179.50**	**-**
KMP - Remuneration									
SR	-	-	-	-	-	42.87	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**42.87**	**-**	**-**	**-**
Sitting Fees and commission paid to Non Executive Directors									
MMM	-	-	-	-	-	-	-	-	10.62
PSR	-	-	-	-	-	-	-	-	1.60
ST	-	-	-	-	-	-	-	-	2.84
UR	-	-	-	-	-	-	-	-	2.16
SV	-	-	-	-	-	-	-	-	1.85
MM	-	-	-	-	-	-	-	-	1.99
VV	-	-	-	-	-	-	-	-	0.20
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21.26**
Grand Total	**231.85**	**288.00**	**101.46**	**60.17**	**4.80**	**42.87**	**19.06**	**179.50**	**21.26**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

B. Transactions during FY 2024-25

Related Party	Income from Sales & Services	Dividend income	Purchase of goods	Expenditure on other services #	Rental Expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Joint Ventures										
MMTCL	36.71	71.54	24.82	-	-	-	2.58	-	-	-
Ciria	33.31	51.00	-	-	-	-	-	-	150.00	-
Total	**70.02**	**122.54**	**24.82**	**-**	**-**	**-**	**2.58**	**-**	**150.00**	**-**
Associate & its subsidiaries										
Wendt	80.70	37.50	57.97	4.49	4.47	-	9.30	-	-	-
WGTL	73.06	-	9.29	-	-	-	-	-	-	-
Total	**153.76**	**37.50**	**67.26**	**4.49**	**4.47**	**-**	**9.30**	**-**	**-**	**-**
Other related parties										
PEIL	0.80	-	0.02	49.71	-	-	-	-	-	-
PAL	1.50	-	-	0.42	-	-	-	-	-	-
CUEPF	-	-	-	-	-	-	-	272.91	-	-
Total	**2.30**	**-**	**0.02**	**50.13**	**-**	**-**	**-**	**272.91**	**-**	**-**
KMP - Remuneration										
SR	-	-	-	-	-	40.41	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**40.41**	**-**	**-**	**-**	**-**
Sitting Fees and commission paid to Non Executive Directors										
MMM	-	-	-	-	-	-	-	-	-	10.64
SJ	-	-	-	-	-	-	-	-	-	0.71
AR	-	-	-	-	-	-	-	-	-	0.87
PSR	-	-	-	-	-	-	-	-	-	2.95
ST	-	-	-	-	-	-	-	-	-	2.41
SK	-	-	-	-	-	-	-	-	-	0.76
UR	-	-	-	-	-	-	-	-	-	1.46
SV	-	-	-	-	-	-	-	-	-	1.25
MM	-	-	-	-	-	-	-	-	-	1.26
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22.31**
Grand Total	**226.08**	**160.04**	**92.10**	**54.62**	**4.47**	**40.41**	**11.88**	**272.91**	**150.00**	**22.31**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

C. Outstandings

Related Party	As at 31.03.2026					As at 31.03.2025				
	Trade and other receivable	Deposit outstanding	Payables	Advances given	Letter of comfort / Guarantee outstanding*	Trade and other receivable	Deposit outstanding	Payables	Advances given	Letter of comfort / Guarantee outstanding*
Joint Ventures										
MMTCL	10.80	-	14.29	-	-	9.17	-	2.43	-	-
Ciria	16.23	-	-	-	150.00	17.22	-	-	-	150.00
Total	**27.03**	**-**	**14.29**	**-**	**150.00**	**26.39**	**-**	**2.43**	**-**	**150.00**
Associate & its subsidiaries				-						
Wendt	38.22	1.00	19.38	-		38.92	1.00	24.69	-	-
WGTL	10.77	-	1.01	-	-	9.68	-	1.54	-	-
Total	**48.99**	**1.00**	**20.39**		**-**	**48.60**	**1.00**	**26.23**	**-**	**-**
Other related parties										
PEIL	0.30	-	3.39	0.04	-	0.30	-	-	8.66	-
PAL	-	-	0.07	-	-	-	-	0.08	-	-
CUEPF	-	-	-	-	-	-	-	15.74	-	-
Total	**0.30**	**-**	**3.46**	**0.04**	**-**	**0.30**	**-**	**15.82**	**8.66**	**-**
KMP@										
AN	-	-	-	-	-	-	-	-	-	-
SR	-	-	10.86	-	-	-	-	10.32	-	-
Total	**-**	**-**	**10.86**	**-**	**-**	**-**	**-**	**10.32**	**-**	**-**
Non Executive Directors										
MMM	-	-	10.00	-	-	-	-	10.00	-	-
SJ	-	-	-	-	-	-	-	0.50	-	-
AR	-	-	-	-	-	-	-	0.50	-	-
PSR	-	-	0.98	-	-	-	-	1.92	-	-
ST	-	-	2.00	-	-	-	-	1.58	-	-
SK	-	-	-	-	-	-	-	0.51	-	-
UR	-	-	1.50	-	-	-	-	1.00	-	-
SV	-	-	1.50	-	-	-	-	1.00	-	-
MM	-	-	1.50	-	-	-	-	1.00	-	-
VV	-	-	0.12	-	-	-	-	-	-	-
Total	**-**	**-**	**17.60**	**-**	**-**	**-**	**-**	**18.01**	**-**	**-**
Grand Total	**76.32**	**1.00**	**66.60**	**0.04**	**150.00**	**75.29**	**1.00**	**72.81**	**8.66**	**150.00**

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 is provisional and subject to determination by the Nomination and Remuneration Committee.

* Issued towards availment of banking facilities by the respective entity

includes reimbursement of expenses

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (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	
	31.03.2026	31.03.2025
	SR	SR
Short term benefits	36.45	34.42
Post employment benefits	6.39	5.96
Amount presented under Note: 25	42.84	40.38
Other benefits	0.03	0.03
Total	**42.87**	**40.41**

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

38 Research and Development expenditure incurred during the year is given below:

a) Revenue Expenditure (disclosed under the respective heads)

Particulars	For the year 2025-26	For the year 2024-25
Direct Material, Supplies and Consumables	85.14	69.67
Employee Benefits Expense	144.05	136.80
Repairs and Maintenance	5.35	5.48
Other Expenses	41.70	61.91
Depreciation	17.62	19.42
Total Revenue Expenditure	**293.86**	**293.28**

b) Capital Expenditure

Particulars	For the year 2025-26	For the year 2024-25
Property, plant and equipment		
Plant and equipment	25.47	27.58
Furniture and fittings & Others	6.20	-
	31.67	**27.58**
Intangible assets	12.66	0.21
Total	**44.33**	**27.79**
Capital Work-in-Progress	0.59	0.40
Total Capital Expenditure (including CWIP)	**44.92**	**28.19**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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	2025-26							
	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	74.61%	29096.36	213.78%	4162.80	(2.27%)	(54.23)	94.66%	4108.57
II. Subsidiaries (including Step down subsidiaries)								
a) Indian								
1. Net Access India Limited	0.47%	185.07	0.96%	18.69	(0.01%)	(0.20)	0.43%	18.49
2. Southern Energy Development Corporation Limited	0.51%	199.55	2.08%	40.53	3.64%	87.06	2.94%	127.59
3. Sterling Abrasives Limited	2.96%	1155.23	6.49%	126.30	0.15%	3.56	2.99%	129.86
4. PLUSS Advanced Technologies Limited*	1.76%	687.14	(4.01%)	(78.10)	0.29%	7.02	(1.64%)	(71.08)
b) Foreign								
1. CUMI (Australia) Pty Limited	2.27%	886.66	10.78%	209.95	-	-	4.84%	209.95
2. CUMI International Ltd.	30.34%	11830.92	(112.16%)	(2184.07)	-	-	(50.32%)	(2184.07)
3. Volzhsky Abrasive Works	23.12%	9016.41	23.45%	456.70	-	-	10.52%	456.70
4. Foskor Zirconia (Pty) Ltd.	(1.21%)	(472.00)	(44.11%)	(858.92)	(0.02%)	(0.58)	(19.80%)	(859.50)
5. CUMI America Inc	2.74%	1072.43	6.54%	127.44	-	-	2.94%	127.44
6. CUMI Middle East FZE	0.00%	0.78	(0.10%)	(1.79)	-	-	(0.04%)	(1.79)
7. CUMI Abrasives & Ceramics Co., Limited	(0.20%)	(76.58)	(0.34%)	(6.57)	-	-	(0.15%)	(6.57)
8. CUMI Europe s.r.o	-	-	-	-	-	-	-	-
9. CUMI AWUKO Abrasives GmbH	(2.78%)	(1085.21)	(101.38%)	(1974.05)	-	-	(45.48%)	(1974.05)
10. Rhodius Abrasives GmbH	13.37%	5212.96	(13.65%)	(265.74)	(0.41%)	(9.79)	(6.35%)	(275.53)
11. CUMI USA, Inc.	1.82%	708.36	1.48%	28.84	-	-	0.66%	28.84
Non controlling interest in all subsidiaries	(2.78%)	(1084.83)	13.83%	269.25	(5.50%)	(131.57)	3.17%	137.68
III. Associates (Investment as per equity method)								
1. Wendt (India) Limited	2.44%	952.00	2.80%	54.56	0.58%	13.61	1.57%	68.17
IV. Joint ventures (Investment as per equity method)								
Indian								
1. Murugappa Morgan Thermal Ceramics Limited	2.31%	899.14	10.32%	201.00	0.07%	1.58	4.67%	202.58

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Name of the entity	2025-26							
	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)
2. Ciria India Limited	0.28%	114.33	2.91%	56.67	0.00%	(0.05)	1.30%	56.62
Inter-company Elimination & Consolidation Adjustments	(52.03%)	(20300.50)	80.33%	1563.75	103.48%	2476.88	93.09%	4040.63
Total	**100.00%**	**38998.22**	**100.00%**	**1947.24**	**100.00%**	**2393.29**	**100.00%**	**4340.53**

* After considering the effect of acquisition accounting

Name of the entity	2024-25							
	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	72.50%	25582.56	109.87%	3216.23	(0.40%)	(3.55)	84.10%	3212.68
II. Subsidiaries (including Step down subsidiaries)								
a) Indian								
1. Net Access India Limited	0.52%	184.07	0.78%	22.93	0.07%	0.60	0.62%	23.53
2. Southern Energy Development Corporation Limited	2.74%	966.67	(0.38%)	(11.06)	0.11%	0.94	(0.26%)	(10.12)
3. Sterling Abrasives Limited	3.04%	1073.10	4.85%	142.02	(0.20%)	(1.81)	3.67%	140.21
4. PLUSS Advanced Technologies Limited*	2.15%	758.20	(4.51%)	(131.92)	0.12%	1.08	(3.43%)	(130.84)
b) Foreign								
1. CUMI (Australia) Pty Limited	2.02%	712.75	6.05%	177.18	-	-	4.64%	177.18
2. CUMI International Ltd.	36.31%	12813.75	(20.99%)	(614.40)	-	-	(16.08%)	(614.40)
3. Volzhsky Abrasive Works	21.70%	7658.81	9.58%	280.30	-	-	7.34%	280.30
4. Foskor Zirconia (Pty) Ltd.	1.01%	355.81	(4.28%)	(125.33)	0.29%	2.63	(3.21%)	(122.70)
5. CUMI America Inc	2.51%	888.96	4.82%	141.09	-	-	3.69%	141.09
6. CUMI Middle East FZE	0.01%	2.44	(0.06%)	(1.44)	-	-	(0.04%)	(1.44)
7. CUMI Abrasives & Ceramics Co., Limited	(0.17%)	(59.58)	(0.35%)	(10.28)	-	-	(0.27%)	(10.28)
8.CUMI Europe s.r.o	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Name of the entity	2024-25							
	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)
9. CUMI AWUKO Abrasives GmbH	2.08%	735.48	(31.62%)	(925.57)	-	-	(24.23%)	(925.57)
10. Rhodius Abrasives GmbH	13.21%	4661.72	(0.68%)	(20.02)	(1.08%)	(9.68)	(0.78%)	(29.70)
11. CUMI USA, Inc.	1.74%	612.53	0.17%	4.85	-	-	0.13%	4.85
Non controlling interest in all subsidiaries	(4.17%)	(1472.34)	(2.04%)	(59.67)	(4.18%)	(37.31)	(2.54%)	(96.98)
III. Associates (Investment as per equity method)								
1. Wendt (India) Limited								
IV. Joint ventures (Investment as per equity method)	2.59%	913.83	5.06%	148.05	0.89%	7.88	4.08%	155.93
Indian								
1. Murugappa Morgan Thermal Ceramics Limited	2.50%	882.56	7.98%	233.70	(0.08%)	(0.72)	6.10%	232.98
2. Ciria India Limited	0.36%	129.72	2.40%	70.33	(0.03%)	(0.27)	1.83%	70.06
Inter-company Elimination & Consolidation Adjustments	(62.65%)	(22114.77)	13.35%	390.40	104.49%	932.76	34.64%	1323.16
Total	**100.00%**	**35286.27**	**100.00%**	**2927.39**	**100.00%**	**892.55**	**100.00%**	**3819.94**

* After considering the effect of acquisition accounting

40. Events after the reporting period

Refer Note: 13 for the Final dividend recommended by the Directors which is subject to the approval of the shareholder in the ensuing Annual General Meeting.

41. Audit trail and backup - Ciria India Limited:

The Company is using an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the audit trail feature at the application level has operated throughout the year for all relevant transactions recorded in the software. However, audit trail was not enabled at the database level to enable the log of any direct data changes. The Company has preserved the audit trail in accordance with statutory record retention requirements for the accounting software that had an audit trail (edit log) feature that was enabled at the application level for the year ended March 31, 2025. The Company had used accounting software for which audit trail feature was not enabled upto March 31, 2024 at the application and database level.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

42 Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Group, its associate and joint ventures for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Parent has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Parent with banks are in agreement with the books of accounts. Certain other subsidiaries also have borrowings from banks and financial institution on the basis of security of current assets, but they are not material.

(iii) Wilful defaulter

None of the entities in the Group, its associate and joint ventures have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck-off companies

The Group, its associate and joint ventures, has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Group, its associate and joint ventures, has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Group, its associate and joint ventures has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Group, its associate and joint ventures has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries), its associate and joint ventures or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group, its associate and joint ventures has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group, its associate and joint ventures shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

(ix) Details of crypto currency or virtual currency

The Group, its associate and joint ventures has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Group, its associate and joint ventures has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 2 CICs as part of the Group.

43. 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.

44. 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 14, 2026.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
Chennai
May 14, 2026

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

Rekha Surendhiran
Company Secretary

AOC-1

(a) Summary financial information of Subsidiary Companies

In. ₹ Million

Reporting currency	RUB		Rand		AUD		INR		USD	
Exchange rate	1.14	1.14	5.59	5.59	65.07	65.07			89.92	89.92
Particulars	Volzhsky Abrasive Works		Foskor Zirconia Pty Ltd		CUMI Australia Pty. Ltd		Sterling Abrasives Limited		CUMI International Ltd	
Date of becoming subsidiary	7th September 2007		4th August 2008		1st September 2003		31st March 2003		7th July 2007	
Financial year ended	2025	2024	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025	2024
1. Share capital	4.11	4.11	0.01	0.01	32.59	32.59	9.00	9.00	3,636.13	3,636.13
2. Reserves & Surplus	9,230.58	8,680.14	(471.67)	425.55	647.94	620.43	1,146.23	1,064.11	7,634.98	9,704.73
3. Total Liabilities [a]	1,518.61	1,527.54	1,644.21	1,353.57	875.68	835.59	325.62	430.54	4.18	8.21
4. Total Assets [b]	10,753.30	10,211.79	1,172.55	1,779.13	1,556.21	1,488.61	1,480.85	1,503.65	11,275.29	13,349.07
5. Investments	0.06	0.07	-	-	-	-	-	-	10,277.83	12,348.42
6. Turnover	8,733.58	12,015.67	2,585.87	2,326.59	2,398.81	2,191.80	1,378.50	1,357.98	44.96	393.88
7. Profit before Tax	997.11	658.34	(592.12)	(204.79)	335.53	298.76	169.31	185.96	(2,067.20)	(742.51)
8. Provision for Taxation	336.55	121.72	304.46	(53.77)	101.87	89.71	43.01	43.94	2.55	62.12
9. Profit after Tax	660.56	536.62	(896.58)	(151.02)	233.66	209.05	126.30	142.02	(2,069.75)	(804.63)
10. Proposed dividend [c]	83.74	113.31	-	-	205.62	209.05	47.70	47.70	-	-
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	12.86	12.86	4.38	4.38					94.65	94.65
Particulars	CUMI Abrasives & Ceramics Co Ltd		CUMI Europe s.r.o		Southern Energy Development Corporation Limited		Net Access India Limited		CUMI Middle East FZE.	
Date of becoming subsidiary	31st December 2009		9th December 2014		31st March 2003		1st December 2001		11th December 2005	
Financial year ended	2025	2024	2025	2024	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
1. Share capital	1,294.35	1,294.35	-	36.27	4.60	4.60	50.00	50.00	2.58	2.58
2. Reserves & Surplus	(1,364.53)	(1,355.83)	-	(36.27)	1,230.60	2,293.90	135.07	134.07	(1.79)	0.12
3. Total Liabilities [a]	71.01	67.94	-	-	94.50	320.50	193.37	170.50	3.72	3.43
4. Total Assets [b]	0.83	6.46	-	-	1,329.70	2,619.00	378.44	354.57	4.51	6.13
5. Investments	-	-	-	-	1,124.20	1,532.50	0.00	0.00	-	-
6. Turnover	-	-	-	-	171.30	308.60	618.30	599.00	12.07	1.99
7. Profit before Tax	(8.69)	(19.26)	-	-	40.53	(11.06)	25.50	30.33	(1.91)	(1.61)
8. Provision for Taxation	-	-	-	-	-	-	6.81	7.40	-	-
9. Profit after Tax	(8.69)	(19.26)	-	-	40.53	(11.06)	18.69	22.93	(1.91)	(1.61)
10. Proposed dividend [c]	-	-	-	-	96.60	798.11	15.00	15.00	-	-
11. % of Shareholding	100.00	100.00	-	100.00	84.76	84.76	100.00	100.00	100.00	100.00

