

TRANSCRIPT OF THE 68TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF CARBORUNDUM UNIVERSAL LIMITED HELD ON 1ST AUGUST 2022 THROUGH VIDEO CONFERENCING

Mr. M M Murugappan: Good afternoon, ladies and gentlemen. I have great pleasure in welcoming you to the 68th Annual General Meeting of your Company, which has been convened electronically through the video conferencing system. First, I hope all of you and your family members and colleagues wherever you are, all of you are safe and in good health. While the COVID pandemic may have abated largely, please continue to be careful because we do hear and see instances of the pandemic still remaining. In view of these conditions, the Ministry of Corporate Affairs has extended permission to companies to hold their Annual General Meetings through video conferencing or other audio-visual means. Companies have also been allowed to send the annual reports and the notice convening the general meeting electronically considering the health and safety of our stakeholders, and in particular, the Shareholders. This meeting is being conducted virtually to avoid the physical presence of many members at a common venue. The soft copy of the annual report for the year ended 2021-22 has been sent to all members holding shares in the dematerialized mode, whose email addresses are available with the Depository participants, as well as to all the members holding shares in the physical mode, whose email addresses are registered with the Company or with the Registrar and Share transfer agents. Further, we have also sent a physical copy of the report to those members who had specifically requested for it. The requisite quorum being present, I now call the meeting to order. The register of Directors', Key Managerial Personnel, along with their shareholding, the Register of Contracts or arrangements in which the directors are interested, the certificate obtained from M/s. R. Sridharan and Associates, Practicing Company Secretaries confirming that the Company's ESOP schemes have been implemented in accordance with SEBI regulations and the resolutions passed by the shareholders in this regard and other documents mentioned in the notice convening this meeting are available for inspection by member. Those who seek to inspect these documents, you may kindly contact the company secretary. Since the meeting is being held electronically, the proxy-related procedures have been dispensed with, which is in line with regulatory requirements.

Ladies and gentlemen, let me now introduce to you our Directors, Auditors and Senior Executives of the Company who are attending this meeting. We have a full Board attending the Annual General Meeting. We have with us, Mr. Sanjay Jayavarthanelu, joining us from Coimbatore. He is the Chairman of our Audit and Nomination and Remuneration committees. Mr. Aroon Raman joining us from Bangalore is the Chairman of our CSR committee. Mr. P.S. Raghavan, also joining us from Bangalore is the Chairman of our Risk

Management committee. Mrs. Soundara Kumar is joining us from Chennai. We have with us here at Dare House from my right, Mr. Sujain Talwar, Independent director. We have Mr. Ananthaseshan, our Managing Director, and we have Mr. Sridharan Rangarajan to my left, who is the Director in charge of the strategic initiatives and finance.

We have many of our colleagues who have joined us here at the Dare house Boardroom. We have our Company Secretary, Ms. Rekha Surendhiran. We have our CFO, Mr. Padmanabhan and we have members of our secretarial and communications team as well. We also have our colleagues Mr. Ninad Gadgil - he is the business head of Abrasives. He joins us from Chennai. Dr. Shyam Rao, who heads our Industrial Ceramics business, joining us from Chennai as well. Mr. VG Rajendran, who heads our Refractories and Composites business also joining us from Chennai. We have Mr. Bhaskaran Kannun who is the Vice President of Human Resources joining us from Chennai. Also from Chennai, we have the privilege of having our colleague, Mr. Sergey Kostrov, who is the General Director of Volzhsky Abrasive Works. He also joins us from Chennai. Mr. Sivakumaran, who heads our Electrominerals division is joining us from Kochi. Our Statutory Auditors represented by Mr. Vivek Subramanian, partner of Price Waterhouse Chartered Accountants LLP joins us from Chennai. We also have his colleagues with him, Mr. Suresh and Mr. Raagav Narayan. We have Mr. Sridharan of M/s. R. Sridhar and Associates, our secretarial auditor, as well as the scrutineer for the e-voting process. He too has joined this meeting virtually. We have representatives from our cost auditors, M/s. S. Mahadevan, & Co. as well.

Your Company by virtue of being a listed company is required to provide an e-voting facility to its shareholders. Voting by show of hands is no longer permitted. The Company has engaged the services of M/s. KFin Technologies Limited to provide the remote voting facility to its members to cast their votes on all businesses contained in the notice. Voting will be in proportion to the shares held by the members as on the cut-off date, which is the 25th of July 2022 in our case. In line with regulatory requirements, the e-voting facility had been provided to members for a period of five days starting from the 27th July till the 31st of July, after which the module has been disabled for voting by KFin. As mentioned in the notice convening the meeting for such of those members who did not or could not avail this facility, the Company is pleased to provide the facility to cast their votes electronically during this Annual General Meeting, and also on all the proposed resolutions, and this can be done through KFin's Instapoll mechanism. The Instapoll facility will be activated at the end of this meeting. Members can avail this facility and cast their votes on the resolutions provided and proposed in the notice. Let me reiterate that this facility is available only to those members who have not cast their votes through the remote e-voting facility provided earlier. In case any member who has already voted in the remote

e-voting, he or she will not be able to cast his or her vote again through Instapoll. The Board has appointed Mr. R. Sridharan of M/s. R Sridharan and Associates, practising company secretaries for scrutinising the voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by the scrutineer, who will then unlock the results of the remote e-voting, which will then be considered and consolidated with the results of the voting done this afternoon. The voting results along with the scrutineer's report will be communicated to the stock exchanges within 48 hours and the same will be placed on the website of the Company as well on the e-voting platform of KFin.