In ₹ Million

Reporting currency	USD		INR		Euro		Euro		Euro	
Exchange Rate	94.65	94.65			109.01	109.01	109.01	109.01	109.01	109.01
Particulars	CUMI America Inc		PLUSS Advanced Technologies Limited		CUMI Awuko Abrasives GmbH		Rhodius Abrasives GmbH		Pluss Advanced Technologies B.V	
Date of becoming subsidiary	4th June 1999		6th October 2021		9th December 2021		28th January 2022		6th October 2021	
Financial year ended	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
1. Share capital	813.99	813.99	5.10	5.10	2.73	2.73	2.73	2.73	41.42	41.42
2. Reserves & Surplus	258.44	169.18	247.33	181.03	(1,087.60)	865.72	5,208.62	5,501.80	(28.48)	(3.13)
3. Total Liabilities [a]	569.21	656.37	350.15	277.91	2,210.44	815.76	2,493.88	2,299.98	162.36	68.48
4. Total Assets [b]	1,641.64	1,639.54	602.58	464.04	1,125.57	1,684.21	7,705.23	7,804.51	175.30	106.77
5. Investments	-	-	32.99	32.99	-	-	-	-	-	-
6. Turnover	1,584.12	1,809.67	880.21	544.15	1,151.83	1,119.63	6,746.13	7,393.71	386.26	393.88
7. Profit before Tax	185.62	216.18	85.77	(71.64)	(2,024.18)	(724.25)	(522.98)	(38.93)	(25.35)	35.50
8. Provision for Taxation	49.03	58.28	22.17	(11.50)	-	387.67	(240.22)	(14.88)	-	7.98
9. Profit after Tax	136.59	157.90	63.60	(60.14)	(2,024.18)	(1,111.92)	(282.76)	(24.05)	(25.35)	27.52
10. Proposed dividend [c]	23.66	47.33	-	-	-	-	-	-	-	-
11. % of Shareholding	100.00	100.00	74.06	74.06	100.00	100.00	100.00	100.00	74.06	74.06

Reporting currency	Brasilian reais		Korean Won		Euro		Euro	
Exchange Rate	18.03	18.03	0.06	0.06	109.01	109.01	109.01	109.01
Particulars	Rhodius South América Assessoria Técnica e Comercial em Abrasivos Ltda		Rhodius Korea INC.		Rhodius Nederland B.V.		Rhodius SARL	
Date of becoming subsidiary	1st April 2022		1st April 2022		1st April 2022		1st April 2022	
Financial year ended	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
1. Share capital	2.78	2.78	4.50	4.50	2.07	2.07	66.45	66.45
2. Reserves & Surplus	(2.97)	(4.51)	99.91	100.31	60.61	58.24	146.62	145.65
3. Total Liabilities [a]	29.41	38.14	17.10	7.06	11.45	9.37	84.64	90.57
4. Total Assets [b]	29.22	36.41	121.51	111.87	74.13	69.68	297.71	302.67
5. Investments	-	-	-	-	-	-	-	-
6. Turnover	35.89	37.87	109.47	119.14	72.17	63.64	301.76	304.46
7. Profit before Tax	4.59	1.98	(0.40)	(5.15)	2.97	(1.00)	1.43	49.04
8. Provision for Taxation	3.05	1.35	-	-	0.60	(0.14)	0.46	12.51
9. Profit after Tax	1.54	0.63	(0.40)	(5.15)	2.37	(0.86)	0.97	36.53
10. Proposed dividend [c]	-	-	-	-	-	-		-
11. % of Shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

In ₹ Million

Reporting currency	USD		USD	
Exchange Rate	94.65	94.65	94.65	94.65
Particulars	CUMI USA INC		Silicon Carbide Products LLC	
Date of becoming subsidiary	2nd October 2024		29th October 2024	
Financial year ended	2025-26	Oct to Mar 25	2025-26	Oct to Mar 25
1. Share capital	672.02	672.02	667.09	667.09
2. Reserves & Surplus	(0.43)	(0.12)	36.77	5.55
3. Total Liabilities [a]	-	-	37.76	16.55
4. Total Assets [b]	671.59	671.90	741.62	689.19
5. Investments	667.09	667.09	-	-
6. Turnover	-	-	447.76	170.92
7. Profit before Tax	(0.31)	(0.12)	40.50	5.56
8. Provision for Taxation	-	-	9.28	0.01
9. Profit after Tax	(0.31)	(0.12)	31.22	5.55
10. Proposed dividend [c]	-	-	-	-
11. % of Shareholding	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

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 31.3.2026 / 31.12.2025, as applicable

e. The conversation rates have been maintained at the same for the previous financial year for comparative purposes

f. Investments in VAW, Foskor, CACCL China, CUMI Middle East, CUMI America, CUMI Europe, CUMI Awuko and Rhodius Abrasives are held by CUMI International Limited. Investment in PLUSS Advanced Technologies BV is held by PLUSS Advanced Technologies Private Limited.Investments in Rhodius South América Assessoria Técnica e Comercial em Abrasivos Ltda, Rhodius Korea INC, Rhodius Nederland B.V, Rhodius SARL, are held by Rhodius Abrasives GmbH

g. Consolidated figures considered for Rhodius Abrasives GmbH

h. During the year, CUMI Europe was voluntarily deregistered as per the Czech Republic laws and its name is deleted from the Commercial register effective December 31, 2025

In ₹ Million

S.no	Name of Associates/Joint Ventures	Wendt India Limited	Ciria India Limited	Murugappa Morgan Thermal Ceramics Limited
1	Latest audited Balance Sheet Date	31.03.2026	31.03.2026	31.03.2026
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	952.00	114.33	899.14
7	Profit / Loss for the year	145.50	188.88	410.21
	Considered in Consolidation	54.56	56.67	201.00
	Not Considered in Consolidation	90.94	132.21	209.21

On behalf of the Board

M M Murugappan
Chairman
DIN: 00170478

Sridharan Rangarajan
Managing Director
DIN: 01814413

Chennai
May 14, 2026

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 standalone Balance Sheet as at March 31, 2026, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Cash Flow Statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, 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 standalone 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 standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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(A)(f) and Notes 6A, 6B and 6C of the standalone financial statements. The Company's equity investments in subsidiaries, joint ventures and an associate aggregated to ₹10,970.63 million as at March 31, 2026. 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 significant to the Company and is dependent on the future performance of the subsidiaries, joint ventures and the associate. 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 investments in subsidiaries, joint ventures and an associate. • 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". • Obtained the audited financial statements of the subsidiaries, joint ventures and the associate and compared the net worth of the respective subsidiaries, joint ventures and the associate to the carrying value of the investments made in those entities. • Assessed the reasonableness of management's computation of the recoverable amount of carrying value of investment in a subsidiary wherein an impairment trigger has been identified, 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.

Key audit matter	How our audit addressed the key audit matter
Further, in relation to the Company's investment in CUMI International Limited, Cyprus ('CIL'), management/ management expert judgement was required in relation to assessing CIL's ability to exercise control over Volzhsky Abrasive Works ('VAW'), a subsidiary of CIL domiciled in Russia, considering VAW's inclusion in the United States of America's Department of Treasury's Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List. Additionally, the financial information of two other subsidiaries of CIL - CUMI Awuko Abrasives GmbH and Foskor Zirconia (Pty) Ltd are being prepared on a realisable value (non-going concern) basis.	• Engaging 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. • In relation to ability of CIL to exercise control over VAW, we assessed management's judgement by: • Inquiries and discussions with the auditors of VAW and CIL, management's expert, managements of the Company and VAW. • Evaluating the independence, competence and objectivity of the management's expert. • Examining the documents supporting the assessment of control.

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, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 standalone 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 Indian 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 standalone 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 standalone financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

9. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

10. 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 standalone 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 standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

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 standalone 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

14. 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.

15. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone 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 Indian 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, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(h)(vi) below.

    (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026.

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 Note 44(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend (including interim dividend) declared and paid by the Company during the year is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend. Further, as stated in Note 12 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination, which included test checks, the Company has used multiple accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except with respect to an accounting software of a third party service provider used for maintaining certain records, where in the absence of the independent service auditor's report for the financial year, we are unable to comment on the audit trail (edit log) feature in the aforesaid accounting software. For accounting software other than the aforesaid software where the question of our commenting does not arise, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126AVQCVR1606

Place: Chennai
Date: May 14, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Carborundum Universal Limited on the Standalone Financial Statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to standalone 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 standalone financial statements of Carborundum Universal Limited ("the Company") as of March 31, 2026 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 standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal

financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126AVQCVR1606

Place: Chennai
Date: May 14, 2026

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Carborundum Universal Limited on the Standalone Financial Statements for the year ended March 31, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company are physically verified by the Management according to a phased programme designed to cover all the items at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4A to the standalone financial statements, are held in the name of the Company. Immovable properties of land and buildings, whose title deeds have been pledged as security for banking facilities, 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 not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year. 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) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone 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 books of account (Also, refer Note 44(ii) to the standalone financial statements).

iii. (a) The Company has made investment in a company and stood guarantee to three body corporates and a company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries are as per the table given below:

Particulars	Guarantees (₹ in millions)
Aggregate amount granted/ provided during the year	
- Subsidiaries (including step-down subsidiaries)	2,518.13
Balance outstanding as at balance sheet date in respect of the above cases	
- Subsidiaries (including step-down subsidiaries)	2,518.13

The Company has not granted secured/unsecured loans/advances in nature of loans or provided security to any parties during the year.

(Also, refer Note 34 to the standalone financial statements)

(b) In respect of the aforesaid investment and guarantees, the terms and conditions under which such investment was made and guarantees were provided are not prejudicial to the Company's interest.

(c) The Company has not granted secured/unsecured loans/advances in nature of loans. Therefore, the reporting under clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted secured/unsecured loans/advances in nature of loans. Therefore, the reporting under clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans /advances in nature of loans which have fallen due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/ advances in nature of loan.

(f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/ related parties.

iv. The Company has not granted any loans or made any investments 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 investments made and guarantees 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. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

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 books of account maintained by the Company pursuant to the said requirement, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of employees' state insurance, provident fund, labour welfare fund and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other statutory dues, as applicable, with the appropriate authorities. However, there are no arrears of statutory dues outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in millions)*	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	2000-2003	Joint Commissioner of Central Excise
Central Excise Act, 1944	Excise Duty	0.43	1999-2001	Joint Commissioner of Central Excise
Central Excise Act, 1944	Excise Duty	1.38	2015-2018	Commissioner of Central Excise (Appeals), Bhopal
Central Excise Act, 1944	Excise Duty	6.73	2015-2018	Customs, Excise, Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax	0.19	2015-2018	Customs, Excise, Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax	0.39	2019-2020	Customs, Excise, Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax	0.32	2007-2011	Commissioner (Appeals), Kerala
Tamil Nadu General Sales Tax Act, 1956	Sales Tax	0.02	1995-1996	Sales Tax Appellate Tribunal, Chennai
The Central Sales tax Act, 1956	Central Sales Tax	0.47	1989-1990	High Court of Madras
The Central Sales tax Act, 1956	Central Sales Tax	0.23	2002-2003	Sales Tax Appellate Tribunal, Chennai
The Central Sales tax Act, 1956	Central Sales Tax	0.06	2004-2005	Sales Tax Appellate Tribunal, Uttar Pradesh
The Central Sales tax Act, 1956	Central Sales Tax	1.53	2012-2013	Deputy Commissioner Appeals, Madhya Pradesh
The Central Sales tax Act, 1956	Central Sales Tax	1.43	2011-2012	Commercial Tax Appellate Board, Madhya Pradesh

Name of the statute	Nature of dues	Amount (₹ in millions)*	Period to which the amount relates	Forum where the dispute is pending
Kerala Value Added Tax Act, 2003	Value Added Tax	15.04	2013-2014	Deputy Commissioner (Appeals) - Ernakulam
The Central Sales tax Act, 1956	Central Sales Tax	1.29	2016-2017	Assistant Commissioner, Madhya Pradesh
The Central Sales tax Act, 1956	Central Sales Tax	10.14	2011-2012	Additional Commissioner - West Bengal VAT
Goods and Services Tax Act, 2017	Goods and Services Tax	0.19	2019-2020	High Court of Kerala
Goods and Services Tax Act, 2017	Goods and Services Tax	0.18	2019-2020	State Appellate Authority, Karnataka
Goods and Services Tax Act, 2017	Goods and Services Tax	1.94	2017-2018	Assistant Commissioner of GST & Central Excise, Egmore Division
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	2022-2023	Deputy Commissioner State (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	0.22	2018-2019	Deputy Commissioner State (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	2.46	2017-2018	Joint/Deputy Commissioner State (Appeals)
Goods and Services Tax Act, 2017	Goods and Services Tax	2.22	2018-2019	Deputy Commissioner State (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	0.17	2019-2020	Deputy Commissioner State (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	2.30	2020-2021	Deputy Commissioner State (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	5.39	2020-2021	Joint/Deputy Commissioner State (Appeals), Delhi
Goods and Services Tax Act, 2017	Goods and Services Tax	42.03	2021-2022	Deputy Commissioner State (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	8.34	2021-2022	Joint/Deputy Commissioner State (Appeals), Delhi
Goods and Services Tax Act, 2017	Goods and Services Tax	96.54	2021-2022	Deputy Commissioner State (Appeals), Chennai
Goods and Services Tax Act, 2017	Goods and Services Tax	0.02	2021-2022	Joint Commissioner CGST (Appeals), Bhopal
*Income Tax Act, 1961	Income Tax	-	2013-2022	Commissioner of Income Tax (Appeals)

*The amount considered above is net of INR 339.68 million paid under protest/adjusted against refunds in relation to Income Tax Act, 1961 and INR 22.70 million in relation to other statutes.

There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the director(s). 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 as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 has 2 CICs as part of the Group as detailed in Note 44(xi) to the standalone financial statements.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN: 26213126AVQCVR1606

Place: Chennai
Date: May 14, 2026

Standalone Balance Sheet

(in Indian Rupees million, unless otherwise stated)

Particulars	Notes	As at 31.03.2026	As at 31.03.2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	7013.58	5796.22
(b) Right of use assets	4B	70.21	71.08
(c) Capital work-in-progress	4C	1084.44	742.76
(d) Intangible assets	5	48.01	36.40
(e) Financial assets			
(i) Investments			
(a) Investment in associate	6A	9.74	9.74
(b) Investments in joint ventures	6B	45.72	45.72
(c) Investments in subsidiaries	6C	10915.17	10915.17
(d) Other investments	6D	22.27	24.94
(ii) Other financial assets	7A	282.54	201.61
(f) Deferred tax asset (net)	15	15.74	-
(g) Other non-current assets	8A	289.53	375.40
Total Non-current assets		**19796.95**	**18219.04**
Current assets			
(a) Inventories	9	4669.08	4421.37
(b) Financial assets			
(i) Trade receivables	10	5447.83	4519.11
(ii) Cash and cash equivalents	11A	2028.65	857.97
(iii) Bank balances other than (ii) above	11B	23.07	24.03
(iv) Other financial assets	7B	105.54	116.49
(c) Other current assets	8B	655.44	505.70
Total Current assets		**12929.61**	**10444.67**
Total Assets		**32726.56**	**28663.71**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	190.49	190.42
(b) Other equity	13	28905.87	25392.14
Total Equity		**29096.36**	**25582.56**
LIABILITIES			
Non-Current liabilities			
(a) Provisions	14A	234.22	208.59
(b) Deferred tax liabilities (net)	15	-	0.36
Total Non-Current liabilities		**234.22**	**208.95**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	16	176.95	115.94
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	16	2038.70	1785.80
(ii) Other financial liabilities	17	672.38	631.36
(b) Other current liabilities	18	259.79	108.35
(c) Provisions	14B	248.16	230.75
Total Current liabilities		**3395.98**	**2872.20**
Total Liabilities		**3630.20**	**3081.15**
Total Equity and Liabilities		**32726.56**	**28663.71**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 14, 2026

On behalf of the Board

M M Murugappan
Chairman
DIN : 00170478

Sridharan Rangarajan
Managing Director
DIN : 01814413

Rekha Surendhiran
Company Secretary

Standalone Statement of Profit and Loss

(in Indian Rupees million, unless otherwise stated)

S.No.	Particulars	Notes	For the year 2025-26	For the year 2024-25
I	Revenue from Operations	19	30625.38	28275.80
II	Other income	20	1385.02	388.71
III	**Total Income (I+II)**		**32010.40**	**28664.51**
IV	**Expenses**			
	Cost of materials consumed		12628.11	11581.88
	Purchases of stock-in-trade		1146.90	1103.95
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(332.45)	(305.11)
	Employee benefits expense	22	3174.98	2903.10
	Finance costs	23	1.62	1.67
	Depreciation and amortisation expense	24	946.05	806.32
	Other expenses	25	9196.96	8319.68
	Total expenses (IV)		**26762.17**	**24411.49**
V	**Profit before tax (III-IV)**		**5248.23**	**4253.02**
VI	**Tax expense**			
	(1) Current tax	26A	1098.00	1062.50
	(2) Deferred tax	15	(12.57)	(25.71)
	Total tax expense (VI)		**1085.43**	**1036.79**
VII	**Profit for the year (V-VI)**		**4162.80**	**3216.23**
VIII	**Other Comprehensive Income [OCI]**			
A	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans	32C	(57.76)	(11.65)
	Income tax relating to items that will not be reclassified to profit or loss	26B	3.53	8.10
	Total Other Comprehensive Income (VIII)		**(54.23)**	**(3.55)**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**4108.57**	**3212.68**
X	**Earnings per equity share (Re.1 each) on profit for the year (VII) (in ₹)**	27		
	- Basic (Rs.)		21.86	16.90
	- Diluted (Rs.)		21.85	16.87

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

On behalf of the Board

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

M M Murugappan
Chairman
DIN : 00170478

Sridharan Rangarajan
Managing Director
DIN : 01814413

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 14, 2026

Rekha Surendhiran
Company Secretary

Standalone Statement of Changes in Equity

(in Indian Rupees million, unless otherwise stated)

A. Equity share capital - Refer Note: 12

Balance as at March 31, 2024	**190.26**
Changes in equity share capital during the year	
Shares issued against Employee Stock Options Scheme/Plan	0.16
Balance as at March 31, 2025	**190.42**
Changes in equity share capital during the year	
Shares issued against Employee Stock Options Scheme/Plan	0.07
Balance as at March 31, 2026	**190.49**

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	Revaluation Surplus	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Balance at the beginning of the year - March 31, 2024	**6.03**	**27.68**	**546.56**	**9675.43**	**226.92**	**12278.56**	**23.74**	**22784.92**
Profit for the year	-	-	-	-	-	3216.23	-	3216.23
Other Comprehensive income for the year	-	-	-	-	-	(3.55)	-	(3.55)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3212.68**	-	**3212.68**
Share premium received on allotment of equity shares under ESOP	-	-	54.32	-	-	-	-	54.32
Recognition of share-based payments	-	-	-	-	101.52	-	-	101.52
Final dividend paid during the year	-	-	-	-	-	(475.67)	-	(475.67)
Interim dividend paid during the year	-	-	-	-	-	(285.63)	-	(285.63)
Transfer to General Reserve	-	-	-	500.00	-	(500.00)	-	-
Balance at the end of the year - March 31, 2025	**6.03**	**27.68**	**600.88**	**10175.43**	**328.44**	**14229.94**	**23.74**	**25392.14**
Profit for the year	-	-	-	-	-	4162.80	-	4162.80
Other Comprehensive income for the year	-	-	-	-	-	(54.23)	-	(54.23)
Total Comprehensive income for the year	**-**	**-**	**-**	-	-	**4108.57**	-	**4108.57**

Standalone Statement of Changes in Equity

(in Indian Rupees million, unless otherwise stated)

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	Revaluation Surplus	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Share premium received on allotment of equity shares under ESOP	-	-	22.45	-	-	-	-	22.45
Recognition of share-based payments	-	-	-	-	144.48	-	-	144.48
Final dividend paid during the year	-	-	-	-	-	(476.07)	-	(476.07)
Interim dividend paid during the year	-	-	-	-	-	(285.70)	-	(285.70)
Transfer to General Reserve	-	-	-	500.00	-	(500.00)	-	-
Balance at the end of the year - March 31, 2026	**6.03**	**27.68**	**623.33**	**10675.43**	**472.92**	**17076.74**	**23.74**	**28905.87**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

On behalf of the Board

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

M M Murugappan
Chairman
DIN : 00170478

Sridharan Rangarajan
Managing Director
DIN : 01814413

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 14, 2026

Rekha Surendhiran
Company Secretary

Standalone Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars		For the year 2025-26		For the year 2024-25	
A. Cash flow from Operating activities					
Profit before tax			**5248.23**		**4253.02**
Adjustment for:					
Depreciation and amortisation expense		946.05		806.32	
Loss on Fair valuation of investments		2.67		0.39	
Finance costs		1.62		1.67	
Interest income		(57.62)		(55.91)	
Dividend income		(1184.94)		(330.09)	
Expenses recognised in respect of equity-settled share-based payments		144.48		101.52	
Allowance for doubtful receivable and advances (net)		52.42		27.61	
Loss on sale of assets (net)		6.91		11.76	
Unrealised exchange (gain)/loss - net		(29.31)	(117.72)	11.08	574.35
Operating profit before working capital changes			**5130.51**		**4827.37**
Movement in working capital					
(Increase)/decrease in trade receivables		(909.17)		(767.51)	
(Increase)/decrease in inventories		(247.71)		(808.92)	
(Increase)/decrease in other financial assets		(45.39)		(77.01)	
(Increase)/decrease in other assets		(218.00)		(212.09)	
Increase/(decrease) in trade payables		271.24		122.81	
Increase/(decrease) in provisions and other current liabilities		136.72		74.98	
Increase/(decrease) in other financial liabilities		21.76	(990.55)	(128.95)	(1796.69)
Cash generated from Operations			**4139.96**		**3030.68**
Income tax paid (net)			(1124.76)		(1127.03)
Net cash generated by Operating activities	**[A]**		**3015.20**		**1903.65**
B. Cash flow from Investing activities					
Payments to acquire property, plant and equipment		(2292.43)		(1834.18)	
Payments for intangible assets		(40.41)		(4.58)	
Proceeds from sale of property, plant and equipment		16.10		3.85	
Investment in Subsidiaries		-		(607.79)	
Investment in Bank deposits with original maturity beyond three months (net)		(23.71)		(0.27)	
Interest income received		51.86		50.32	
Dividend income received		1184.94		330.09	
Net cash used in Investing activities	**[B]**		**(1103.65)**		**(2062.56)**

Standalone Cash Flow Statement

(in Indian Rupees million, unless otherwise stated)

Particulars		For the year 2025-26	For the year 2024-25
C. Cash flow from Financing activities			
Proceeds from issue of equity shares		22.52	54.48
Principal portion of lease payments		-	(0.16)
Finance costs paid		(1.62)	(1.67)
Dividends paid to Shareholders		(761.77)	(761.30)
Net cash used in Financing activities	**[C]**	**(740.87)**	**(708.65)**
Net increase/(decrease) in cash and cash equivalents [A]+[B]+[C]	**[D]**	**1170.68**	**(867.56)**
Add: Cash and Cash equivalents at the beginning of the year		857.97	1725.53
Cash and Cash equivalents at the end of the year		**2028.65**	**857.97**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 14, 2026

On behalf of the Board

M M Murugappan
Chairman
DIN : 00170478

Sridharan Rangarajan
Managing Director
DIN : 01814413

Rekha Surendhiran
Company Secretary

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Statement showing the applicable Key Accounting Standards (Ind AS) with related Policy & Notes references as per Standalone financial statements.

Ind AS No.	Description	Accounting policy Reference	Note Reference
2	Inventories	3(A)(h), 3(B)(c)	9
7	Statement of Cash flows	3(B)(l)	11,33
8	Accounting Policies, Changes in Accounting Estimates and Errors	3(A)(a),3(A)(b)	
10	Events after the reporting period		43
12	Income taxes	3(B)(o)	8A,15,26
16	Property, plant and equipment	3(A)(c),3(B)(a)	4A,4C,24
19	Employee benefits	3(A)(i),3(B)(m)	22,32
24	Related party disclosures		34
28	Investments in associates and joint ventures		6A,6B
33	Earnings per share	3(B)(r)	27
36	Impairment of assets	3(A)(f),3(B)(e), 3(B)(t)	4A,4B,4C,5,33
37	Provisions, Contingent liabilities and Contingent assets	3(B)(p)	14,29
38	Intangible assets	3(A)(e),3(B)(b)	5,24
102	Share based payment	3(B)(n)	35
32, 107 &109	Financial instruments	3(A)(f),3(A)(g),3(B)(d)	6D,7,10,16,17,33
108	Operating segments	3(A)(l)	28
113	Fair value measurement		33
115	Revenue from Contracts with Customers	3(A)(j)	19,28
116	Leases	3(A)(d),3(B)(h)	4B,23,24

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

1. Brief description of the Company

Carborundum Universal Limited (CUMI) was incorporated in India as a Public Limited Company in 1954 and the shares of the Company are listed in National Stock Exchange of India Ltd. and BSE Ltd. The address of its registered office and place of business are disclosed in the Annual Report.

CUMI manufactures and sells mainly Abrasives, Ceramics (Industrial Ceramics, Refractories) and Electrominerals (Refer Note: 28).

2. Basis of preparation

a. Preparation and compliance with Ind AS

These standalone financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b. Historical cost convention

The standalone financial statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

c. Current/non-current classification

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. Deferred tax assets are classified as non-current.

d. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 7th May 2025 and 13th August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1st April 2025:

a. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

b. Supplier Finance Arrangements - Amendments to Ind AS 7 and Ind AS 107

c. International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

d. Lack of Exchangeability - Amendments to Ind AS 21

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

e. New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1st April 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8

The Company does not expect this amendment to have an impact on its operations or financial statements.

3A. Material accounting policies

a) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date and reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The estimates and the assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

b) Critical estimates and judgement

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements:

S. No	Particulars	Notes
I	Impairment of Trade receivables: Expected credit loss	10 & 33
II	Recoverable value of investment in Subsidiaries	6C
III	Recognition and measurement of provisions and contingencies (including current and deferred tax balances subject to uncertain tax treatments); Key assumptions about the likelihood and magnitude of an outflow of resources.	29
IV	Measurement of defined benefit obligation: Key actuarial assumptions.	32
V	Assessment of control over components and classification of joint arrangements	6C & 6B

The estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

c) Property, plant, and equipment

Freehold land is carried at historical cost. All other property, plants and equipment are recognised at historical cost less depreciation.

Depreciation is calculated using straight line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management which are different than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. Estimated useful life of assets are as follows:

Assets category	Useful life range
Buildings	1 - 60 years
Plant and equipment	1 - 15 years
Vehicles	1 - 8 years
furniture and fittings	1 - 10 years

Individual assets costing less than INR 5,000 are depreciated in full in the year of acquisition. Leasehold improvements are depreciated over the shorter of their useful life or the lease term unless the entity expects to use the assets beyond the lease term.

See note 3B(a) for the other accounting policy relevant to property, plant, and equipment.

d) Leases (where the Company is the Lessee)

The Company leases various assets for its business purposes but may have extension options which are mutually exercisable. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case of leases entered into by the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received.
- makes adjustments specific to the lease, if any, e.g. term, country, currency, and security

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option.

See note 3B(h) for the other accounting policies relevant to leases.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

e) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

The Company amortises intangible assets using the straight-line method over their estimated useful lives determined based on technical evaluation done by the management which are as follows:

Assets category	Useful life range
Technical know-how	5 years
Software	1- 5 years

See note 3B(b) for the other accounting policies relevant to intangible assets.

f) Financial assets

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the Statement of Profit and Loss.

All other recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the following measurement categories:

I. Those measured subsequently at fair value through other comprehensive income (in case of certain investments in equity instruments - an irrevocable option exercised on an instrument by instrument basis on initial recognition); and

II. Through Statement of Profit and Loss (in case of investments in mutual funds and other equity instruments); and

III. Those measured at amortised cost.

The classification is based on the Company's business model for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

See note 3B(e) for the other accounting policies relevant to Financial assets.

g) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised as fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less loss allowance.

For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

h) Inventories

The costs of individual items of inventory are determined as follows:

- In respect of raw materials, stores and spare parts and traded stock, cost is determined on weighted average basis.
- In respect of work in progress and finished goods, cost includes all direct costs and applicable production overheads, to bring the goods to the present location and condition.

See note 3B(c) for the other accounting policies relevant to inventory.

i) Employee benefit obligations

(i) Post-employment benefits:

The Company provides gratuity for employees per the regulations and the terms of service. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan, and the Company makes contribution to recognised funds in India. For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period.

(ii) Other retirement benefit:

The employees and the Company make monthly fixed contributions to the Carborundum Universal Limited Employee's Provident Fund Trust (till January 31, 2026), equal to a specified percentage of the covered employee's salary. The interest rate payable by the Trust to the beneficiaries is being notified by the Government every year. The Company obtains an independent actuarial valuation of the Interest Guarantees as at the Balance Sheet date and provides for the shortfall, if any, in the present value of obligation of interest over the fair value of the surplus in the Fund.

See note 3B(m) for the other accounting policies for employee benefit obligations.

j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price for each separate performance obligation taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The transaction price is net of estimated customer returns, rebates and other similar allowances. No significant element of financing is deemed present as the sales are made with a credit term predominantly ranging from 30 to 90 days, which is consistent with the market practices.

The specific recognition criteria described below must also be met before revenue is recognised.

<u>Sale of goods</u>

Revenue from the sale of goods is recognized at a point in time when the control of the products has transferred which generally coincides with dispatch of products to customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

<u>Rendering of services</u>

Revenue from divisible service contracts:

i. service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and

ii. the revenue relating to supplies are measured in line with policy set out under sale of goods above.

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per (i) above.

k) Other income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised and accrued using effective interest rate method.

Rental income is recognised on a straight-line basis in accordance with the agreement.

l) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

The Business Group Management Committee headed by the Managing Director (CODM) and consisting of Chief Financial Officer, Leaders of Strategic Business Units, functional heads such as Human Resources, Information technology, Environmental Health and Safety, Risk & Taxation, Manufacturing and Company Secretary have identified the reportable segment and 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. 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".

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

m) Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

n) Exceptional item

Exceptional items are those which in the management's judgement are material items that derive from events or transactions falling within the ordinary activities of the Company but are not expected to be recurring. The nature and amount of exceptional items are relevant to the users of the financial statements in understanding the financial position or performance of the Company. The same is presented separately in the Statement of Profit and Loss (pre-tax) and Balance Sheet as applicable.

3B. Summary of other accounting policies

a. Property, plant and equipment

Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the Management.

Subsequent costs related to an item of property, plant and equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets', if any. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition is recognised in the Statement of Profit and Loss.

The depreciation charge for each year is recognised in the Statement of Profit and Loss. The useful life and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

b. Intangible assets

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

An intangible asset is derecognised at disposal, or when no future economic benefits are expected from use or disposal. The gain or loss arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

c. Inventories

Inventories are stated at lower of cost and net realisable value. Cost includes freight, taxes, and duties net of non-refundable tax credits wherever applicable. Cost of work in progress and finished goods comprises of purchase price, non- refundable taxes, labour and applicable manufacturing overheads. Cost of inventory also includes all other costs incurred to bring the inventory to the present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written down for obsolete/ slow moving/ non-moving items, wherever necessary.

d. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate,

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 Statement of Profit and Loss.

e. Financial assets

All regular purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Investments in subsidiaries, associate and joint ventures are measured at cost. All other recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the following measurement categories:

- Those measured subsequently at fair value through other comprehensive income (in case of investments in equity instruments) and through Statement of Profit and Loss (in case of investments in mutual funds); and
- Those measured at amortised cost.

  The classification is based on the Company's business model for managing financial assets and the contractual terms of the cash flows. The Company classifies its financial assets at amortised cost only if both the following conditions are met:

- The asset is held with a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give risk to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, cash and cash equivalents, bank balances, security deposits among others.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

<u>Investment in equity instruments at Fair Value Through Other Comprehensive Income [FVTOCI]</u>

On initial recognition, the Company can make an irrevocable election (on an instrument- by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity investment is held for trading.

These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gain and loss arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instrument through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term.
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Company has equity instrument in an entity [March 31, 2025 - one entity], which are not held for trading. The Company has elected the FVTOCI irrevocable option for this investment (Refer Note: 6D). Fair value is determined in the manner described in Note: 33.

Dividend on these investments are recognised in Statement of Profit and 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 Statement of Profit and Loss is included in 'Other income' line item.

<u>Financial assets at Fair Value Through Profit or Loss (FVTPL)</u>

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value through other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instrument that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 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 Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporate any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial asset at FVTPL is recognised when the Company's right to receive the dividends is established. It is probable that the economic benefits associated with the dividend will flow to the entity which does not represent a recovery of part of cost of the investment and the amount can be measured reliably.

Impairment of financial assets

The Company applied the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivable, trade receivable, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayments, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. The 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 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.

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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On de-recognition of a financial asset other than its entirety (e.g., when the company retains an option to repurchase part of a transferred asset), the Company allocates the previous carried over amount of financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

Foreign exchange gain and loss

The fair value of financial assets denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For Foreign currency denominated financial asset measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and 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 Statement of Profit and Loss and other changes in the fair value of FVTOCI financial asset are recognised in other comprehensive income.

f. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument.

Equity instruments

An equity instrument is a contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest methods or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- the financial liability forms part of a company of financial asset or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for not-held for trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in Statement of Profit and Loss, in which case these effect of changes in credit risk are recognised in Statement of Profit and 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 Statement of Profit and 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 Statement of Profit and Loss. Fair value is determined in the manner described in Note: 33.

<u>Financial liabilities subsequently measured at amortised cost.</u>

Financial liabilities are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expenses that are not capitalised as part of cost of an asset is included in the 'Finance cost' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

<u>Financial guarantee contracts</u>

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a 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.

<u>Foreign exchange gain and loss</u>

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gain and loss are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial assets denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gain or loss and is recognised in Statement of Profit and Loss.

<u>De-recognition of financial liabilities</u>

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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 Statement of Profit and Loss.

g. Other operating revenue

Export Incentives

Incentives on exports are recognised in books after consideration of certainty of utilisation/receipt of such incentives.

Government Grants

Government grants are not recognised until there is a reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in Statement of Profit and 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 Statement of Profit and 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 Statement of Profit and Loss in the period in which they become receivable.

Export benefits on account of entitlement to import goods free of duty under 'Exports Benefit Scheme' are accounted based on eligibility and when there is no uncertainty in receiving the same.

h. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

(i) Fixed payments (including in-substance fixed payments), less any lease incentives receivable

(ii) Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

(iii) Amounts expected to be payable by the Company under residual value guarantees

(iv) The exercise price of a purchase option if the Company is reasonably certain to exercise that option,

(v) Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

(i) The amount of the initial measurement of lease liability

(ii) Any lease payments made at or before the commencement date less any lease incentives received

(iii) Any initial direct costs and

(iv) Restoration costs

i. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period agreed with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

j. Contributed equity.

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

k. Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit and Loss. The foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income/(expenses).

l. Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents for the purpose of presentation in the Cash Flow Statement comprises cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

m. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The same has been presented under other financial liabilities in the Balance Sheet.

Other long-term employee benefit obligations

The Company has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

Post employment obligations

Gratuity

The liability recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period as reduced by the fair value of the plan assets and disclosed under the heading Provisions in the Balance sheet.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gain and loss, the effect of the changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and 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 Statement of Profit and Loss in the line item 'Employee benefit expense'. Curtailment gain and loss are accounted for as past service costs.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

A liability for a termination benefit is recognised when the entity can no longer withdraw the offer of the termination benefit as per the relevant scheme.

Voluntary retirement compensation

Compensation to employees who have retired under voluntary retirement scheme is charged off to revenue.

n. Share based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in Note: 35.