To sum up - the schedule of today's meeting is as follows. I will make an opening remark about the operations of the Company during the year 2021-22 and this will be followed by a presentation by our Managing Director, Mr. N Ananthaseshan. Thereafter, those of you holding shares in your name and who have registered as speakers at the meeting will be invited by the moderator of the meeting. In consideration of time to all those attending the meeting, we request speakers to be brief and restrict their conversations to matters relevant to the business contained in the notice. Questions or queries raised by the speakers or by shareholders who have already registered in the link provided by KFin for this purpose will be tabulated and answered. After the queries have been answered, the meeting will conclude and those of you who have not cast your votes will be given the opportunity to exercise the same.

Ladies and gentlemen, the Annual Report for the financial year 2021-22 has been sent to you some time ago and I trust it would have given you an overview of the performance of the Company. FY 2021-22 has been a year of cautious optimism. The year commenced at the peak of the second wave of the COVID pandemic and the fear of subsequent waves continued through the year. While operationally, the pandemic had less impact as compared with the previous year, there were other global factors such as the supply chain disruptions, geopolitical crisis resulting from conflicts in Europe, particularly in Russia and Ukraine and these took a toll on the economy and also had a cascading effect on the business operations. However, despite the challenging and volatile conditions, it has been a year of significant growth for CUMI. We could complete three acquisitions that of PLUS Advanced Technologies, AWUKO and RHODIUS Abrasives. These acquisitions will augur well in the future, in particularly keeping in mind the long-term plans of CUMI as we look forward to the growing stronger with these acquisitions. Coming to the business operations, all businesses of the Company recorded strong growth more fully detailed in my message in the Annual Report. Higher capacity utilisation, enhanced efficiencies, and volume growth resulted in an overall improved performance both at the standalone and

consolidated levels. Capital Expenditure plans were successfully implemented. Efficient liquidity management resulted in a robust cash flow, enabling both capital expenditure and inorganic growth spends of about 800 crores of rupees which were completely funded by internal accruals. In spite of the increased cash flows, the Board of Directors have recommended a higher final dividend of INR 2 per share. The total dividend for the year including the interim dividend already paid aggregates to INR 3.5 per share for the year.

Coming to the individual businesses of the Company, let me take Abrasives first. Abrasives recorded a 29% revenue growth at the standalone and consolidated level and this was backed by improved volumes, better margins and better product mix. At a consolidated level, the business was well supported by CUMI America and Volzhsky Abrasives, the American and Russian subsidiaries. Sterling Abrasives, the subsidiary in Gujarat recorded a good performance for its agro-processing products driven by higher agricultural acreage and new product development. Wendt India registered its highest ever revenue growth of 38% in Super Abrasives and 22% in non-super abrasives and machines. Overall, the Abrasives business did well.

Electrominerals grew at the consolidated level by 23%, maximising opportunities in India, backed by timely capacity enhancements and swift alternate product development. The standalone revenues grew by more than 40%. The Russian subsidiary, Volzhsky Abrasive works registered a double-digit growth in roubles, despite the challenges faced in the last quarter, owing to the intensified Russia Ukraine conflict. As I mentioned earlier, we have with us today Mr. Sergey Kostrov, General Director of Volzhsky Abrasive Works under whose able leadership the subsidiary continues to run its operations with greater focus on local demand. We thank Sergey and his team for their continuous efforts in improving overall performance. Our South African subsidiary, Foskor Zirconia Limited, also made a significant turnaround in its performance, registering a double-digit growth based on increased demand and as well as a significant improvement in operating efficiencies. All taken together, it has been a year of tremendous growth for the Electrominerals business of the Company.

Ceramics represented by industrial ceramics and refractory and composites grew by 27% at the consolidated level, and 32% at the standalone level. The subsidiaries in Australia and America registered a good growth despite challenging business conditions and these conditions were mainly related to logistics, trade tensions and cost challenges.

In October 2021, CUMI invested INR 115 crores for a 72% equity stake in PLUSS Advanced Technologies, which is headquartered in Gurugam near New Delhi. PLUSS and its wholly

owned subsidiary PLUS in the Netherlands, that is PLUS BV became subsidiaries of CUMI after this acquisition. The shares were purchased partly from Tata capital, and then partly by direct investment. PLUS is a speciality Materials Research manufacturing company engaged in phase change materials for thermal storage and also speciality polymeric additives. It is a niche technology with good growth prospects based on strong application engineering and this acquisition is in line with our long-term goal for pursuing opportunities that leverage material science and also address sustainability. Furthermore, phase change materials is a growing technology with versatile applications in pharma cold chain, refrigeration and food supply chain, medical supply chains, buildings, HVAC applications, etc. and these we believe will give us good future opportunities. The team at PLUS is young, vibrant and has got a start-up-like functioning and we expect these operations to stabilise quickly in line with CUMI's overall long-term plans.

February 2022 was a very active month. In this month, CUMI purchased the main assets including the land and building and plant and machinery, fixed assets, leased assets brand trademark patterns, technical know-how and other intangible assets excluding cash and receivables of AWUKO Wandmacher GMBH, a German company which was under insolvency, and this purchase was for an amount of Euro 8 million. AWUKO is a 120-year-old leading brand in coated abrasives and being one of the market leaders in leather and wood applications before its insolvency, AWUKO is the brand to contend with. It has a strong presence in these applications. Backed by an experienced process and engineering team, AWUKO's distribution base will help CUMI access European markets. However, considering the various operational challenges as the company comes out of insolvency, stabilisation of operations is likely to take some time but teams at AWUKO and CUMI are very actively working on it.