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 Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share options outstanding account.

o. Taxes on Income

Tax expense comprises of current and deferred taxes.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years (Temporary differences) and items that are never taxable or deductible (Permanent differences). The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside Statement of Profit and Loss is either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

p. Provision and contingent liabilities

Provisions

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in Statement of Profit and Loss.

Contingent liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognised as contingent liability.

q. Research and Development

All revenue expenditure related to research and developments are charged to the respective heads in the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

r. Earnings Per Share

Basic earnings per share are computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

s. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

t. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

4A. Property, plant and equipment

Particulars	As at 31.03.2026	As at 31.03.2025
Carrying amounts		
Freehold land	444.56	444.56
Buildings	1747.23	1558.51
Plant and equipment	4645.30	3610.67
Furniture and fittings	83.75	84.88
Vehicles	92.74	97.60
Total	**7013.58**	**5796.22**

Cost	Freehold land	Buildings (a)	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2024	**444.56**	**2078.89**	**7870.88**	**103.92**	**94.55**	**10592.80**
Additions - **(b)**	-	202.87	1152.00	56.40	43.55	1454.82
Disposals	-	(3.45)	(96.84)	(4.92)	(13.34)	(118.55)
Balance at March 31, 2025	**444.56**	**2278.31**	**8926.04**	**155.40**	**124.76**	**11929.07**
Additions - **(b)**	-	285.93	1829.52	13.02	28.28	2156.75
Disposals	-	(1.64)	(92.32)	(2.02)	(29.06)	(125.04)
Balance at March 31, 2026	**444.56**	**2562.60**	**10663.24**	**166.40**	**123.98**	**13960.78**

Accumulated depreciation and impairment	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2024	**-**	**633.61**	**4741.76**	**65.79**	**19.93**	**5461.09**
Depreciation expense	-	88.39	664.19	9.20	12.92	774.70
Eliminated on disposals	-	(2.20)	(90.58)	(4.47)	(5.69)	(102.94)
Balance at March 31, 2025	**-**	**719.80**	**5315.37**	**70.52**	**27.16**	**6132.85**
Depreciation expense	-	96.64	789.74	14.14	15.86	916.38
Eliminated on disposals	-	(1.07)	(87.17)	(2.01)	(11.78)	(102.03)
Balance at March 31, 2026	**-**	**815.37**	**6017.94**	**82.65**	**31.24**	**6947.20**

Carrying amounts	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Total
Balance at March 31, 2024	**444.56**	**1445.28**	**3129.12**	**38.13**	**74.62**	**5131.71**
Additions	-	202.87	1152.00	56.40	43.55	1454.82
Depreciation expense	-	(88.39)	(664.19)	(9.20)	(12.92)	(774.70)
Disposals (net)	-	(1.25)	(6.26)	(0.45)	(7.65)	(15.61)
Balance at March 31, 2025	**444.56**	**1558.51**	**3610.67**	**84.88**	**97.60**	**5796.22**
Additions	-	285.93	1829.52	13.02	28.28	2156.75
Depreciation expense	-	(96.64)	(789.74)	(14.14)	(15.86)	(916.38)
Disposals (net)	-	(0.57)	(5.15)	(0.01)	(17.28)	(23.01)
Balance at March 31, 2026	**444.56**	**1747.23**	**4645.30**	**83.75**	**92.74**	**7013.58**

(a) Includes ₹1012.10 million (Previous year: ₹981.92 million) being cost of building on leasehold land.

(b) Includes Research and Development capital expenditure of ₹19.45 million (Previous year: ₹26.96 million) - Refer Note: 39(b) on Research & Development expenditure

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

(c) Assets pledged as security

Immovable properties of the Company carry pari-passu charge in favour of the consortium of bankers, as security for banking facilities availed.

(d) Capitalised borrowing cost

Borrowing costs capitalised on property, plant and equipment during the year - ₹ Nil (Previous year: ₹ Nil).

(e) Contractual obligations

Refer Note: 29B for disclosure of Contractual commitments for the acquisition of property, plant and equipment.

(f) Title deeds

The title deeds of all the immovable properties are held in the name of the Company.

4B. Leases

i) Amount recognised in balance sheet

Particulars	As at 31.03.2026	As at 31.03.2025
Right of use Assets		
Land	70.21	71.08
	70.21	**71.08**

Cost	Land
Balance at March 31, 2024	**80.06**
Disposals	-
Balance at March 31, 2025	**80.06**
Disposals	-
Balance at March 31, 2026	**80.06**

Accumulated depreciation and impairment	Land
Balance at March 31, 2024	**7.98**
Depreciation expense	1.00
Balance at March 31, 2025	**8.98**
Depreciation expense	0.87
Balance at March 31, 2026	**9.85**

Carrying amount	Land
Balance at March 31, 2024	**72.08**
Depreciation expense	(1.00)
Balance at March 31, 2025	**71.08**
Depreciation expense	(0.87)
Balance at March 31, 2026	**70.21**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

ii) Amount recognised in profit and loss

Particulars	For the year 2025-26	For the year 2024-25
Depreciation charge of right of use assets - Refer Note: 24		
Land	0.87	1.00
	0.87	**1.00**
Interest expenses (included in Finance cost) - Refer Note: 23	-	0.01
Expenses related to Short term leases(included in Rent : Other expenses) - Refer Note: 25	94.30	76.86

(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: ₹ Nil (Previous year: ₹0.17 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 flexibility 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 31.03.2026	As at 31.03.2025
Capital work-in-progress (a)	1084.44	742.76

Capital work in progress movement	Total
Balance at March 31, 2024	**474.51**
Addition during the year	1723.07
Capitalised during the year	(1454.82)
Balance at March 31, 2025	**742.76**
Addition during the year	2498.43
Capitalised during the year	(2156.75)
Balance at March 31, 2026	**1084.44**

(a) Includes Research and Development capital expenditure of ₹0.59 million (Previous year: ₹0.40 million) - Refer Note: 39(b) on Research & Development expenditure.

(b) Ageing of Capital Work in Progress :

As at March 31, 2026

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	1011.98	72.00	0.46	-	1084.44
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

As at March 31, 2025

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	464.64	278.12	-	-	742.76
Projects temporarily suspended	-	-	-	-	-

(c) The expected completion of amounts lying in capital work in progress which are delayed is as below :

As at March 31, 2026

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Growth projects	113.53	-	-	-	113.53
Total	**113.53**	**-**	**-**	**-**	**113.53**

As at March 31, 2025

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress					
Growth projects	18.60	-	-	-	18.60
Total	**18.60**	**-**	**-**	**-**	**18.60**

(d) There are no reportable cost over-run project for the year ended March 31, 2026 and March 31, 2025.

5. Intangible assets

Particulars	As at 31.03.2026	As at 31.03.2025
Carrying amounts		
Software	34.13	27.39
Technical know-how	13.88	9.01
Total	**48.01**	**36.40**

Cost	Software	Technical know-how	Total
Balance at March 31, 2024	**145.44**	**149.37**	**294.81**
Additions - **(a)**	4.58	-	4.58
Disposals	(2.30)	-	(2.30)
Balance at March 31, 2025	**147.72**	**149.37**	**297.09**
Additions - **(a)**	29.82	10.59	40.41
Disposals	(0.06)	-	(0.06)
Balance at March 31, 2026	**177.48**	**159.96**	**337.44**

Accumulated amortisation and impairment	Software	Technical know-how	Total
Balance at March 31, 2024	**97.51**	**134.86**	**232.37**
Amortisation expense	25.12	5.50	30.62
Disposals	(2.30)	-	(2.30)
Balance at March 31, 2025	**120.33**	**140.36**	**260.69**
Amortisation expense	23.08	5.72	28.80

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Accumulated amortisation and impairment	Software	Technical know-how	Total
Disposals	(0.06)	-	(0.06)
Balance at March 31, 2026	**143.35**	**146.08**	**289.43**

Carrying amounts	Software	Technical know-how	Total
Balance at March 31, 2024	**47.93**	**14.51**	**62.44**
Additions	4.58	-	4.58
Amortisation expense	(25.12)	(5.50)	(30.62)
Disposals	-	-	-
Balance at March 31, 2025	**27.39**	**9.01**	**36.40**
Additions	29.82	10.59	40.41
Amortisation expense	(23.08)	(5.72)	(28.80)
Disposals	-	-	-
Balance at March 31, 2026	**34.13**	**13.88**	**48.01**

(a) Includes Research and Development capital expenditure of ₹12.66 million(Previous year: ₹0.21 million) - Refer Note: 39(b) on Research & Development expenditure

(b) Internally generated intangible assets - ₹ Nil (Previous year: ₹ Nil).

6. Investments - Non Current

Particulars		Quantity in numbers		Nominal value (e)	Notes	Value	
		As at 31.03.2026	As at 31.03.2025			As at 31.03.2026	As at 31.03.2025
Non Current investments:							
(A)	**Investment in associate - Equity Shares (fully paid)**						
	Quoted (Trade): Instruments at cost						
	Wendt (India) Limited	750000	750000	10		9.74	9.74
					6A	**9.74**	**9.74**
(B)	**Investments in joint ventures - Equity Shares (fully paid)**						
	Unquoted (Trade): Instruments at cost						
	Murugappa Morgan Thermal Ceramics Limited	1430793	1430793	10		44.04	44.04
	Ciria India Limited	59998	59998	10		1.68	1.68
					6B	**45.72**	**45.72**
(C)	**Investments in subsidiaries - Equity Shares (fully paid)**						
	Unquoted (Trade): Instruments at cost						
	CUMI International Ltd., Cyprus	40437406	40437406	USD 1		8965.52	8965.52
	Sterling Abrasives Limited	54000	54000	100		37.10	37.10
	Southern Energy Development Corporation Limited	389908	389908	10		54.66	54.66
	Net Access India Limited	5000000	5000000	10		50.00	50.00
	CUMI (Australia) Pty Limited, Australia	1050	1050	AUD 1		14.79	14.79

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Quantity in numbers		Nominal value (e)	Notes	Value	
	As at 31.03.2026	As at 31.03.2025			As at 31.03.2026	As at 31.03.2025
CUMI USA Inc	71000	71000	USD 100		597.49	597.49
PLUSS Advanced Technologies Limited (a)	378033	378033	10		1182.16	1182.16
PLUSS Advanced Technologies Limited (a)					13.45	13.45
				6C	**10915.17**	**10915.17**
(D) Other Investments						
Instruments at Fair Value Through Other Comprehensive Income [FVTOCI]						
Investments in equity instruments - Equity Shares (fully paid)						
Unquoted (Non - Trade)						
Murugappa Management Services Private Limited	44704	44704	100		11.30	11.30
				6D(i)	**11.30**	**11.30**
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		1.08	1.36
Orient Ceratech Limited	10000	10000	1		0.34	0.30
RHI Magnesita India Limited	10000	10000	1		3.38	5.07
EID Parry (India) Limited	1000	1000	1		0.78	0.79
Cholamandalam Investment and Finance Co Limited	500	500	2		0.68	0.76
Cholamandalam Financial Holdings Limited	1000	1000	1		1.37	1.75
Tube Investments of India Limited	1000	1000	1		2.52	2.77
Coromandel International Limited	330	330	1		0.64	0.66
				6D(ii)	**10.79**	**13.46**
Un Quoted (Non-Trade)						
Investments in equity instruments - Equity Shares (fully paid)						
Chennai Willingdon Corporate Foundation(Rs.50 only) - **(b)**	5	5	10		0.00	0.00
John Oakey Mohan Limited	1900	1900	10		0.05	0.05
CUMI Employees Co-operative Society / Stores	-	-	-		0.03	0.03
Kerala Enviro Infrastructure Limited	10000	10000	10		0.10	0.10
				6D(iii)	**0.18**	**0.18**
				6D	**22.27**	**24.94**
Investment - Non Current Grand Total [6A]+ [6B] + [6C] +[6D]					**10992.90**	**10995.57**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

(a) Before acquisition, PLUSS Advanced Technologies Limited [PLUSS] had an ESOP scheme wherein the employees of PLUSS were granted shares based on satisfaction of certain service condition or the happening of a liquidation event. All the options had vested as on the acquisition date. The Company had modified the terms of the ESOP by increasing the service condition and had 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. The Company has also performed a detailed impairment assessment of investment in PLUSS and based on the assessment performed no impairment is deemed necessary.

(b) Shares allotted against corporate membership contribution.

(c)

Particulars	As at 31.03.2026	As at 31.03.2025
Aggregate book value of quoted investments	20.53	23.20
Aggregate market value of quoted investments	4454.17	6659.74
Aggregate carrying value of unquoted investments	10972.37	10972.37

(d)

Category wise other investments as per Ind AS 109	As at 31.03.2026	As at 31.03.2025
Mandatorily measured at FVTPL - 6D(ii)+6D(iii)	10.97	13.64
Financial assets designated at FVTOCI (equity instruments) - 6D(i)	11.30	11.30
Investments at cost (represent investment in associate, joint ventures and subsidiaries) - 6A+6B+6C	10970.63	10970.63
	10992.90	**10995.57**

(e) Nominal value per share is given in Indian rupees or in respective foreign currency where stated.

7. Other financial assets

Particulars	As at 31.03.2026	As at 31.03.2025
A. Non-current		
Security deposits	257.95	201.61
Fixed deposits held as margin for Bank guarantees	24.59	-
	282.54	**201.61**
B. Current		
Other receivables:		
Considered good	105.54	116.49
Considered doubtful	0.06	0.06
Less: Allowance for doubtful receivables	(0.06)	(0.06)
	105.54	**116.49**

8. Other assets

Particulars	As at 31.03.2026	As at 31.03.2025
A. Non-current		
Capital advances	137.81	324.48
Non current Prepayment *	74.03	-
Deposits paid under protest relating to Sales tax, Value added tax, Central excise and Service tax demands	12.40	12.40
Taxation (net of provisions)	65.29	38.52
	289.53	**375.40**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
B. Current		
Prepayments *	77.66	75.50
Trade advance to Suppliers	336.47	268.79
Balances with/amount receivable from Statutory Authorities	241.31	161.41
	655.44	**505.70**

* Includes an amount of INR 74.03 million (non-current) and 3.18 million (current) as of March 31, 2026 (net of amortisation amounting to INR 2.39 million) towards investment in the equity capital of Grian Energy Private Limited (GEPL). This investment was made to enable the Company to access contracted capacity of approximately 10 MW from GEPL's captive power plant, pursuant to the power purchase agreement entered into with GEPL. Based on an evaluation of the terms of the agreement, the Company has concluded that the investment does not constitute an equity investment in substance. Accordingly, the amount paid has been classified as a prepayment, to be amortised over the tenure of the power purchase agreement.

9. Inventories

Particulars	As at 31.03.2026	As at 31.03.2025
Raw materials	2088.99	2167.50
Raw materials in transit	11.95	2.89
Work-in-progress	1084.74	802.41
Stock-in-trade	213.33	224.95
Finished goods	889.64	827.90
Stores and spares	380.43	393.97
Stores and spares in transit	-	1.75
	4669.08	**4421.37**

(a) The method of valuation of inventories are stated in Note: 3A(h), 3B(c).

(b) The cost of inventories recognised as an expense (consumption) during the year was ₹15250.72 million (previous year: ₹13990.48 million)

(c) Raw materials includes captively manufactured intermediaries.

(d) All the above inventories are expected to be recovered/utilised within twelve months.

10. Trade receivables (Unsecured)

Particulars	As at 31.03.2026	As at 31.03.2025
Current		
a. Considered good	5608.98	4630.03
b. Which have significant increase in Credit Risk	-	-
c. Credit impaired	-	42.21
Allowance for doubtful receivables (expected credit loss allowance)	(161.15)	(153.13)
	5447.83	**4519.11**

(a) Trade receivables are generally due between 30 to 60 days. The Company's terms 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

(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 ₹491.43 million (Previous year : ₹572.12 million).

(g) Movement in expected credit loss allowance:

Particulars	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	153.13	125.52
Add: Allowance made during the year	70.67	45.15
Less: Reversal / Utilisation of allowance during the year	(62.65)	(17.54)
Balance at the end of the year	**161.15**	**153.13**

10A Ageing of Trade receivables

Particulars	As at 31 March 2026							
	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	-	4309.95	1106.96	50.37	53.63	55.85	32.22	5608.98
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-	-

Particulars	As at 31 March 2025							
	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	-	3322.84	1158.45	54.74	61.07	6.75	26.18	4630.03
(ii) Undisputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable-credit impaired	-	-	-	-	-	40.69	1.52	42.21
(iv) Disputed Trade receivable-Considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivable-credit impaired	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

11A. Cash and cash equivalents

Particulars	As at 31.03.2026	As at 31.03.2025
Balances with banks - Current account	327.57	107.32
Deposit account with original maturity less than three months	1700.00	750.00
Cash on hand	1.08	0.65
	2028.65	**857.97**

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 31.03.2026	As at 31.03.2025
Earmarked funds - Unclaimed and unpaid dividend - Refer Note: 17	17.48	17.56
Bank Deposit with original maturity more than three months but remaining maturity less than 12 months	5.59	6.47
	23.07	**24.03**

12. Equity Share Capital

Particulars	As at 31.03.2026	As at 31.03.2025
Authorised share capital:		
387,250,000 (as at March 31, 2025: 387,250,000) equity shares of Re.1 each	387.25	387.25
Issued, Subscribed and Paid-up		
190,492,502 (as at March 31, 2025: 190,422,718) equity shares of Re.1 each fully paid	**190.49**	**190.42**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2026		As at 31.03.2025	
Equity shares with voting rights	**No. of Shares**	**Value of Shares**	**No. of Shares**	**Value of Shares**
At the beginning of the year	190422718	190.42	190257608	190.26
Add: Shares issued against Employee Stock Option Scheme/Plan	69784	0.07	165110	0.16
At the end of the year	**190492502**	**190.49**	**190422718**	**190.42**

b) Terms / Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. Repayment of capital and surplus, if any, will be in proportion to the number of equity shares held.

c) Dividend details

Final dividend of ₹2.50/- per share was proposed for the year ended March 31, 2026 at the meeting of the Board of Directors held on May 14,2026 (previous year final dividend of ₹2.50/- 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 29, 2026 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 13, 2025 and the same had been paid).

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31.03.2026		As at 31.03.2025	
	No. of Shares held*	% of holding	No. of Shares held*	% of holding
Ambadi Investments Limited	56054244	29.43%	56054244	29.44%
SBI Mutual Fund	18426274	9.67%	18306415	9.61%

*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: 35.

(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, 2026		March 31, 2025		
		Nos.	%	Nos.	%	
1	M A M ARUNACHALAM As a karta of M A Murugappan HUF	92000	0.05%	92000	0.05%	-
2	M M MURUGAPPAN As a karta of M M Muthiah HUF	335200	0.18%	335200	0.18%	-
3	M M MURUGAPPAN Karta of M M Murugappan HUF	16000	0.01%	16000	0.01%	-
4	UMAYAL.R.	979504	0.51%	979504	0.51%	-
5	A VENKATACHALAM Karta of A VENKATACHALAM HUF**	-	-	1000	0.00%	-100.0%
6	VALLI ANNAMALAI	259134	0.14%	136480	0.07%	89.9%
7	M A M ARUNACHALAM Trustee of Arun Murugappan Children Trust (AOP)	345600	0.18%	345600	0.18%	-
8	ARUN ALAGAPPAN Trustee of M A Alagappan Grandchildren Trust (AOP)	345600	0.18%	345600	0.18%	-
9	M A M ARUNACHALAM	1003800	0.53%	1003800	0.53%	-
10	ARUN ALAGAPPAN	471400	0.25%	471400	0.25%	-
11	M.A.ALAGAPPAN	786000	0.41%	786000	0.41%	-
12	LAKSHMI CHOCKALINGAM	-	-	176121	0.09%	-100.0%
13	A VELLAYAN*	-	-	303260	0.16%	-100.0%
14	LALITHA VELLAYAN	116500	0.06%	116500	0.06%	-
15	MEYYAMMAI VENKATACHALAM	100000	0.05%	100000	0.05%	-
16	M A ALAGAPPAN Karta of M A ALAGAPPAN HUF	188000	0.10%	188000	0.10%	-
17	M M MURUGAPPAN	340140	0.18%	340140	0.18%	-
18	MA ALAGAPPAN Karta of AMM Arunachalam HUF	300400	0.16%	300400	0.16%	-
19	A M MEYYAMMAI	21300	0.01%	21300	0.01%	-
20	M V SUBBIAH As a Karta of M V SUBBIAH HUF	81600	0.04%	81600	0.04%	-
21	MEENAKSHI MURUGAPPAN	479900	0.25%	479900	0.25%	-
22	VALLI ALAGAPPAN	15151	0.01%	15151	0.01%	-
23	A VENKATACHALAM	721204	0.38%	598900	0.31%	20.4%
24	V NARAYANAN	419000	0.22%	205900	0.11%	103.5%
25	V ARUNACHALAM	396840	0.21%	183740	0.10%	116.0%
26	ARUN VENKATACHALAM	187840	0.10%	186840	0.10%	0.5%
27	SOLACHI RAMANATHAN	2000	0.00%	2000	0.00%	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (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, 2026		March 31, 2025		
		Nos.	%	Nos.	%	
28	A V NAGALAKSHMI	75	0.00%	75	0.00%	-
29	M V AR MEENAKSHI*	-	-	367898	0.19%	-100.0%
30	A.KEERTIKA UNNAMALAI	1000	0.00%	1000	0.00%	-
31	UMA RAMANATHAN	3250	0.00%	3250	0.00%	-
32	V VASANTHA	50	0.00%	50	0.00%	-
33	DHRUV M ARUNACHALAM	1200	0.00%	1200	0.00%	-
34	PRANAV ALAGAPPAN	2000	0.00%	2000	0.00%	-
35	KRISHNA MURUGAPPAN MUTHIAH	5000	0.00%	5000	0.00%	-
36	A M M VELLAYAN SONS P LTD	1700	0.00%	1700	0.00%	-
37	E.I.D.PARRY (INDIA) LTD.	2000	0.00%	2000	0.00%	-
38	M.M.MUTHIAH SONS PRIVATE LTD	304000	0.16%	304000	0.16%	-
39	M.M.MUTHIAH RESEARCH FOUNDATION	1104160	0.58%	1104160	0.58%	-
40	AMBADI INVESTMENTS LIMITED	56054244	29.43%	56054244	29.44%	-
41	CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED	6000	0.00%	6000	0.00%	-
42	SUBBIAH.M.V, ALAGAPPAN M A and M M MURUGAPPAN holds on behalf of the firm Murugappa & Sons	480	0.00%	480	0.00%	-
43	M A ALAGAPPAN HOLDINGS PRIVATE LIMITED	210020	0.11%	210020	0.11%	-
44	M M VENKATACHALAM, Trustee of Lakshmi Venkatachalam Family Trust	200000	0.10%	200000	0.11%	-
45	A A ALAGAMMAI, Trustee of Lakshmi Ramaswamy Family Trust	390000	0.21%	390000	0.20%	-
46	SIGAPI ARUNACHALAM As a trustee of Murugappan Arunachalam Children Trust	-	-	300000	0.16%	-100.0%
47	SOUTHERN ENERGY DEVELOPMENT CORPORATION LTD @	1449240	0.76%	2449240	1.29%	-40.8%
48	M M VENKATACHALAM, Trustee of M V Muthiah Family Trust	262400	0.14%	262400	0.14%	-
49	M M MURUGAPPAN, Trustee of M M Veerappan Family Trust	352000	0.18%	352000	0.18%	-
50	M M VENKATACHALAM, trustee of M M Venkatachalam Family Trust	222740	0.12%	222740	0.12%	-
51	M M VENKATACHALAM, Trustee of M V Subramanian Family Trust	262400	0.14%	262400	0.14%	-
52	M M MURUGAPPAN, Trustee of M M Muthiah Family Trust	352000	0.18%	352000	0.18%	-
53	MURUGAPPA EDUCATIONAL AND MEDICAL FOUNDATION	3811920	2.00%	3811920	2.00%	-
54	AR.LAKSHMI ACHI TRUST	153140	0.08%	153140	0.08%	-
55	M V SUBBIAH, trustee of Saraswathi Trust	388860	0.20%	388860	0.20%	-
56	M V SUBBIAH, trustee of Shambho Trust	339421	0.18%	599021	0.31%	-43.3%
57	M A MURUGAPPAN HOLDINGS LLP	145940	0.08%	145940	0.08%	-
58	VALLIAMMAI MURUGAPPAN	52000	0.03%	52000	0.03%	-

* Shri A. Vellayan passed away on November 17, 2025. Following his demise, the shares he held have been duly transmitted to his legal heirs in accordance with applicable laws and procedures and ceases to be Promoter of the Company as at March 31, 2026. Smt. M V AR Meenakshi passed away on September 23, 2025 and the shares held by her have been transmitted to the legal heirs in accordance with applicable laws and procedures and ceases to be Member of Promoter Group of the Company as at March 31, 2026.

** During the year, A. Venkatachalam (HUF) was fully partitioned, and the shares held by the HUF were distributed among the members in accordance with the terms of the partition

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

@ On March 28, 2025, Southern Energy Development Corporation Limited had sold 1,000,000 shares in the Company and the transfer was effected in the demat accounts on April 02, 2025. Consequently the above disclosure has been provided based on the dematerialised holding as at March 31, 2025 as per the depository participant statement. However it may be noted as at March 31, 2025, Southern Energy Development Corporation Limited effective holding shares in the Company was 1,449,240.

13. Other equity

Particulars	As at 31.03.2026	As at 31.03.2025
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	623.33	600.88
d. General reserve	10675.43	10175.43
e. Share options outstanding account	472.92	328.44
f. Retained earnings	17076.74	14229.94
B. Items of Other Comprehensive Income		
g. Revaluation Surplus	23.74	23.74
Total Other Equity	**28905.87**	**25392.14**

a. Profit on Forfeiture of shares / warrants

Particulars	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	6.03	6.03
Movements	-	-
Balance at end of the year	**6.03**	**6.03**

During the year 1999, an amount of ₹6.03 million has been added on account of forfeiture of shares. This balance can be used in paying up unissued shares as fully paid bonus shares to the shareholders of the Company.

b. Capital redemption reserve

Particulars	As at 31.03.2026	As at 31.03.2025
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 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	600.88	546.56
Movements	22.45	54.32
Balance at end of the year	**623.33**	**600.88**

The Securities premium received during the year represents the premium received towards allotment of 69,784 shares. Cumulatively 3,784,502 equity shares were allotted during the period FY 2009-10 to FY 2025-26 under ESOP Scheme 2007 and ESOP Plan 2016 (Refer Note: 35 towards details of the Scheme/Plan).

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	10175.43	9675.43
Transfer from retained earnings	500.00	500.00
Balance at end of the year	**10675.43**	**10175.43**

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 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	328.44	226.92
Movements	144.48	101.52
Balance at end of the year	**472.92**	**328.44**

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: 35 for details.

f. Retained earnings:

Particulars	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the year	14229.94	12278.56
Add: Profits for the year	4162.80	3216.23
Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of tax	(54.23)	(3.55)
Less: Transfer to General reserve	(500.00)	(500.00)
Less: Final dividend paid	(476.07)	(475.67)
Less: Interim dividend paid	(285.70)	(285.63)
Balance at end of the year	**17076.74**	**14229.94**

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. Revaluation Surplus

Particulars	As at 31.03.2026	As at 31.03.2025
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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

14. Provisions

Particulars	As at 31.03.2026	As at 31.03.2025
A. Non Current		
Employee benefits - Gratuity	234.22	208.59
Total	**234.22**	**208.59**
B. Current		
Employee benefits - Compensated absences *	248.16	230.75
Total	**248.16**	**230.75**

* The entire amount of the provision is presented as current, since the Company does not have an right, at the end of the reporting period, to defer settlement for any of these obligations beyond 12 months. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months

Particulars	As at 31.03.2026	As at 31.03.2025
Leave obligation not expected to be settled within the next 12 months	156.76	144.67

The movement represents the provision created for the year arising out of the actuarial valuation after considering the actual settlements made during the year.

15. Deferred tax liabilities /(asset) (net)

Particulars	As at 31.03.2026	As at 31.03.2025
Deferred tax liabilities/(asset) (net)	(15.74)	0.36

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences.

Particulars	2025-26			
	Balance as at 31.03.2025	Recognised in Profit & loss	Recognised in Other Comprehensive Income	Balance as at 31.03.2026
Breakup of deferred tax liabilities/(asset) (net):				
Allowance for doubtful receivables and advances	(38.56)	(2.02)	-	(40.58)
Voluntary retirement scheme payments	(0.07)	(0.16)	-	(0.23)
Expenses allowed on payment basis	(102.88)	(3.79)	(3.53)	(110.20)
Accelerated depreciation for tax purposes	141.87	(6.60)	-	135.27
	0.36	**(12.57)**	**(3.53)**	**(15.74)**

Particulars	2024-25			
	Balance as at 31.03.2024	Recognised in Profit & loss	Recognised in Other Comprehensive Income	Balance as at 31.03.2025
Breakup of deferred tax liabilities/(asset) (net):				
Allowance for doubtful receivables and advances	(31.61)	(6.95)	-	(38.56)
Voluntary retirement scheme payments	(0.18)	0.11	-	(0.07)
Expenses allowed on payment basis	(83.11)	(11.67)	(8.10)	(102.88)
Accelerated depreciation for tax purposes	149.07	(7.20)	-	141.87
	34.17	**(25.71)**	**(8.10)**	**0.36**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

16. Trade payables

Particulars	As at 31.03.2026	As at 31.03.2025
Total outstanding dues of micro enterprises and small enterprises (c) - Refer Note: 31	176.95	115.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	2038.70	1785.80
	2215.65	**1901.74**

(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.

16A Ageing of Trade Payables

Particulars	As at 31 March 2026					
	Not due	0-1 Years	1- 2 years	2-3 Years	More than 3 years	Total
(i) MSME	176.95	-	-	-	-	176.95
(ii) Others	1403.64	404.13	220.11	2.42	8.40	2038.70
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Particulars	As at 31 March 2025					
	Not due	0-1 Years	1- 2 years	2-3 Years	More than 3 years	Total
(i) MSME	115.94	-	-	-	-	115.94
(ii) Others	1074.78	663.65	3.35	40.94	3.08	1785.80
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

17. Other financial liabilities (Current)

Particulars	As at 31.03.2026	As at 31.03.2025
Unsecured		
Unclaimed and Unpaid dividends (a)	17.48	17.56
Remuneration payable to directors	28.46	28.33
Employee benefits payable	315.18	293.33
Deposits	54.63	52.98
Payable relating to Capital expenditure - MSME	9.30	-
Payable relating to Capital expenditure - Others	183.35	173.32
Payable for purchase of PLUSS ESOP shares - Refer Note : 6(a)	13.45	13.45
Other payables	50.53	52.39
	672.38	**631.36**

(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, 2026 (in Indian Rupees million, unless otherwise stated)

18. Other current liabilities

Particulars	As at 31.03.2026	As at 31.03.2025
Contract Liabilities (a)	155.44	51.93
Statutory liabilities	84.35	36.42
Others	20.00	20.00
	259.79	**108.35**

(a) Details about Contract Liabilities:

i) The outstanding balances in Contract liabilities have increased from last year mainly on account of net increase in receipt of advances during the current year.

ii) Revenue recognized in relation to Contract liabilities :

The following summary shows how much of the revenue recognized in the current year relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in the prior year.

Particulars	For the year 2025-26	For the year 2024-25
Revenue recognized that was included in the Contract liability balance at the beginning of the year	51.93	41.98
Revenue recognized from performance obligations satisfied in previous periods	-	-

iii) In respect of the remaining performance obligations, the disclosure towards allocation of transaction price do not arise as the contract has an original expected duration of one year or less.

19. Revenue from operations

Particulars	For the year 2025-26	For the year 2024-25
a. Sales / Income from Operations Refer Note : 28 "Segment Disclosure" for breakup of Sales		
Sale of products	29560.42	27120.88
Sale of services	683.29	715.89
	30243.71	**27836.77**
b. Other operating income:		
Service income	81.27	76.50
Scrap Sales	122.50	180.54
Miscellaneous income		
- Export benefits	171.87	143.79
- Others	6.03	38.20
	381.67	**439.03**
Total Revenue from operations (a + b)	**30625.38**	**28275.80**

No element of financing is deemed to be present as the sales are made with a credit term which is one year or less.

Reconciliation of Revenue recognised with Contract price

Particulars	For the year 2025-26	For the year 2024-25
Gross Sales/Income from operations	30835.99	28359.67
Service income	81.27	76.50

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	For the year 2025-26	For the year 2024-25
Scrap Sales	122.50	180.54
Contract price	**31039.76**	**28616.71**
Less : Variable Consideration	592.28	522.90
Revenue recognized under Ind AS 115	**30447.48**	**28093.81**
Add: Miscellaneous income	177.90	181.99
Revenue from operations	**30625.38**	**28275.80**

20. Other Income

Particulars	For the year 2025-26	For the year 2024-25
(a) Dividend Income		
Dividend Income from Non-Current Investments		
Dividend from Subsidiaries	896.89	170.00
Dividend from Joint ventures	258.00	122.54
Dividend from Associate	30.00	37.50
Dividend from Others	0.05	0.05
	1184.94	**330.09**
(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)	43.46	39.34
from other financial assets carried (at amortised cost)	14.16	16.57
	57.62	**55.91**
(c) Other Non operating income		
Profit on sale of assets	6.30	-
Profit on foreign exchange fluctuation (net)	134.05	-
Rental income	2.11	2.71
	142.46	**2.71**
Total Other Income (a + b + c)	**1385.02**	**388.71**

21. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year 2025-26	For the year 2024-25
Opening stock		
Work-in-progress	802.41	819.08
Stock-in-trade	224.95	121.43
Finished goods	827.90	609.64
(A)	**1855.26**	**1550.15**
Less: Closing stock		
Work-in-progress	1084.74	802.41
Stock-in-trade	213.33	224.95
Finished goods	889.64	827.90
(B)	**2187.71**	**1855.26**
(Accretion) / Decretion to stock (A) - (B)	**(332.45)**	**(305.11)**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

22. Employee benefits expense

Particulars	For the year 2025-26	For the year 2024-25
Salaries, wages and bonus	2406.72	2263.45
Contribution to provident and other funds	248.66	194.25
Share based payments to employees (ESOPs) - Refer Note: 35	144.48	101.52
Remuneration to Managing Director*$ - Refer Note: 34D	42.84	40.38
Welfare expenses	332.28	303.50
	3174.98	**2903.10**

*excludes gratuity, compensated absences and share based compensation expenses since employee-wise valuation is not available

$ Includes Incentive to Managing Director that is provisional and subject to determination by the Nomination and Remuneration Committee.

Refer Note: 30 for precommissioning expenses capitalised

On November 21, 2025, the Government of India notified four Labour Codes, effective immediately, replacing the existing 29 labour laws. In accordance with Ind AS 19 - Employee Benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Profit and Loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India.

The implementation of the Labour Codes has resulted in an increase of ₹31.30 Million in the provision for defined benefit obligation and other long term employee benefit which has been recognised as an Employee benefits expense in the current year. The Company continues to monitor the finalisation of Central and State Rules, as well as Government clarifications on various aspects of other Labour Codes, and will incorporate accounting treatment based on these developments as required.