Later in February 2022, CUMI acquired RHODIUS Abrasives for an enterprise value of Euro 55 million. RHODIUS Abrasives is a leading global manufacturer of thin wheels, recognised for its high quality and performance. RHODIUS Abrasives are reckoned as leaders in product innovation with a unique professional segment product suite backed by strong proprietary product production processes. RHODIUS has a strong legacy of over seven decades serving customers in more than 100 countries with trained and experienced employees backed by a committed leadership team and a good set of distributors. Infrastructure-led growth in the future is expected to enhance the demand for thin wheels in India, in Europe and in North America. The CUMI-RHODIUS synergy will benefit both entities by positioning them in a strong spot to play to potential and also to capitalise on global market opportunities. We firmly believe that the above acquisitions offer mutually beneficial opportunities and the diversity of the new members of the CUMI family will not

only aid the growth plans but will also provide an opportunity to us to review our existing processes and product offerings processes towards greater efficiencies and product offerings to enhanced markets. The overseas acquisitions were made by CUMI International Limited, which is a wholly-owned subsidiary of CUMI. I wish to place on record my appreciation and most grateful thanks to the Board of CUMI International Limited for spending time and effort towards the fructification of these investments.

Coming to the other subsidiaries- CUMI Middle East, the performance was dampened by the continuing pandemic conditions and related demand constraints. The same was the case with our IT subsidiary, Net access India. Our gas-based power generation subsidiary SEDCO had a good growth. However, the volatility of gas prices in the last quarter owing to the geopolitical crisis has impacted its margins. Our joint venture, Murugappa Morgan Thermal Ceramics Limited recorded an improvement in performance owing to better demand from user industries and they also capitalised on larger capital projects from user industries as well. Ciria India another joint venture, which provides refractory engineering solutions did reasonably well, backed by strong clientele and good execution strategy.

CUMI won many awards in the year 2021-22 and I am extremely proud of this. I am happy to share with you that CUMI has been recognised as one of the best-managed companies by Deloitte in its maiden programme launched in India this year. The awards process was based on a stringent evaluation encompassing internal processes, strategy and governance criteria. Amongst the other recognitions was the Industry Excellence Award for CUMI's Electrominerals business from the Ministry of Heavy Industries and this was certainly a noteworthy accomplishment. CUMI focuses on its research and development extensively and the year 2021-22 saw a significant jump in the creation of intellectual property rights in terms of trademark patterns and design registrations. The organization's research and development is supported well by its seven centres registered with the Department of Science and Industrial Research. The Company as well as its newly acquired subsidiary, PLUSS Advanced Technologies have been awarded the prestigious global innovation technology Alliance award by the Confederation of Indian Industry and the Government of India. This is certainly something that we cherish and we will strive to maintain and improve upon.

CUMI also takes its CSR responsibility (the corporate social responsibility) very seriously focusing on largely on health and education. This year, in addition to these, its CSR spends were also for combating the pandemic. I must say with pride, many of our employees also voluntarily engaged in good citizenship initiatives around the many plant locations serving our communities. Safety at the workplace remains a top priority and it is focused with

great attention from our Board. The year was marked with enhanced training and awareness sessions both at the shop floor levels as well as across all parts of the organisation. The learning and development initiatives to hone employees' skills and knowledge to build their capability continued with great rigour, with structured programmes such as the CUMI leadership programme, the business leadership programme and the CUMI superstar programme. Employee Health and Safety continues to be closely monitored and despite the normalising conditions with the pandemic becoming less severe, we haven't let our guard down. Dedicated vaccination drives helped CUMI achieve almost 100% vaccination for all employees and so is the case with all our subsidiaries as well. These camps were extended to employees' families and business partners wherever possible and needed. Hygiene and safety protocols continue to be practised in the interest of overall well-being and vaccination camps for administering the precaution of booster dose is underway. In line with the purpose of engineering material science solutions for an enduring planet, CUMI has also crafted its sustainability policy. With its 25 to 25 goal, we aim to reduce the intensity of energy, waste, emission and water by 25% from current levels by the year 2025. I am happy to report that all Businesses have commenced their efforts towards this and are looking forward to do even better in the coming years and we will share this progress with you as we go along. Teams at CUMI led by Ananth, our Managing Director did very well in terms of enhancing the operations. Further with Sridhar, who also serves my colleague on the Board the teams have been able to work seamlessly in looking at the strategy of CUMI for the future. The three acquisitions are a case in point. The leadership teams at the subsidiaries and associates and the business group management committee have done exceedingly well to lead such proactive teams by example, in demonstrating not only to survive under difficult conditions, but to emerge stronger by converting challenges to opportunities.

The role played by our support functions like finance, treasury, Compliance, Legal and Human Resources in concluding these multiple acquisitions virtually in a time-bound manner is indeed commendable. On behalf of the CUMI family, I thank them all for this tremendous efforts during 2021-22 and also extend a very warm and hearty welcome to the teams at PLUSS Advanced Technologies led by Mr. Samit Jain, the Managing Director, CUMI AWUKO led by Robert Wehowsky, Thomas Muller, Fabian Hoffman and Ton Hintzen; and RHODIUS abrasives led by Bernd Lichter, Klaus Michael Rudolph and Ernst Henning Sager. We look forward to working closely with them to create enduring quality solutions for our customers worldwide.