23. Finance costs

Particulars	For the year 2025-26	For the year 2024-25
Interest costs		
- on loans from bank	0.05	0.05
- on lease liabilities	-	0.01
Other borrowing costs	1.57	1.61
	1.62	**1.67**

24. Depreciation and amortisation expense

Particulars	For the year 2025-26	For the year 2024-25
Depreciation of property, plant and equipment - Refer Note: 4A	916.38	774.70
Depreciation of Right of use assets - Refer Note : 4B	0.87	1.00
Amortisation of intangible assets - Refer Note: 5	28.80	30.62
	946.05	**806.32**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

25. Other expenses

Particulars	For the year 2025-26	For the year 2024-25
Consumption of stores and spares (a)	1327.38	1215.98
Power and fuel	2694.91	2351.69
Rent	151.33	129.82
Rates and taxes	72.42	78.30
Insurance	49.96	30.70
Repairs to: (b)		
- Buildings	69.42	42.80
- Plant and equipment	711.56	719.91
Directors' Sitting fees (refer Corporate Governance report)	3.66	4.30
Commission to Non-whole-time Directors (refer Corporate Governance report)	17.60	18.01
Auditors' remuneration (Refer Note: 38)	12.70	11.28
Travel and conveyance	209.41	220.28
Freight, delivery and shipping charges	836.51	804.21
Impairment loss on financial assets	44.40	-
Less: Provision adjusted	(44.40)	-
Allowance for doubtful receivables and advances	52.42	27.61
Net loss arising on financial assets mandatorily measured at fair value through profit or loss [FVTPL] - (Refer Note: 6D(ii) & 6D(iii))	2.67	0.39
Selling commission	70.63	70.85
Advertisement and publicity	123.89	104.70
Printing, stationery and communication	36.79	37.97
Loss on foreign exchange fluctuation (net)	-	5.61
Professional fees	448.58	490.95
Services outsourced	2062.69	1717.96
Loss on sale of assets	13.21	11.76
Miscellaneous expenses	229.22	224.60
	9196.96	**8319.68**

(a) Includes consumption of packing materials amounting ₹711.07 million (previous year ₹643.09 million)

(b) Repairs includes consumption of stores and spares amounting to ₹480.77 million (Previous year: ₹393.78 million)

(c) Refer Note : 30 for precommissioning expenses capitalised

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

26. Income tax expense

Particulars	For the year 2025-26	For the year 2024-25
A. Income tax expense recognised in Profit and loss:		
a. Current tax		
In respect of the current year	1098.00	1062.50
	1098.00	**1062.50**
b. Deferred tax		
In respect of the current year	(12.57)	(25.71)
	(12.57)	**(25.71)**
Total Income tax expense recognised during the year (net)	**1085.43**	**1036.79**

Income tax reconciliation

Profit before tax	**5248.23**	**4253.02**
A. Income tax expense calculated at the applicable tax rate of 25.168% on Profit before tax	1320.87	1070.40
B. Tax expenses recognised during the year	1085.43	1036.79
Differential tax impact (A) - (B)	**(235.44)**	**(33.61)**
Differential tax impact due to the following (tax benefits)/tax expenses		
Dividend income eligible for section 80M deduction	(298.23)	(83.10)
Expenditure on Corporate Social Responsibility	21.03	17.20
Movement in the fair valuation of the quoted Investment	0.07	0.09
Donations paid	0.03	3.00
Share based payments - ESOP	36.38	25.50
Others	5.28	3.70
	(235.44)	**(33.61)**
B. Income tax expense recognised in Other Comprehensive Income:	**(3.53)**	**(8.10)**

27. Earnings per share

Particulars	For the year 2025-26	For the year 2024-25
Basic earnings per share (Rs.)	21.86	16.90
Diluted earnings per share (Rs.)	21.85	16.87
The calculation of Basic and Diluted Earnings per share is based on the following data:		
Profit for the year after tax	4162.80	3216.23
Weighted average number of equity shares outstanding during the year:		
- Basic	190440481	190323385
- Dilutive	190552761	190669311

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

The weighted average number of equity shares for the purpose of diluted earnings per share reconciled to the weighted average number of equity shares used in the calculation of basic earnings per share as given below:

Particulars	For the year 2025-26	For the year 2024-25
Weighted average number of equity shares used in the calculation of basic earnings per share	190440481	190323385
Shares deemed to be issued for no consideration in respect of:		
- Employee Stock Option Scheme/Plan	112280	345926
Weighted average number of equity shares used in the calculation of diluted earnings per share	190552761	190669311

28. 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 comprises 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 the Managing Director (CODM) and consisting of Chief Financial Officer, Leaders of Strategic Business Units, functional heads such as Human Resources, Information technology, Environmental Health and Safety, Risk & Taxation, Manufacturing 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, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Eliminations		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Sales										
External Sales	12367.63	11705.62	9731.37	8994.27	7461.42	6420.99			29560.42	27120.88
Sale of services	293.61	226.16	240.55	369.70	149.13	120.03			683.29	715.89
Inter segment sales	34.54	22.00	29.50	23.33	1449.04	1613.79	(1513.08)	(1659.12)	-	-
Sales / Income from Operations	**12695.78**	**11953.78**	**10001.42**	**9387.30**	**9059.59**	**8154.81**	**(1513.08)**	**(1659.12)**	**30243.71**	**27836.77**
Results										
Segment result - EBITDA	2250.14	2188.16	2529.72	2646.91	1044.08	825.76			5823.94	5660.83
Depreciation/amortisation	(304.80)	(259.25)	(385.08)	(316.19)	(222.80)	(199.48)			(912.68)	(774.92)
Unallocated corporate (expenses)/Income									(901.30)	(1016.83)
Interest expense									(1.62)	(1.67)
Interest and dividend income									1242.56	386.00
Fair valuation of Investment									(2.67)	(0.39)
Profit before tax	**1945.34**	**1928.91**	**2144.64**	**2330.72**	**821.28**	**626.28**			**5248.23**	**4253.02**
Income taxes									(1085.43)	(1036.79)
Net profit after taxes									**4162.80**	**3216.23**
Other information:										
Segment assets	7028.21	6114.46	7244.03	6085.54	4959.83	4262.53			19232.07	16462.53
Unallocated corporate assets									13494.49	12201.18
Total assets	**7028.21**	**6114.46**	**7244.03**	**6085.54**	**4959.83**	**4262.53**			**32726.56**	**28663.71**
Segment liabilities	1047.20	788.16	1076.43	767.03	871.22	790.04			2994.85	2345.23
Unallocated corporate liabilities									635.35	735.92
Total liabilities	**1047.20**	**788.16**	**1076.43**	**767.03**	**871.22**	**790.04**			**3630.20**	**3081.15**
Addition to Non - Current assets	878.58	725.09	1086.83	862.36	359.64	294.60				
Cost of materials consumed (including inter-segment transaction)	5545.13	5230.07	3316.32	2945.04	5295.10	5068.84				
Depreciation & Amortization	304.80	259.25	385.08	316.19	222.80	199.48				
Impairment losses (net)	(0.01)	7.49	25.38	10.00	15.05	8.62				

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	Abrasives		Ceramics		Electrominerals		Eliminations/ Unallocable		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue recognised under Ind AS 115										
Sales / Income from Operations	12695.78	11953.78	10001.42	9387.30	9059.59	8154.81	(1513.08)	(1659.12)	30243.71	27836.77
Service income	-	-	-	-	-	-	81.27	76.50	81.27	76.50
Scrap sales	75.32	109.21	32.41	54.68	14.79	19.29	(0.02)	(2.64)	122.50	180.54
Total	**12771.10**	**12062.99**	**10033.83**	**9441.98**	**9074.38**	**8174.10**	**(1431.83)**	**(1585.26)**	**30447.48**	**28093.81**
Revenue recognised under Ind AS 115 comprise of:										
- At the point in time	12477.49	11836.83	9793.28	9072.28	8925.25	8054.07	(1513.10)	(1661.76)	29682.92	27301.42
- Over the period	293.61	226.16	240.55	369.70	149.13	120.03	81.27	76.50	764.56	792.39
Total	**12771.10**	**12062.99**	**10033.83**	**9441.98**	**9074.38**	**8174.10**	**(1431.83)**	**(1585.26)**	**30447.48**	**28093.81**

Sales between operating segments are carried out at arm's length basis and are eliminated at entity level consolidation.

The accounting policies of the reportable segments are the same as that of Company's accounting policies described in Note: 3(A)(l); Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, as well as finance costs. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities:

For the purposes of monitoring segment performance and allocating resources between segments:

1. All assets other than investments, current and deferred tax assets, unallocable current and non-current assets, are allocated to reportable segments.

2. All liabilities other than borrowings, current and deferred tax liabilities and unallocable current and non-current liabilities, are allocated to reportable segments.

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	
	2025-26	2024-25	31.03.2026	31.03.2025
India	20966.57	20456.20	8505.77	7021.86
Rest of the world	9277.14	7380.57	-	-
	30243.71	27836.77	8505.77	7021.86

Information about major customers:

No single customer contributed 10% or more to the Company's revenue during the years 2025-26 and 2024-25.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

29. Contingent Liabilities and commitments:

Particulars			As at 31.03.2026	As at 31.03.2025
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	232.65	264.94
	ii.	Central Sales Tax Act,1956 & Local Sales Tax laws of various states	32.44	32.44
	iii.	Central Excise Act,1944	11.18	11.18
	iv.	Service Tax	0.87	0.87
	v.	Goods and Services Tax	175.21	19.42
	vi.	Customs Act, 1962	0.84	0.84
b.	Claims against the Company not acknowledged as debts			
	i.	Electricity tax	3.92	3.92
	ii.	Claim filed before Consumer Dispute Redressal Forum / Civil Court	13.78	13.78
	iii.	Demand by Gujarat Mining Department against excess mining by the Company	650.00	650.00
c.	Employees demands pending before Labour Courts - quantum not ascertainable at present			
	In respect of the above demands disputed by the Company, appeals filed are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.			
B.	**Commitments**			
	Estimated amount of contracts remaining to be executed (net of advances):			
	-Towards capital account		622.02	1331.94
C.	**Others**			
a.	Outstanding guarantees/letter of comfort given on behalf of subsidiaries and joint ventures		2668.13	400.50
b.	Outstanding letter of credit		935.82	373.91

30. 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 2025-26	For the year 2024-25
Account Head :		
Cost of materials consumed	8.93	-
Salary, Wages & Bonus	46.47	10.32
Travel & Conveyance	6.06	0.01
Freight, Delivery and Shipping charges	5.47	3.58
Professional Fees	5.74	-
Rent	2.25	11.14
Others	4.25	1.20
Total	**79.17**	**26.25**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

31. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act,2006

Particulars	As at 31.03.2026	As at 31.03.2025
Principal amount remaining unpaid to suppliers (Trade payables) (Refer Note :16)	176.95	115.94
Principal amount remaining unpaid to suppliers (Other financial liabilities) (Refer Note :17)	9.30	-
	186.25	**115.94**

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.

32. 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	For the year 2025-26	For the year 2024-25
Contribution to Provident fund and Other funds recognised in Profit and Loss for the year	183.54	154.96
Amounts outstanding as at the end of the respective year and paid subsequently	25.31	23.21

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, 2026 by a certified actuary of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to the employees. In respect of the contribution made to provident funds, the employer guarantees the interest notified by the appropriate authority and to the extent of interest rate guaranteed, the liability is considered as defined benefit. For the financial year ended March 31, 2026, the interest yield is adequate to meet the guaranteed interest.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (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 31.03.2026	As at 31.03.2025
Discount rate	7.64%	6.93%
Expected salary increment	6.50%	6.50%
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	31.03.2026	31.03.2025
i.	Projected benefit obligation as at beginning of the year	638.26	568.81
	Service cost	59.13	34.07
	Interest cost	41.25	38.84
	Remeasurement (gain)/ loss:		
	Actuarial (gain)/loss arising from experience and financial adjustments	16.55	29.14
	Benefits paid	(85.97)	(32.60)
	Projected benefit obligation as at end of the year	**669.22**	**638.26**
ii.	Fair value of plan assets as at beginning of the year	429.67	384.73
	Expected return on plan assets	28.87	27.66
	Contributions	60.00	50.00
	Benefits paid	(85.97)	(32.60)
	Transfer in / (out)	-	2.92
	Remeasurement gain/ (loss):		
	Actuarial Gain /(losses) on plan assets	2.43	(3.04)
	Fair value of plan assets as at end of the year	**435.00**	**429.67**
iii.	Amount recognised in the balance sheet:		
	Projected benefit obligation at the end of the year	669.22	638.26
	Fair value of the plan assets at the end of the year	435.00	429.67
	(Liability) / Asset recognised in the Balance sheet - net	**(234.22)**	**(208.59)**
iv.	Cost of the defined benefit plan for the year:		
	Current service cost	36.13	34.07
	Past service cost	23.00	-
	Interest on obligation	41.25	38.84
	Expected return on plan assets	(28.87)	(27.66)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

	Particulars	31.03.2026	31.03.2025
	Components of defined benefit cost recognised in the Statement of Profit and Loss	**71.51**	**45.25**
	(included in Note: 22 Contribution to Provident and other funds)		
	Remeasurement on the net defined benefit liability:		
	Actuarial (gain)/ loss arising from experience and financial adjustments	16.55	29.14
	Actuarial (gain) / loss on plan assets	(2.43)	3.04
	Components of defined benefit costs recognised in Other Comprehensive Income	**14.12**	**32.18**
	Total cost of the defined benefit plan for the year	85.63	77.43

v	Particulars	31.03.2026	31.03.2025
	Present value of defined benefit obligation	669.22	638.26
	Fair value of plan assets	435.00	429.67
	Balance sheet (Liability)/ Asset	(234.22)	(208.59)
	P & L (Income) / expenses	71.51	45.25
	Experience and Financial adjustment on plan liabilities (gain) / loss	16.55	29.14
	Experience and Financial adjustment on plan assets (gain) / loss	(2.43)	3.04

In the absence of the relevant information from the actuary, the above details do not include the composition of plan assets and expected return on each category of plan assets.

The actual return on plan assets was ₹31.31 million for the year ended March 31, 2026 (for the year ended March 31, 2025: ₹24.62 million).

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below

Particulars	As at 31.03.2026	As at 31.03.2025
Discount rate - 100 basis point higher	(44.92)	(43.11)
Discount rate - 100 basis point lower	45.88	45.07
Salary escalation rate - 100 basis point higher	47.93	46.27
Salary escalation rate - 100 basis point lower	(42.59)	(41.10)
Attrition rate - 100 basis point higher	(1.28)	(1.23)
Attrition rate - 100 basis point lower	1.25	1.49

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, 2026 is 15.60 years (as at March 31, 2025: 15.43 years).

The Company expects to make a contribution of ₹70 million (as at March 31, 2025: ₹50 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:

During the year, the company has decided to migrate the provident fund compliance from Carborundum Universal Employees Provident Fund ("Trust") to EPFO. The trustees of the trust have decided to surrender the exemption certificate with effect from January 31, 2026 and liquidate it subsequently. The trustees are in the process of transferring the investments of trust to the EPFO. Subsequently, provident fund is contributed to Employees Provident Fund Organisation.

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Fund and plan asset position are as follows:

Particulars	As at 31.03.2026	As at 31.03.2025
Plan asset at the end of the year	-	1588.25
Present value of benefit obligation at the end of the year	30.10	1596.91
(Deficit) / Surplus	(30.10)	(8.66)
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 March 31, 2026	As at March 31, 2025
Discount rate	NA	6.93%
Remaining term to maturity of portfolio (years)		6.84 years
Expected guaranteed rate (%) #		8.25%
Attrition rate		2%

8.25% (till January 31, 2026 the date of surrender of exemption under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952)

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate - 100 basis point higher	NA	(8.17)
Discount rate - 100 basis point lower		9.00
Guaranteed interest rate - 100 basis point higher		54.04
Guaranteed interest rate - 100 basis point lower		(92.01)
Current yield - 100 basis point higher		(94.62)
Current yield - 100 basis point lower		66.63

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 March 31, 2026	As at March 31, 2025
In respect of Gratuity	(14.12)	(32.18)
In respect of Provident Fund	(43.64)	20.53
Total Credited / (debited) to Other Comprehensive Income	**(57.76)**	**(11.65)**

33. 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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
- 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.

Disclosure related to "Changes in liabilities arising from financial liabilities" under Ind AS 7 Statement of Cash flow :

Net debts reconciliation :	**31.03.2026**	**31.03.2025**
Cash and Cash equivalents	2028.65	857.97
Other investments (liquid)	-	-
Borrowings	-	-
(Net debt)/Net Cash	**2028.65**	**857.97**

Particulars	**Other assets**		**Liabilities from Financing activities**	**Total**
	Cash and Cash equivalents	**Other investments (liquid)**	**Borrowings**	
Net Cash/(Net debt) as at 31 March 2024	**1725.53**	**-**	**-**	**1725.53**
Cash flows (net)	(867.56)	-	-	(867.56)
Net Cash/(Net debt) as at 31 March 2025	**857.97**	**-**	**-**	**857.97**
Cash flows (net)	1170.68	-	-	1170.68
Net Cash/(Net debt) as at 31 March 2026	**2028.65**	**-**	**-**	**2028.65**

Categories of financial instruments

Particulars	**As at 31.03.2026**	**As at 31.03.2025**
A. Financial assets		
Measured at Fair Value through Profit or Loss (FVTPL) - Mandatorily measured:		
- Equity and other investments	10.97	13.64
Measured at Amortised cost		
- Cash and bank balances	2051.72	882.00
- Other financial assets (including trade receivable balances)	5835.91	4837.21
Measured at Fair Value through Other Comprehensive Income (FVTOCI)		
- Investments in equity instruments designated upon initial recognition	11.30	11.30
Measured at Cost		
- Investments in Equity instruments in subsidiaries, joint ventures and associate	10970.63	10970.63
B. Financial liabilities		
Measured at amortised cost (including trade payable balances)	2888.03	2533.10

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

(ii) 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 investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a.(i) Trade receivables

Customer credit risk is managed by each business unit under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on this evaluation, credit limit and credit terms are decided. Exposure on customer receivables are regularly monitored and managed through credit lock and release. For export customers, credit insurance is generally taken.

The impairment is based on expected credit loss model considering the historical data and ageing profile of receivable at each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note: 10. The Company does not hold any collateral as security.

The Company has low concentration of risk with respect to trade receivables, as its customers are widely spread and belong to diversified industries and operate in largely independent markets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In grouping the receivables, the management has deemed the probability of default in relation to related party receivables be negligible given its historical experience and the relative networth of the related parties except, in relation to a subsidiary.