My colleagues on the Board have been a great support to all at CUMI and to me personally. They have been a great source of inspiration. They have provided their wise counsel and

have given their time very generously and also their wisdom, particularly in a year that has been so active and full of events, besides ensuring sound governance and adhering to our strong value systems. Their active involvement in guiding, encouraging and challenging the management team has been invaluable. To all our stakeholders, our customers, suppliers, vendors, bankers, regulatory authorities, legal advisors, investment advisors, financial and tax advisors, consultants, and of course, all of you, our shareholders, thank you for your unstinted support and the belief in us in all that we do to forge new paths ahead. Thank you, ladies and gentlemen.

Ladies and gentleman, we now have a presentation by Mr. N Ananthaseshan, our Managing Director and he will show you in brief, what CUMI has done during the year. I will then come back with the business of the meeting. Ananth over to you.

Mr. N Ananthaseshan: Good afternoon, ladies and gentlemen. Next, let me start by introducing briefly about the Murugappa group. So, the Murugappa group, a legacy of 120 years across three sectors and with a turnover of INR 54,000 crores has three large verticals. Among them in the engineering vertical, we have CUMI which was established in 1954 as a tripartite joint venture along with Carborundum USA and Universal Grinding Wheel, UK and Murugappa group. CUMI today, manufactures a range of abrasives refractories, ceramics, phase change materials and is present across 30 manufacturing locations across the world.

Next, the Company has a very eminent set of Directors, led by Chairman Mr. M M Murugappan, Mr. Sanjay Jayavarthanavelu, Mr. Aroon Raman, Mr. PS Raghavan, Mr. Sujjain S Talwar, Mrs. Soundara Kumar and Mr. Sridharan Rangarajan.

We have the leadership in India with Dr. Shyam Rao heading over ceramics, Mr. Ninad Gadgil heading the Abrasives, Mr. Rajendran heading the refractories, Mr. Bhaskaran Kannun, HR head, Mr. Padmanbhan, our CFO, Mr. Siva Kumaran, the SBO head for Electrominerals division, Ms. Rekha Surendhiran, the Company Secretary and now we have Mr. Samit Jain of PLUS, Mr. Nirav Parikh of Sterling Abrasives, Mr. Srikanth, from Wendt India. We also have across the other international businesses- Mr. Trevor Allen, Mr. Albert Render, Mr. Thomas Muller, Mr. Sergey Kostrov, Mr. Klaus Michael, Ernst Hanning Sager, Mr. Nitin Bichkar, Mr. Hoffman Fabian and Mr. Bernd Lichter. At CUMI, as we aspire our purpose of making materials difference to life. We have set out a vision to be an admired company driven by innovation, where we create stakeholder wealth by engineering material science solutions for a sustainable planet with over six decades in business and greater than 100,000 happy clients and seven DSIR approved R&D centres.

We engineer Material Science Solutions. Material Science, as we understand is an amalgamation of materials chemistry, materials physics and materials processing, through which we engineer solutions for surface engineering. Heat containment, wear corrosion and insulation, electrical, thermal and others to abrasives/ minerals business which is what we call a synthetic mineral, the ceramics business and the new age materials like graphene, the thermal storage and energy businesses like in phase change materials.

Today, over the last six decades, CUMI has cemented its place. A revenue of INR 3290 crores consolidated and with a PAT of INR 333 crores among the second largest producer of silicon carbide globally and among the largest producers of a full range of Electrominerals worldwide. CUMI is also the world's second-largest player in the metallised cylinders which is used for energy transmission and we are the market leaders in abrasives in India and in Russia. CUMI has a global presence, today it's an Indian company with truly multinational footprint.

The last year was a very volatile year. While we just got out of the second wave, or rather got into the second wave in early April, the raw materials, energy and fuel prices were very, very volatile. Added to it, we had the logistics issues and also a demand for increasing clean energy and the supply chains were not so supportive. So, we had a situation where while there was a strong demand, the business also faced supply bottlenecks.

So, across the standalone businesses; Abrasives which is predominantly in the domestic market, was focused on profitability, utilisation of capacity. We will remember that in the previous year, we had installed a maker in the coated Abrasives, in Sriperumbudur, Chennai. It was also an opportunity to expand our mass market presence while building the Precision Abrasives capabilities. The Electrominerals business, leveraged the China plus one opportunity, created capacities and also worked on new product developments which made a significant change to the business itself. The Industrial Ceramics Business, which co-creates solutions with customers across new energy businesses and also providing various wear solutions built its capabilities and capacities. It also forayed into newer areas, newer products for electric vehicles, alternative energy and wire solutions. The Super refractory's business got back very strongly in terms of stretching its capacities and meeting the orders from the projects. So, it brought in new customers and added towards existing portfolios. Among the subsidiaries, Volzhsky Abrasive Works, was very strong and very resilient, especially in the last part of the year where we had the geopolitical tensions. Foskor Zirconia, again, leveraging its volumes and the market prices drew up volumes and profitability. CUMI Australia registered very good growth across

segments and but the freight costs impacted its profitability. Sterling Abrasives in India again registered very good revenue growth. The inorganic moves as was described by our Chairman - we had the PLUSS advanced technologies, AWUKO Abrasives and RHODIUS in Germany.

Looking at the financial performance, we have the continuous growth in sales, top line and also profits both in the standalone and consolidated basis.

As for the sales, the company registered INR 3290 crores and with an EBITDA of INR 597 crores, the focus has always been on good cash flows and that is something which we are very conscious about and that has helped the company not only stay almost as a debt-free company but also support its investments in inorganic growth, completely through our internal accruals.

Next, CUMI has also an unbroken dividend record since its inception. So, in line with that, the dividend announced was the highest of 350% last year. This despite the investments we have made in acquiring companies. The shareholder returns of 262% calculated from the end of March 31 2020 to the end of March 2022 shows that we constantly endeavour to create value. These are some snapshots of the acquisitions that we have made. So, this is the acquisition in AWUKO, Germany. AWUKO is a manufacturer of Abrasives for the leather and wood industry. PLUSS Advanced Technologies for thermal energy storage is in Gurugram, you would have seen a video of their product ranges and applications prior to this meeting.

This is RHODIUS Abrasives, Germany, and this is the town hall meeting which was held right after the acquisition. So, RHODIUS manufactures a wide range of thin cutting and grinding discs for metal fabrication.

So, while, CUMI grew organically, it also invested in capacities. So, last year, we had an expansion of the white fused alumina facility at Cochin where we set up a 2000 tonne per month, which is about 25,000 tonne per annum capacities for processing, white fused alumina. The unique feature of being that this entire facility is a vertical setup and occupies very low footprint.

This is a snapshot of the range of products, demonstrating how technical intricate our processes and products and the solutions that we provide.

Last year, we set out our sustainability policy and this year, we have started implementing the policy by setting out for ourselves sustainability goals, which is enumerated by this 25-25 goal which is a reduction in intensity of 25% in specific energy consumption in waste, water and emissions by the year 2025. So, some of the actions here on the energy front where last year, rooftop solar was a focus where we installed 1.32 megawatt of solar panels across most of our facilities which resulted in not only savings for the company, but also save about 5000 trees.

Rewards and recognition has been, it is a way that we can measure ourselves and here we have Deloitte awarding us as among the best-managed companies in India.

This is the industry Excellence Award received by Mr. SivaKumaran from Mr. Mahendra Nath Minister of Heavy Industries. The GITA award for Global Technology Development and the Sustainability awards by Ecovadis. CUMI Industrial Ceramics site in Hosur has been awarded a silver metal.

So, the environment which was volatile was made much more intensely volatile, I would say, in the beginning of the last quarter with the Russia Ukraine conflict leading to inflation increasing interest rates and volatile commodity prices.

In the background of all this, we had a Q1 performance resulting in top line of INR 1129 crores, 60% quarter on quarter growth and a PAT of INR 79 crores which is 2% quarter on quarter growth. Abrasives consolidated basis at INR 513 Crore sales and an EBIT margin EBIT of INR 18 crores. While the Electrominerals and Ceramics and Refractories did exceptionally well at sales of INR 406 crores and INR 243 crores respectively.

As a standalone, all divisions did very well and abrasives Sales stood at INR 269 crores, Electrominerals INR 179 crores and Ceramics and Refractories INR 193 crores. As a company standalone, crossed INR 600 crores sales at the PAT of INR 73 crores.

So, before I finish, I would like to thank Chairman, the Board of Directors and all my colleagues, the BGMC for their continued guidance and support and ensuring that we stay on this path you have laid out and looking forward to another good year ahead. Thank you.

Mr. M M Murugappan: Thank you, Ananth for the exhaustive and informative presentation. Ladies and gentlemen, coming back to the meeting. The notice dated 13th May 2022 convening this meeting along with a copy of the annual report for the financial

year ended 31st March 2022 has already been circulated electronically and with your permission, I will take them as read. The auditor's report on the financial statements of the company does not have any qualifications or observations or comments on the financial transactions or on matters as having any adverse effect on the functioning of the company. As there are no qualifications, observations or comments on the Secretarial Auditor's report as well, accordingly, these reports are not required to be read at this meeting. The following businesses have been set out as ordinary businesses in the Annual General Meeting notice and these pertain to the

1. Adoption of the standalone accounts for the year ended 31st March 2022, 2. the adoption of the consolidated financial statements 3. The declaration of dividend of rupees two per equity share and confirmation of the interim dividend of rupees 1.5 per equity share, 4. The re-appointment of Mr. Ananthaseshan, as the director of the Company, 5. Re-appointment of M/s. Price Waterhouse Chartered Accountants LLP as statutory auditors and to fix their remuneration and as special businesses pertained to 6. the re-appointment of Mr. P. S. Raghavan, an independent director, 7. re-appointment of Mr. Sujjain S Talwar, as an independent director, 8. the approval for payment of commissions as required under the SEBI regulations, 9. the ratification of the payment of remuneration to cost auditors for the financial year ended 31st March 2022. The resolutions and explanatory statements in respect of the above proposals as applicable have been provided in the notice. Few shareholders have raised queries through the KFin Portal. Few of them have registered as speakers for raising queries at the meeting. I, now request the moderator to facilitate shareholders to speak and they can raise the clarifications regarding the accounts and operations of the Company during the year 2021-22 in the sequence of their registration. In the interest of time and with a view to give adequate opportunity to all, may I request shareholders to be judicious with their time and restrict themselves to three or five minutes. We will hear all the queries first and after that, I will be pleased along with my colleagues to give you responses to all your queries. The details of the shareholders who have registered questions in advance will be collated and then be provided with the responses Mr. Moderator, may I request you to activate the first speaker shareholder and consequently others speakers thereon. I really appreciate your interest in the company to send us your queries as also speak at this Annual General Meeting.

Moderator: Thank you Chairman sir. I will call upon registered speakers who are currently available. The first registered speaker is Ms. Bharti Saraf from Kolkata, I would request Ms. Bharti Saraf to unmute your audio and switch on your camera and proceed with your query.