The expected loss rates are based on the payment profiles of sales over the past 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars	As at 31.03.2026					
	Not due and 0 to 90 days	91 to 180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount *	4767.89	128.76	31.38	12.97	113.30	5054.30
Expected loss rate	0.37%	14.9%	35.0%	57.6%	93.3%	
Expected Credit loss	17.78	19.24	10.98	7.47	105.68	161.15
Carrying amount net of impairment	4750.11	109.52	20.40	5.50	7.62	4893.15

Particulars	As at 31.03.2025					
	Not due and 0 to 90 days	91 to 180 days	181-270 days	271-365 days	More than 365 days	Total
Gross carrying amount *	3782.47	91.37	22.95	15.39	125.05	4037.23
Expected loss rate **	0.34%	15.3%	42.9%	60.4%	85.5%	
Expected Credit loss	13.01	14.00	9.85	9.29	106.98	153.13
Carrying amount net of impairment	3769.46	77.37	13.10	6.10	18.07	3884.10

*Excludes trade receivables on which probability of default has been assessed to be NIL.

** Includes specific provision

a(ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company’s treasury department in accordance with the Company’s policy. Investments of surplus funds are made for short-term in liquid funds of rated mutual funds and deposits with banks. The Investment limits are set out per Mutual fund and the value of total fixed deposit in Banks to minimise the concentration risk. Investments are reviewed by the Board of Directors on a quarterly basis.

The Company has no exposure to credit risk relating to these cash deposits as at: March 31, 2026 and March 31, 2025. 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: 29C.

In respect of other financial instruments, these primarily comprised of security deposit with Company's suppliers/regulatory authorities with whom Company has recurring transactions, the credit risk of which is assessed to be negligible given the historical experience and recurring nature of transaction among others.

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, Investments (FVTOCI) and derivative financial instruments.

Market risk exposures are measured using sensitivity analysis. There has been no change in the measurement and management of the Company’s exposure to market risks.

b(i) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign exchange rate exposures are managed within policy parameters approved by Board of Directors. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum of 12 month period of forecasted receipts and payments. When a derivative is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match with the terms of the hedged exposure. The Company hedges around 50% of the net material exposure by currency. Exposures relating to capital expenditure beyond a threshold are hedged as per Company policy at the time of commitment.

The carrying amounts of the Company’s foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Currency	Liabilities as at		Assets as at	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
US Dollar (USD)	250.49	138.84	1370.54	1184.49
Euro (EUR)	209.54	181.22	929.87	458.23
Great British Pound (GBP)	-	-	0.28	1.44
Japanese Yen (JPY)	15.64	10.75	2.26	1.56
Chinese Yuan(CNY)	32.37	6.27	16.02	24.04
Australian Dollar (AUD)	13.58	-	-	-
Swedish Kroner (SEK)	5.93	-	-	-

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 31.03.2026		As at 31.03.2025	
		Number of contracts	value	Number of contracts	value
Import payment	USD	-	-	-	-
Import payment	EUR	-	-	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to US Dollar and Euro. The following table provides the sensitivity impact to a 10% strengthening or weakening of Indian rupee exchange rate against foreign currencies. The sensitivity analysis is done on net exposures. A positive number below indicates an increase in profit or equity when the Rupee weakens against the foreign currency and when net exposure is an asset.

Currency impact in (Rs. million) relating to the foreign currencies of:	As at 31.03.2026		As at 31.03.2025	
	Profit or loss	Equity	Profit or loss	Equity
US Dollar (USD)	83.82	83.82	78.25	78.25
Euro (EUR)	53.90	53.90	20.73	20.73
Great British Pound (GBP)	0.02	0.02	0.11	0.11
Japanese Yen (JPY)	(1.00)	(1.00)	(0.69)	(0.69)
Chinese Yuan(CNY)	(1.22)	(1.22)	1.33	1.33
Australian Dollar (AUD)	(1.02)	(1.02)	-	-
Swedish Kroner (SEK)	(0.44)	(0.44)	-	-
Total	**134.06**	**134.06**	**99.73**	**99.73**

The Company's sensitivity impact to foreign currency has increased during the current year end mainly due to the increase in quantum of exposure in EUR as at the end of the reporting period.

b(ii) Interest rate risk Management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has not availed any borrowings as at March 31, 2026, hence the Company is not subject to interest rate risk.

b(iii) Price risks

The Company does not have any material investments designated at Fair Value through Other Comprehensive Income and Fair Value through Profit and Loss as at March 31, 2026, consequently 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

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 March 31, 2026:

Particulars	Carrying amount / Exposure	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Current financial liabilities						
Trade payables	2215.65	2215.65	-	-	-	2215.65
Other financial liabilities	672.38	672.38	-	-	-	672.38
Others						
Outstanding guarantees/letter of comfort given on behalf of subsidiaries and Joint venture	2668.13	2668.13	-	-	-	2668.13

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2025:

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						
Current financial liabilities						
Trade payables	1901.74	1901.74	-	-	-	1901.74
Other financial liabilities	631.36	631.36	-	-	-	631.36
Outstanding guarantees/letter of comfort given on behalf of subsidiaries and Joint venture	400.50	400.50	-	-	-	400.50

Contractual maturities of financial assets

The table below provides details regarding the contractual maturities of financial assets as at March 31, 2026:

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	282.54	-	133.05	-	149.49	282.54
Current financial assets						
Trade receivables	5447.83	5447.83	-	-	-	5447.83
Other receivables	105.54	105.54	-	-	-	105.54

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

The table below provides details regarding the contractual maturities of financial assets as at March 31, 2025:

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	201.61	-	98.53	-	103.08	201.61
Current financial assets						
Trade receivables	4519.11	4519.11	-	-	-	4519.11
Other receivables	116.49	116.49	-	-	-	116.49

Maturity analysis of Derivative financial instruments

The Company has no outstanding foreign exchange derivative contracts as at March 31, 2026 and March 31, 2025.

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 31.03.2026	As at 31.03.2025
Unsecured cash credit and other borrowings facility		
Amount used	-	-
Amount unused	4050.00	4001.00
	4050.00	**4001.00**
Secured cash credit and other borrowings facility		
Amount used	-	-
Amount unused	1464.00	950.00
	1464.00	**950.00**
Total facilities		
Amount used	-	-
Amount unused	5514.00	4951.00
	5514.00	**4951.00**

Borrowing facilities - both funded and non-funded are secured by a pari-passu charge on the current assets and immovable properties of the Company - 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
	31.03.2026	31.03.2025		
Investments in quoted instruments at FVTPL	10.79	13.46	Level 1	Quoted bid price in an active market
Investments in unquoted instruments at FVTPL	0.18	0.18	Level 3	Fair valuation - (a)
Investments in unquoted instruments at FVTOCI	11.30	11.30	Level 3	Fair valuation - (a)

There were no changes in the fair value hierarchy levels in the above periods.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

a) 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 31.03.2026		As at 31.03.2025	
		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	282.54	266.79	201.61	189.95
Current financial assets					
- Trade receivables	Level 3	5447.83	5447.83	4519.11	4519.11
- Other receivables	Level 3	105.54	105.54	116.49	116.49
Financial liabilities held at amortised cost					
Current financial liabilities					
- Trade payables	Level 3	2215.65	2215.65	1901.74	1901.74
- Other financial liabilities	Level 3	672.38	672.38	631.36	631.36

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	31.03.2026			31.03.2025		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non Current						
Investments	10.97	11.30	-	13.64	11.30	-
Other financial assets	-	-	282.54	-	-	201.61
Current						
Trade receivables	-	-	5447.83	-	-	4519.11
Cash and Cash equivalent	-	-	2028.65	-	-	857.97
Bank balances other than above	-	-	23.07	-	-	24.03
Other financial assets	-	-	105.54	-	-	116.49
	10.97	**11.30**	**7887.63**	**13.64**	**11.30**	**5719.21**
Financial Liabilities						
Current						
Trade payables	-	-	2215.65	-	-	1901.74
Other financial liabilities	-	-	672.38	-	-	631.36
	-	**-**	**2888.03**	**-**	**-**	**2533.10**

Non Current Investment amounting ₹10970.63 million (Previous year: ₹10970.63 million) has been valued at Cost.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

34. Related Party Disclosures

List of related parties

Related party relationships are as identified by the management and relied upon by the auditors.

I) Parties where control exists-subsidiaries

Direct holding:	
Net Access India Limited	[Net access]
Southern Energy Development Corporation Limited	[Sedco]
Sterling Abrasives Limited	[Sterling]
CUMI (Australia) Pty Limited	[CAPL]
CUMI International Ltd	[CIL]
PLUSS Advanced Technologies Limited	[PLUSS]
CUMI USA, Inc. (Incorporated on October 02, 2024)	[CUI]
Holding through subsidiary:	
Volzhsky Abrasive Works	[VAW]
Foskor Zirconia (Pty) Ltd	[Foskor]
CUMI America Inc.	[CAI]
CUMI Middle East FZE	[CME]
CUMI Abrasives and Ceramics Co., Limited	[CACCL]
CUMI Europe s.r.o *	[CE]
Pluss Advanced Technologies B.V.	[PLUSSBV]
CUMI AWUKO Abrasives GmbH	[CAAG]
RHODIUS Abrasives GmbH	[RAG]
* CUMI Europe s.r.o., Czech Republic, a step-down wholly owned subsidiary of the Company which had been set up for marketing purposes in Prague has been voluntarily deregistered as per the Czech Republic laws and its name is deleted from the Commercial Register effective December 31, 2025. Accordingly CUMI Europe s.r.o., Czech Republic ceased to be a step-down subsidiary of the Company effective December 31, 2025.	
Subsidiaries of Rhodius Abrasives GmbH	
Rhodius Nederland B.V.	
RHODIUS France S.A.R.L.	
Rhodius Korea Inc.	
RHODIUS SOUTH AMERICA ASSESSORIA TECNICA E COMERCIAL EM ABRASIVOS LTDA.	
Silicon Carbide Products LLC (w.e.f October 30, 2024)	[SCP]
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]
Subsidiary of Associate:	
Wendt Grinding Technologies Limited	[WGTL]
Wendt GmbH Germany **	[WGG]
** Wendt GmbH, Germany, a wholly owned subsidiary of Wendt (India) Limited was incorporated in Germany on July 8, 2025	

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Key Managerial Personnel	
Mr. Sridharan Rangarajan, Managing Director	[SR]

Non Executive Directors	
Mr. M M Murugappan, Chairman	[MMM]
Mr. Sanjay Jayavarthanavelu (till July 31, 2024)	[SJ]
Mr. Aroon Raman (till July 31, 2024)	[AR]
Mr. P S Raghavan (till November 24, 2025)	[PSR]
Mr. Sujjain S Talwar	[ST]
Mrs.Soundara Kumar (till August 02, 2024)	[SK]
Ms. Usha Rajeev (w.e.f August 01, 2024)	[UR]
Mr. Sriram Viji (w.e.f August 01, 2024)	[SV]
Mr. Muthiah Murugappan (w.e.f August 01, 2024)	[MM]
Amb.D B Venkatesh Varma (w.e.f March 04, 2026)	[VV]
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 Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

A. Transactions during FY 2025-26

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	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
Subsidiaries												
CAI	727.08	-	-	0.28	-	0.33	-	-	-	-	-	-
Net Access	1.46	-	17.50	-	-	30.28	-	-	2.92	-	-	-
Sterling	170.70	-	28.62	0.99	-	-	-	-	-	-	-	-
Sedco	2.10	-	758.37	-	13.15	-	-	-	-	-	3.92	-
CAPL	686.43	7.37	92.40	0.19	-	-	-	-	-	-	-	-
CME	-	-	-	-	-	11.96	-	-	-	-	-	-
Foskor	0.70	-	-	182.50	-	-	-	-	-	-	279.50	-
VAW	-	-	-	-	-	-	-	-	-	-	-	-
PLUSS	0.17	-	-	-	-	-	-	-	-	-	-	-
CAAG	14.27	-	-	0.13	-	-	-	-	0.99	-	1635.15	-
RAG	322.71	-	-	0.31	-	5.76	-	-	-	-	599.56	-
SCP	14.39	-	-	-	-	-	-	-	-	-	-	-
Total	**1940.01**	**7.37**	**896.89**	**184.40**	**13.15**	**48.33**	**-**	**-**	**3.91**	**-**	**2518.13**	**-**
Joint Ventures												
MMTCL	31.25	-	186.00	33.96	-	-	-	-	2.95	-	-	-
Ciria	41.13	-	72.00	-	-	-	-	-	-	-	-	-
Total	**72.38**	**-**	**258.00**	**33.96**	**-**	**-**	**-**	**-**	**2.95**	**-**	**-**	**-**
Associate & its subsidiary												
Wendt	53.60	-	30.00	21.78	-	2.18	4.80	-	16.11	-	-	-
WGTL	90.38	-	-	8.22	-	-	-	-	-	-	-	-
Total	**143.98**	**-**	**30.00**	**30.00**	**-**	**2.18**	**4.80**	**-**	**16.11**	**-**	**-**	**-**
Other related parties												
PEIL	-	-	-		-	57.68	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Related Party	Income from Sales & Services	Royalty income	Dividend income	Purchase of goods	Purchase of power	Expenditure on other services	Rental expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Letter of Comfort/ Guarantee issued/ renewed	Sitting Fees and commission
PAL	-	-	-	-	-	0.31	-	-	-	-	-	-
CUEPF	-	-	-	-	-	-	-	-	-	179.50	-	-
Total	**-**	**-**	**-**	**-**	**-**	**57.99**	**-**	**-**	**-**	**179.50**	**-**	**-**
KMP												
SR	-	-	-	-	-	-	-	42.87		-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42.87**	**-**	**-**	**-**	**-**
Sitting Fees and commission paid to Non Executive Directors												
MMM	-	-	-	-	-	-	-	-	-	-	-	10.62
SJ	-	-	-	-	-	-	-	-	-	-	-	-
AR	-	-	-	-	-	-	-	-	-	-	-	-
PSR	-	-	-	-	-	-	-	-	-	-	-	1.60
ST	-	-	-	-	-	-	-	-	-	-	-	2.84
SK	-	-	-	-	-	-	-	-	-	-	-	-
UR	-	-	-	-	-	-	-	-	-	-	-	2.16
SV	-	-	-	-	-	-	-	-	-	-	-	1.85
MM	-	-	-	-	-	-	-	-	-	-	-	1.99
VV	-	-	-	-	-	-	-	-	-	-	-	0.20
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21.26**
Grand Total	**2156.37**	**7.37**	**1184.89**	**248.36**	**13.15**	**108.50**	**4.80**	**42.87**	**22.97**	**179.50**	**2518.13**	**21.26**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

B. Transactions during FY 2024-25

Related Party	Income from Sales & Services	Royalty income	Dividend income	Purchase of goods	Purchase of power	Expenditure on other services #	Rental expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Investment made	Letter of Comfort / Guarantee issued/ renewed	Sitting Fees and commission
Subsidiaries													
CAI	1115.19	-	-	0.15	-	0.18	-	-	-	-	-	-	-
Net Access	1.46	-	15.00	-	-	30.60	-	-	9.71	-	-	-	-
Sterling	193.07	-	27.00	0.36	-	-	-	-	-	-	-	-	-
Sedco	0.02	-	-	0.04	137.58	-	-	-	-	-	-	17.00	-
CAPL	599.57	5.59	128.00	-	-	-	-	-	-	-	-	-	-
CME	-	-	-	-	-	10.91	-	-	-	-	-	-	-
Foskor	54.04	-	-	324.39	-	-	-	-	-	-	-	233.50	-
VAW	117.50	-	-	607.74	-	-	-	-	-	-	-	-	-
PLUSS	0.12	-	-	0.02	-	-	-	-	-	-	10.30	-	-
CAAG	44.88	-	-	1.92	-	-	-	-	-	-	-	-	-
RAG	218.46	-	-	-	-	0.43	-	-	-	-	-	-	-
SCP	3.52	-	-	-	-	-	-	-	-	-	597.49	-	-
CACCL	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**2347.83**	**5.59**	**170.00**	**934.62**	**137.58**	**42.12**		-	**9.71**		**607.79**	**250.50**	-
Joint Ventures													
MMTCL	34.71	-	71.54	24.82	-	-	-	-	2.58	-	-	-	-
Ciria	32.11	-	51.00	-	-	-	-	-	-	-	-	150.00	-
Total	**66.82**	**-**	**122.54**	**24.82**	**-**	**-**	**-**	**-**	**2.58**	**-**	**-**	**150.00**	**-**
Associate & its subsidiaries													
Wendt	50.70	-	37.50	21.87	-	4.49	4.47	-	9.30	-	-	-	-
WGTL	73.06	-	-	9.29	-	-	-	-	-	-	-	-	-
Total	**123.76**		**37.50**	**31.16**	**-**	**4.49**	**4.47**	**-**	**9.30**	**-**	**-**	**-**	**-**
Other related parties													
PEIL	-	-	-	0.02	-	49.71	-	-	-	-	-	-	-
PAL	-	-	-	-	-	0.42	-	-	-	-	-	-	-
CUEPF	-	-	-	-	-	-	-	-	-	272.91	-	-	-
Total	**-**	**-**	**-**	**0.02**	**-**	**50.13**	**-**	**-**	**-**	**272.91**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Related Party	Income from Sales & Services	Royalty income	Dividend income	Purchase of goods	Purchase of power	Expenditure on other services #	Rental expenses	Managerial remuneration	Purchases of Fixed asset	Contribution to Provident Fund	Investment made	Letter of Comfort / Guarantee issued/ renewed	Sitting Fees and commission
KMP													
SR	-	-	-	-	-	-	-	40.41	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**40.41**	**-**	**-**	**-**	**-**	**-**
Sitting Fees and commission paid to Non Executive Directors													
MMM	-	-	-	-	-	-	-	-	-	-	-	-	10.64
SJ	-	-	-	-	-	-	-	-	-	-	-	-	0.71
AR	-	-	-	-	-	-	-	-	-	-	-	-	0.87
PSR	-	-	-	-	-	-	-	-	-	-	-	-	2.95
ST	-	-	-	-	-	-	-	-	-	-	-	-	2.41
SK	-	-	-	-	-	-	-	-	-	-	-	-	0.76
UR	-	-	-	-	-	-	-	-	-	-	-	-	1.46
SV	-	-	-	-	-	-	-	-	-	-	-	-	1.25
MM	-	-	-	-	-	-	-	-	-	-	-	-	1.26
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22.31**
Grand Total	**2538.41**	**5.59**	**330.04**	**990.62**	**137.58**	**96.74**	**4.47**	**40.41**	**21.59**	**272.91**	**607.79**	**400.50**	**22.31**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