Mr. M M Murugappan: Excuse me, Mr. Moderator, your voice is a little broken. So, could you kindly check the audio system at your end? Meanwhile, we look forward to Mr. Saraf's comments.

Mr. Santosh: Respected Chairman and Board members, my name is Santosh Kumar Saraf. I am joint holder of the shares with Bharti Saraf. Namaste to all our directors. Sir, hope all our Directors, key managerial staff and employees and those shareholders attending today's meeting are safe and in good health. I thank the management for very good performance during the year inspite of COVID pandemic sir. Also, I thank the management for giving a 3 rupee 50 paise dividend including interim dividend of 1.5, very good sir. Also, I thank the management team for receiving so many awards and working for sustainable environment sir. Sir, you in your speech and your brief display given so many things. But I want to ask you, sir my English is weak, so please Excuse me. Sir, I want to know you told the rainwater harvesting you arrange, you are making a pond but what is the capacity of the pond sir I want to know. Second sir, you told us various factory centres you arranged the solar renewable energy, but sir, what is the capacity and what is the future plan sir? Then thanks to you for the stopping the single use plastic. I have seen all copper bottles on your table sir and I also hope to same are given to your branches and office to stop the single use bottles and other single use plastics. Sir, one thing I want to highlight to you, our Company has few female employees. I think it is not justified for gender diversity and now our president is female and also our foreign minister Sitharaman, and also in last Commonwealth game, female are winning the gold sir. So, I think it will give a chance to them, they can serve their capability and ability. So, I request the future Board of Directors to think to reduce the gap of the male female ratio sir. Sir, you told, you arrange the booster camp, very good sir. But also, sir, I request for their family also you arrange the booster camp, for their family and children. So, because I am recovering from the COVID last week, after three doses, I suffered from COVID and I got sick. When I had taken three doses, I was safe in the COVID time sir. I think if all will take it will be safe. Sir, there are so many disputes are pending from 34 years in the court. Sir, I request you, please clear them because 34 years is a very, very long-time sir. What are the reasons? you ask your legal team. What are the reasons? Why they are pending and still not close sir?

Moderator: Mr. Saraf, I request you to please wrap up your question.

Mr. Santosh: One minute, one minute sir, just one minute. I think this is last VC meeting for us sir. Please one minute give me and my English is weak too so I am taking some time. Sir, your other expenses increased by 30%. So, what step you are taking to reduce

other expenses sir? Sir, I think next year maybe physical meeting, I am from Kolkata, it is not possible for me to attend a physical meeting, Mr Murugappan, I request you if physical meeting will be held you can kindly arrange for 15 to 20 minutes for hybrid meeting also, dual concept you can adopt. Physical and a hybrid, first you give a chance to those who are present in physical after that you give a hybrid speaker those who have registered. It is good so we can upbring our thing to you and employees otherwise sir, it is not possible. So, sir, I request you to change your concept because on 17th June in Kolkata there was a company of Birla, adopted same, physical in Kalamandir and hybrid sir. Lastly sir, I thank to our moderator Karvy KFin Tech. Their service is very good sir. I thank to them and continue with it. Last, sir, I wish for all our Directors and their family and all our employee and staff and all our shareholder a happy financial year 2022-23 with wealth, health, prosperity y. Thank you, sir Murugappan, for giving me a chance. Once again, I thank you sir.

Moderator: Thank you Saraf. We will move to the next registered speaker. Next registered speaker is Mr. Ramesh Shankar Golla from Hyderabad who is not joined at the moment. We will move the third speaker Mr. Yusuf Yunus Rangwala from Mumbai, I would request Mr. Yusuf Yunus Rangwala to unmute your audio and switch on your camera and ask your query. Thank you.

Mr. Yusuf: Sir, वनक्कम sir. Sir वनक्कम sir, speaking from Mumbai sir. Sir, आपका तबियत कैसा है सर? Sir, I am very happy with your company performance and chairman speech. Sir, I am very happy with our Company Secretary Team. Sir this Murugappa group does not require anything sir. आपका group का नाम ही काफी है। Dividend आपने चपर फाइके दिया। I am very thankful.

Mr. M M Murugappa: Thank you very much. Mr. Rangwala.

Moderator: Sir, we have lost the audio for Mr. Yusuf. So, we will move to the next speaker sir. The next speaker is Mrs. Celestine Elizabeth Mascarenhas from Mumbai is not joined at this moment. We will move to the fifth registered speaker; fifth registered speaker is Mr. Suresh Chand Jain from Hyderabad has also not joined at this moment. We will move to the next registered speaker Mr. Mahesh Kumar Bubna from Kolkata. I would request Mr. Mahesh Kumar to unmute your audio and switch on your camera. Thank you.

Mr. Mahesh: Hello sir, hello.

Moderator: Yes sir, you can proceed.

Mr. Mahesh: Can I able to audible?

Mr. M M Murugappan: Yes.

Moderator: हाँ जी सर, आप बात कर सकते है।

Mr. Mahesh: Am I visible also?

Mr. M M Murugappan: Not visible but certainly audible.

Mr. Mahesh: Your, this system is not perfect.

Moderator: Sir, camera on नहीं किया है sir, आप camera on कीजिये sir।

Mr. Mahesh: On किया था सर, ये जो आपका ऑपरेटर है, ये ठीक नहीं है इसलिये नहीं आरहा था। अभी ठीक है।

Moderator: आप अभी दिखाई दे रहे है।

Mr. Mahesh: Hello, it is, every time it is changing. Sometimes the Board of directors invisible, sometimes while Santosh Saraf is speaking, I re-started 10 times, the operator is doing something wrong, I think so or system is not proper and the person who is speaking their photo is not proper. 1/4th of the stamp size it is coming. System is not good. Sir, I thank the Chairman, Board of Directors, CFO, Company Secretary and all dignitaries on the Dais. I am very much pleased to meet with our chairman Mr. Murugappan I am an old shareholder, whenever, your annual report every year coming, I see your photograph with all these, I every time I wish that I will meet with you and all Board of Directors, but unfortunately, due to this COVID, God has given the opportunity to meet with us on virtual mode, it is my luck that I meet with you and other directors from Chennai. I am a resident of City of Joy but I am speaking from this electronic city of India. Sir, I thank to the board of directors that they are working very hard, all management staff, workmen, etc. We have been a lot of this subsidiaries and different operations throughout India. 16 operations in India as well as the subsidiaries in abroad. So, it is a very good time that we spread out throughout the globe, from Australia to America and even the Russia also, when there is a conflict in between the Ukraine and Russia, which is played out the conflict in between the entire world mainly to the NATO and US etc., and also the other countries

like China or Iran, they are also aggressive. So, it is a very worse situation throughout the World and there is the chance of World war anytime but our operations in Russia is also there. So, in future, what was the future of our Russian operations. Your company is also from US, CUMI. So, if anything will be happen and our Russian operation can be affected. So, what step you are taking for the very important our plant at Russia? Because we have been a multi-dimensional product company and having a multiple operating centres throughout the world. So, we must have to take care of the entire World's situation and also the economic situation. So that our products profitability and our assets should not be hampered, this is my question. Now, you see, you had given a dividend of per share 3 rupees 50 paisa. That is also thankful and our share price today is 1220 rupees of two rupees value. So, my request to split the share in from two rupees to one rupee to enhance our more market capitalization, more shareholder attraction and larger number of shareholders for our future source of financing in the Company. If you see that your foreign main parent company CUMI's share price, today is in New York stock exchange 221.31 dollar. If you calculate in rupees, that is much more than our share prices. So, how we can able to compete with the parent company, one thing more is that the other products, our this licencing formula and brand name, how long we can able to use in the parent companies. Another thing that you heard they say dividend yield is 1.52% while in US it is about double. So, why we are not able to do with same management, same as parent US company.

Moderator: Sir, I would request you to please wrap up your question sir, thank you.

Mr. Mahesh: Sir, pardon.

Moderator: Sir, I would request you to wrap up your question, thank you.

Mr. Mahesh: Sir, I am trying to but, sir, you see how many pages you have sent and I am first time speaking with you and I am a speaking very very important for our company's affairs for future and this present situation. It is very very important question. If you will say then I will leave it no problem, but one of the Directors maybe MD had discussed something at the time of his speech he told that company is debt free. If you see the consolidated balance sheet also there is a debt of INR 204 crore rupees, last year it was INR 35.54 crores and there is a finance cost also huge amount of finance cost also. So, if you go to standalone and also then also you will find borrowing of INR 163 crore and finance cost is INR 90 lakh and INR10 lakh. So, how it can be a debt free company and your standalone if I am seeing that our capital base is very low, it is about INR 19 crore and your reserve fund is over INR 1721 crore. So, why you are not giving the reward to

the shareholders by issue of bonus share one is to one. Sir, you have to, because if you see the cash flow statement is given on somewhere which is just summary, only opening and closing, no detail you had given in the cashflow which is not in compliance with the Companies Act as per the schedule of the Company's act and LODR act. So, you have to give the complete statement unless we cannot able to how the company situation yes, cash flow on page number eight, it is only opening and closing balance why it has not given properly so that we can understand why this cash flow, this investing activity it is in negative figure it is INR 548 crore rupees is a negative figure and your this operating activity is also come down heavily from last year it was INR 271 Crore, now it is INR 198 crore. So, there may be some this current cash flow.

Moderator: Mr. Mahesh, we have lost your audio. Mr Mahesh, we have lost your audio. Since, we lost the audio of Mr. Mahesh, we will move to the next registered speaker. Mr. Abhishek J from Chennai is not joined at this moment. We will move to the next registered speaker Ms. Meenal Varun Bang from Mumbai is also not available at this moment. We will move to the next registered speaker Mr. Vinay Vishnu Bhide from Mumbai. I would request Mr. Vishnu Vinay to unmute your audio and switch on your camera and proceed with your query. Thank you.

Mr. Vishnu: Hello, hello, is my audio and video clear?

Mr. M M Murugappan: Yes, Mr. Bhide, please go ahead.

Mr. Vishnu: Fine sir. Chairman Mr. Murugappan, Managing Director, Mr. Ananthaseshan, Other directors present at today's AGM, Business heads, Company executives, Shareholders, Good evening to you all. At the outset, let me congratulate team CUMI for turning out a very impressive year in very demanding situations. As already announced, I am Vinay Bhide, I am a company shareholder from Mumbai. I have got this first one question to ask you, sir. I will request you to refer to page 129 of our annual report. PAGE 129. Sir, deals with the Consolidated Financial Statement. My question here is that the principal company verticals are Abrasives, Ceramics and Electrominerals and this showed impressive sales and EBIT data in financial year 21-22 over 2021. Now, my question here is having regard to input costs so far this year, do we expect the same run rate in this year too? Just one question, I am very impressed you know, with the annual report, the Company's performance. Thank you so much, you know, for your chairman speech, Mr. Ananthaseshan you know for the presentation, I will extend best wishes to the directors and the employees. I am sure, you will have a great year sir. Thank you so much, sir.