C. Outstandings

Related Party	As at 31.03.2026					As at 31.03.2025				
	Trade receivables	Deposit outstanding	Payables	Letter of comfort / Guarantee outstanding*	Advances given	Trade receivables	Deposit outstanding	Payables	Letter of comfort / Guarantee outstanding*	Advances given
Subsidiaries										
CAI	210.50	-	0.26	-	-	267.76	-	0.71	-	-
Net Access	1.10	-	0.78	-	-	0.37	-	1.49	-	-
Sterling	29.67	-	0.60	-	-	23.05	-	-	-	-
Sedco	0.77	-	1.68	3.92	-	1.28	-	1.60	17.00	84.34
CAPL	77.43	-	0.19	-	-	75.35	-	-	-	-
CME	-	-	2.35	-	-	-	-	3.50	-	-
Foskor	-	-	31.43	279.50	-	-	-	0.08	233.50	-
CACCL^	-	-	-	-	-	42.21	-	-	-	-
Pluss	0.22	-	-	-	-	0.15	-	-	-	-
VAW	18.76	-	230.71	-	-	17.18	-	195.09	-	-
CAAG	0.11	-	0.24	1635.15	-	16.40	-	0.94	-	-
RAG	76.00	-	0.31	599.56	-	57.18	-	-	-	-
SCP	7.12	-	-	-	-	-	-	-	-	-
Total	**421.68**	**-**	**268.55**	**2,518.13**	**-**	**500.93**	**-**	**203.41**	**250.50**	**84.34**
Joint Ventures										
MMTCL	10.40	-	14.29	-	-	8.87	-	2.43	-	-
Ciria	16.23	-	-	150.00	-	17.22	-	-	150.00	-
Total	**26.63**	**-**	**14.29**	**150.00**	**-**	**26.09**	**-**	**2.43**	**150.00**	**-**
Associates & its Subsidiary										
Wendt	35.22	1.00	11.98		-	35.42	1.00	12.19	-	-
WGTL	7.90	-	1.01	-	-	9.68	-	1.54	-	-
Total	**43.12**	**1.00**	**12.99**	**-**	**-**	**45.10**	**1.00**	**13.73**	**-**	**-**
Other related parties										
PEIL	-	-	3.39	-	0.04	-	-	-	-	8.66
PAL	-	-	0.07	-	-	-	-	0.08	-	-
CUEPF	-	-	-	-	-	-	-	15.74	-	-
Total	**-**	**-**	**3.46**	**-**	**0.04**	**-**	**-**	**15.82**	**-**	**8.66**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Related Party	As at 31.03.2026					As at 31.03.2025				
	Trade receivables	Deposit outstanding	Payables	Letter of comfort / Guarantee outstanding*	Advances given	Trade receivables	Deposit outstanding	Payables	Letter of comfort / Guarantee outstanding*	Advances given
KMP@										
SR	-	-	10.86	-	-	-	-	10.32	-	-
Total	**-**	**-**	**10.86**	**-**	**-**	**-**	**-**	**10.32**	**-**	**-**
Non Executive Directors										
MMM	-	-	10.00	-	-	-	-	10.00	-	-
SJ	-	-	-	-	-	-	-	0.50	-	-
AR	-	-	-	-	-	-	-	0.50	-	-
PSR	-	-	0.98	-	-	-	-	1.92	-	-
ST	-	-	2.00	-	-	-	-	1.58	-	-
SK	-	-	-	-	-	-	-	0.51	-	-
UR	-	-	1.50	-	-	-	-	1.00	-	-
SV	-	-	1.50	-	-	-	-	1.00	-	-
MM	-	-	1.50	-	-	-	-	1.00	-	-
VV			0.12							
Total	**-**	**-**	**17.60**	**-**	**-**	**-**	**-**	**18.01**	**-**	
Grand Total	**491.43**	**1.00**	**327.75**	**2668.13**	**0.04**	**572.12**	**1.00**	**263.72**	**400.50**	**93.00**

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.

*Issued towards customer guarantee / availment of banking facilities by the respective entities.

@Incentive payable to Managing Director is provisional and subject to determination by the Nomination and Remuneration Committee.

^ Gross of Provision for doubtful debts is ₹ Nil (Previous year : ₹42.21 million).

includes reimbursement of expenses

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (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	
	31.03.2026	31.03.2025
	SR	SR
Short term benefits	36.45	34.42
Post employment benefits	6.39	5.96
Amount presented under Note : 22	42.84	40.38
Other benefits	0.03	0.03
Total	**42.87**	**40.41**

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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

35. ESOP Plan 2016

A.Summary of Status of ESOPs Granted

The position of the existing scheme is summarized 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	3,772,000
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 IIB, Grant III, Grant IV, Grant VA, Grant VI, Grant VII, Grant VIII, Grant IX, Grant X, Grant XI, Grant XII, Grant XIII and Grant XIV, Grant XV, Grant XVI, Grant XVII, Grant XVIII-A : 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 XVIII-B : 16.67% at the end of second year, 33.33% at the end of third year and 50 % at the end of fourth year. Grant VB : 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, 2026 (in Indian Rupees million, unless otherwise stated)

II. Options Movement during the year ended March 31, 2026

S. No	Particulars	No. of Options	Weighted average exercise Price	Grant I	Grant IIA	Grant IIB	Grant III	Grant IV	Grant VA	Grant VB	Grant VI	Grant VII	Grant VIII	Grant IX	Grant X	Grant XI	Grant XII	Grant XIII	Grant XIV	Grant XV	Grant XVI	Grant XVII	Grant XVIII - A	Grant XVIII - B
	Exercise Price per Option (in ₹)																							
1	No. of Options Outstanding at the beginning of the year	1391602	989.63	39646	7254	-	29552	-	26040	-	-	35940	372100	-	130800	43600	43600	73400	43600	115700	367980	62390	-	-
2	Options Granted during the year	1009140	932.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				262800	746340
3	Options cancelled during the year	146760	1320.96	-	-	-	-	-	-	-	-		-	-	-	-	-	-		72100	34880	-		39780
4	Options Forfeited / Surrendered during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Options Lapsed during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Options Exercised during the year	69784	322.70	39646	7254		9388		3876			8400	1220	-	-	-	-	-	-	-	-	-		
7	Total number of shares arising as a result of exercise of options	69784	322.70	39646	7254	-	9388	-	3876	-	-	8400	1220	-	-	-	-	-	-	-	-	-		
8	Money realised by exercise of options (₹ in million)	22.52		10.21	2.66		3.47		1.23			4.12	0.82	-	-	-	-	-	-	-	-	-		
9	Number of Options outstanding at the end of the year	2184198	962.12	-	-	-	20164	-	22164	-	-	27540	370880	-	130800	43600	43600	73400	43600	43600	333100	62390	262800	706560
10	Number of Options exercisable at the end of the year	746456	818.41				20164		22164			27540	370880		91560	30520	30520	29360	17440	8720	81990	15598	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

II. Options Movement during the year ended March 31, 2025

S. No	Particulars	No. of Options	Weighted average exercise Price	Grant I	Grant IIA	Grant IIB	Grant III	Grant IV	Grant V A	Grant VB	Grant VI	Grant VII	Grant VIII	Grant IX	Grant X	Grant XI	Grant XII	Grant XIII	Grant XIV	Grant XV	Grant XVI	Grant XVII
	Exercise Price per Option (in ₹)			**257.55**	**367.20**	**367.20**	**369.85**	**361.90**	**317.70**	**317.70**	**343.80**	**490.50**	**672.95**	**734.90**	**858.80**	**965.55**	**940.00**	**1107.95**	**1248.90**	**1506.60**	**1380.65**	**1017.85**
1	No. of Options Outstanding at the beginning of the year	1129724	731.24	84246	14508	-	36940	-	47730	-	72096	59104	372100	-	130800	43600	43600	73400	151600	-	-	-
2	Options Granted during the year	546070	1365.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115700	367980	62390
3	Options cancelled during the year	119082	1178.32	-	-	-	-	-	-	-	-	11082	-	-	-	-	-	-	108000	-	-	-
4	Options Forfeited / Surrendered during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Options Lapsed during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Options Exercised during the year	165110	330.00	44600	7254	-	7388	-	21690	-	72096	12082	-	-	-	-	-	-	-	-	-	-
7	Total number of shares arising as a result of exercise of options	165110	330.00	44600	7254	-	7388	-	21690	-	72096	12082	-	-	-	-	-	-	-	-	-	-
8	Money realised by exercise of options (₹ in million)	54.49		11.49	2.66	-	2.73	-	6.89	-	24.79	5.93	-	-	-	-	-	-	-	-	-	-
9	Number of Options outstanding at the end of the year	1391602	989.63	39646	7254	-	29552	-	26040	-	-	35940	372100	-	130800	43600	43600	73400	43600	115700	367980	62390
10	Number of Options exercisable at the end of the year	489100	641.14	39646	7254	-	29552	-	26040	-	-	24858	259870	-	52320	17440	17440	14680	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

III. Weighted Average remaining contractual life

Range of Exercise Price	As at 31.03.2026		As at 31.03.2025	
	No. of Options outstanding	Weighted average contractual life (years)	No. of Options outstanding	Weighted average contractual life (years)
0 to 200	-	-		
201 to 300	-	-	39646	0.85
301 to 400	42328	1.39	62846	1.87
401 to 500	27540	3.29	35940	3.83
501 to 600	-	-	-	-
601 to 700	370800	3.06	372100	4.05
701 to 800	-	-	-	-
801 to 900	130800	4.28	130800	5.28
901 to 1000	1056560	7.38	87200	5.62
1001 to 1100	62390	6.00	-	-
1101 to 1200	73400	5.28	73400	6.28
1201 to 1300	43600	5.69	43600	6.69
1301 to 1400	333100	6.16	367980	7.21
1401 to 1500	-	-	-	-
1501 to 1600	43600	5.79	115700	6.79

Particulars		2025-26	2024-25
IV	Exercise price equals market price Weighted average Fair Value of Options granted during the year (₹)	388.45	515.67
V	The weighted average market price of options exercised during the year (₹)	819.19	1381.66

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	
	2025-26	2024-25
1. Risk Free Interest Rate (%)	6.28	6.72
2. Expected Life (in years)	5.55	4.37
3. Expected Volatility (%)	34.21	34.11
4. Dividend Yield (%)	0.43	0.28
5. Exercise Price (₹)	932.15	1365.89
6. Price of the underlying share in market at the time of the option grant. (₹)	932.15	1365.89

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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected dividend 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	2025-26	2024-25
Employee Option plan expense	144.48	101.52

Particulars			For the year 2025-26	For the year 2024-25
36.	**a.**	**Value of Imports on CIF basis:**		
		Raw materials	6470.27	5871.13
		Components & Spare parts	167.18	188.56
		Stock in trade	820.45	765.35
		Capital goods	599.33	354.01
	b.	**Expenditure in foreign currency (on cash basis):**		
		Professional / Consultancy fees	145.46	32.45
		Commission	19.06	21.81
		Travel and other matters	180.81	58.35
37.	**Earnings in foreign exchange on account of:**			
	Value of exports on FOB basis		9078.90	7557.61
	Royalty		7.37	5.59
	Dividend		92.40	128.00
38.	**Auditors' Remuneration**			
	Statutory audit		8.50	6.93
	Tax Audit		1.20	1.10
	Other services		2.40	2.22
	Out of pocket expenses		0.60	1.03
			12.70	**11.28**
39.	**Research and Development expenditure:**			
	a)	**Revenue Expenditure (disclosed under the respective heads)**		
		Direct Material, Supplies and Consumables	83.34	64.68
		Employee Benefits Expenses	124.19	124.21
		Repairs & Maintenance	5.35	5.48
		Other Expenses	37.98	43.00
		Depreciation	16.74	18.65
		Total	**267.60**	**256.02**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

Particulars		For the year 2025-26	For the year 2024-25
b)	**Capital Expenditure**		
	Property, plant and equipment		
	Plant and equipment	16.76	26.96
	Furniture and fittings & Others	2.69	-
		19.45	**26.96**
	Intangible assets	12.66	0.21
	Total	**32.11**	**27.17**
	Capital Work-in-Progress (CWIP)	0.59	0.40
	Total Capital Expenditure (including CWIP)	**32.70**	**27.57**

40. 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	
		31.03.2026	31.03.2025
A. Investment in Subsidiaries			
CUMI International Ltd	Cyprus	100.00%	100.00%
Sterling Abrasives Limited	India	60.00%	60.00%
Southern Energy Development Corporation Limited	India	84.76%	84.76%
Net Access India Limited	India	100.00%	100.00%
CUMI (Australia) Pty Limited	Australia	51.22%	51.22%
PLUSS Advanced Technologies Limited*	India	74.06%	74.06%
CUMI USA, Inc.	USA	100.00%	100.00%
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 shares held by PLUSS trust is 75.74% (Previous year: 75.74%)

41. Donations given to Political parties during the year

Particulars	For the year 2025-26	For the year 2024-25
CPI (M) Ernakulam District Committee	-	0.50
United Democratic Front, State Committee	-	0.50
CPI (M) Thrissur District Committee	-	0.20
President District Congress Committee - Ernakulam	-	0.30
Indian National Congress- District Congress Committee- Pathanamthitta	-	0.05
Bharatiya Janata Party - Pathanamthitta	-	0.05
CPI (M) Local Committee, Koratty	-	0.05
Indian Union Muslim League	-	0.10
Indian National Congress(I) Pariyaram Block Committee	-	0.10
Total	**-**	**1.85**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

42 Corporate Social Responsibility: (Refer Corporate Social Responsibility Report)

During the year, the Company incurred an aggregate amount of ₹83.72 million (Previous year: ₹77.70 million) towards corporate social responsibility. In addition an amount of ₹0.15 million has been set off from the brought forward excess CSR spent in the earlier years and an amount of ₹0.31 million has been carried forward for adjustment in subsequent years. Thus fulfilling the current year's mandatory obligation of ₹83.56 million (Previous year: ₹78.23 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 2025-26	For the year 2024-25
A.	Expenditure incurred directly by the Company		
	Skill Centre Development - Revenue expenditure	20.02	19.61
	Purchase of Ambulance for Kalamassery Municpality	-	2.24
	Purchase of vehicles for domestic waste collection for Kalamassery Municpality	3.53	-
	IIT Madras	-	0.60
B.	Expenditure incurred through Agencies		
	AMM Foundation- AMM Vellayan Chettiyar Higher Secondary School	23.51	24.06
	AMM Foundation - Valliammai Aachi Hospital	1.48	-
	AMM Foundation - TI School	14.25	-
	Shri A.M.M Murugappa Chettiar Research Centre	-	14.00
	The Kuppuswamy Naidu Charity Trust for Education and Medical Relief	-	3.50
	AMM Foundation- Rising Talent Scholarships	-	1.31
	Utkarsh Global Foundation	1.00	-
	Sugun Thomas Foundation	1.00	-
	The Craft council of India	0.50	-
	Sri Sathya Sai Health and Educational Trust		3.60
	Madras Dyslexia Association, Chennai	2.50	-
	DR. A.K. Cherian Memorial Charitable Society	-	0.92
	GKNM Trust Hospital, Coimbatore	3.50	-
	Rajagiri Outreach Society - ASK Centre	9.35	2.06
	Cachar Cancer Hospital & Research Centre	3.08	5.80
Total		**83.72**	**77.70**
Add : Set off of brought forward excess CSR spend in earlier years		0.15	0.68
Less : Carry forward for adjustment in subsequent years		0.31	0.15
Total		**83.56**	**78.23**

Note 43: Events after the reporting period

Refer Note: 12 for the Final dividend recommended by the Directors which is subject to the approval of the shareholder in the ensuing Annual General Meeting.

Note 44: 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

(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 (whether recorded in writing or otherwise) that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of Property, Plant and Equipment, 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.

(xi) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 2 CICs as part of the Group.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

45. Ratios

Particulars	Numerator	Denominator	FY 2025-26	FY 2024-25	Variance in % Favourable / (Adverse)	Remarks
(a) Current ratio	Current asset	Current liabilities	3.8	3.6	5%	No significant variance
(b) Debt-equity ratio	Borrowings	Total Equity	-	-	-	The Company has no borrowing on both the years
(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.	3158.9	2205.5	43%	Nil borrowing as of closing period and expenses towards processing charges.
(d) Return on equity ratio	Net profit after tax	Average shareholder equity	15.2%	13.2%	15%	Due to increase in profit
(e) Inventory turnover ratio	Sales	Average Inventory	6.7	6.9	(4%)	No significant variance
(f) Trade receivables turnover ratio	Sales	Average Trade Receivable	6.1	6.7	(9%)	No significant variance
(g) Trade payables turnover ratio	Total purchase and Service received	Average Trade payables	11.1	11.7	(5%)	No significant variance
(h) Net capital turnover ratio	Net sales	Working capital	3.2	3.7	(14%)	No significant variance
(i) Net profit ratio	Net profit	Net Sales	13.8%	11.6%	19%	Due to increase in profit
(j) Return on capital employed	Earning before interest and taxes	Capital employed = Tangible networth+Total debts+Deferred tax liability	18.1%	16.7%	8%	Due to increase in profit
(k) Return on investment			NA			Significant investments held by the Company are for strategic purposes. Benchmarking the return on an annual basis will not reflect yield from such investments.

46. 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026 (in Indian Rupees million, unless otherwise stated)

47. 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 14, 2026.

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Baskar Pannerselvam
Partner
Membership Number : 213126
Chennai
May 14, 2026

On behalf of the Board

M M Murugappan
Chairman
DIN : 00170478

Sridharan Rangarajan
Managing Director
DIN : 01814413

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	PBIT/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:

Carborundum Universal Limited

CIN: L29224TN1954PLC000318

'Dare House', No.234,

N.S.C. Bose Road, Parrys, Chennai-600001

Tel: 91 44 30006161 | Fax: 91 44 30006149

Email: investorservices@cumi.murugappa.com

Website: www.cumi-murugappa.com

www.linkedin.com/company/cumi-1954/

Concept, Content & Design NEXT STEPS (engage@nextsteps.net.in)