Mr. M M Murugappan: Thank you. Thank you, Mr. Bhide.

Moderator: Thank you, sir. We will move to the next registered speaker. The next registered speaker is Mr. AV Mani Sundaram from Salem is not available at this moment. Chairman sir, with this, we have completed the Q & A session with the pre-registered speakers who are available during the term. Now we are handing over the session back to you. Thank you.

Mr. M M Murugappan: Thank you, Mr. Moderator. Let me attempt to answer many of your questions. First of all, all speakers, thank you very much for your interest in the company. Let me start with a few questions and some things I may have left out; my colleagues will also respond. To all of you, thank you very much for your appreciation to our team, we greatly, greatly value it. And we certainly strive to do our best even in the future. You talked about performance, you talked about dividends, You talked about awards, we certainly appreciate your good wishes. Mr. Saraf, you talked about the gender diversity. Yes, in the Indian operations, we do not have the kind of gender diversity that we desire. Sometimes, it is because of the nature of the business as such, and at times, we are unable to find the right people. However, we are very appreciative of our colleagues who are ladies, they also do an excellent job in the company and clearly, we will do our best to enhance this gender diversity. However, in our overseas subsidiaries, we have a much better diversity profile and that will also continue. You talked about disputed cases, why don't we clear this matter? I mean, we do continuously assess these disputed cases, when these are matters of principle, we try to address them and therefore it sometimes takes many years and you can be assured that whatever has taken a long time, it is not about the lapse of time or the value of the dispute but if is a matter of principle. The impact on the company now and in the future is reviewed, we certainly take a very firm view about it. You talked about other expenses, the other expenses going up is some part of it is largely in line with the increased business but we have also had increases in power and fuel and in repairs and maintenance as also in terms of freight costs wherein a lot of companies have been impacted and in some cases, we have outsourced some services.

Mr. Rangwala, thank you very much for your appreciation, the Company overall and particularly our Secretarial department, they do work very hard to ensure that all our shareholders are properly advised and also, they respect your time and they value you as shareholders as we all do. Mr Mahesh Kumar, we are sorry that we you have had some difficulties in logging on. We are always pleased to meet with our shareholders. So, when you do come to Chennai, please let our secretarial department know, we will be happy to meet you. You raised the point about the future of our Russian operations, you will be

pleased to know that despite so many uncertainties, the Russian operation continues to do well. They have worked hard to find customers within Russia and service them well and despite many sanctions, they have also serviced customers in parts of the world, there are no sanctions. Also, you must know that our product is not under any sanction and you must know that the banking system that we deal with is also not under sanctions but we have been working very hard and to find innovative methods in order to overcome the difficulties which have been caused by the conflict. You talked about; I think there must be some misunderstanding relating to the parent company. Carborundum USA, in its current original form does not exist anymore. It was one of the promoting shareholders of the Company many years ago and they have since withdrawn from their shareholding. I am not very clear about the Company you refer to in the US. But as far as we know that there is no Company of a similar nature in the United States or listed in the United States. You talked about the being the company not being debt free and I would like to bring to your notice the presentation of our managing director Mr. Ananthaseshan. He said, it was almost debt free. We do recognise the debt that we have, our debt equity position is at about 0.9. It is almost debt free and it's not debt free. We talked about capitalization of our reserves, etc., and this the Board will take a call at an appropriate time. And as far as our cash flow statements, I think the cash flow statements is very clear. So, you might want to review it in its entirety and if you have any queries you may write to us.

Mr. Bhide, thank you also very much for your appreciation to our entire team. It certainly serves as a great motivation to us. You wanted to know about what is the situation relative to input costs and what is the run rate etc. In general, if you see during the course of last year, there has been a significant increase in commodity prices and there has been a significant increase in freight prices as also power fuel etc. Though some of it has softened but not to the previous year's levels, we continue to see this increase. So, we will have to wait and watch as to how things evolve across the world. We can't see India in isolation because we do import many materials and we are impacted directly or indirectly. Yes, we do see some softening of input prices, but I cannot say we are completely out of it till it was about a year and a half or two years ago. One of the questions I have left unanswered was relative to our sustainability and I will request our MD Ananth to address it because he is spearheading this initiative across the Company.

Mr. Ananthaseshan: There are two questions on the rainwater harvesting capacities. Specifically in our Electrominerals division, we have a setup 1.7 million litres rainwater harvesting pond and, as regards, solar, while we did install about one, one and a half megawatt, we would do again about a 1.8 to 2 megawatts solar panel installation this year.

Mr. M M Murugappan: I think that covers most of the questions that have been raised and if you have any further queries, shareholders, you are always almost always welcome to write to the Company and we will respond to you with clarity. Thank you very much all of you for your interest in the operations of the Company. Ladies and gentlemen, this concludes the business part of the meeting. The instapoll facility will now be activated to enable members who have not cast their votes through the earlier remote e-voting platform. This facility is available on the left-hand corner of the video conferencing screen in the form of a thumb icon. Members can click the same and then that will take you to the instapoll page and then you can vote thereafter. Mr. R Sridharan, the scrutineer will submit a report to the company after consolidating the remote e-voting and voting at the AGM. As there is no business to be transacted, I declare the meeting closed. I thank all of you, shareholders for connecting with us today and also thank KFin for facilitating this video conference, which has enabled connecting with our shareholders across the world and within India and other service providers too for ensuring the seamless conduct of this meeting.

Ladies and gentlemen, thank you all the meeting is now closed.