Management Discussion and Analysis

Economy overview

Global economy

The global economy remained resilient during CY2025 despite continued uncertainty arising from trade policies and geopolitical developments. Global GDP growth stayed broadly stable at around 3.4%, while inflationary pressures eased across several major economies, although cost pressures and supply-chain disruptions continued to persist.[1]

During the year, Emerging Market and Developing Economies maintained steady growth momentum, while advanced economies expanded by 1.9%. Among advanced economies, the US recorded growth of 2.1% while, the Euro region expanded by 1.4%[2] during the reporting period. At the same time, global trade policies were increasingly influenced by geopolitical and security concerns rather than economic efficiency. In addition US-induced tariff uncertainties, heightened volatility in international trade, affected supply chain efficiency, increased cost pressures, and weighed on the outlook for global growth and capital allocation.

Looking ahead, global economic growth is projected to remain broadly moderate, with GDP expected to grow by approximately 3.1% in CY2026.[3] However, prolonged conflict in Middle East and the risk of further regional escalation, have introduced uncertainty into global supply chains and commodity markets. These disruption could materially impact energy availability, freight movement and global trade flows. Therefore, such uncertainties linked to geopolitical tensions and potential disruptions to global trade present downward risks to the global GDP growth estimates.

Geopolitical instability continues to drive inflationary pressures through higher energy and logistics costs, volatile feedstocks, supply chain disruptions and currency fluctuations, impacting input costs, demand sentiment and investment activity globally. At the same time, accelerating investments in AI infrastructure are reshaping capital allocation priorities and intensifying competition for energy, technology and critical materials.

Against this backdrop, the outlook for global growth remains cautious. While underlying demand conditions in several economies continue to demonstrate resilience, downside risks to economic activity, trade and financial markets remain.

Indian economy

During FY2026, India's GDP grew by 7.6%, supported[4] by several proactive policy measures undertaken by the Government of India in a challenging macroeconomic and geo political environment. Key initiatives included GST rationalisation and other several reforms aimed at strengthening economic activity and improving the overall business environment such as PLI schemes. There was a sustained emphasis on infrastructure creation, with the Union Budget 2025–26 allocating ₹ 11.21 lakh crore towards capital expenditure. Direct tax reforms, including higher exemption limits also provided relief to households and individual taxpayers supporting private consumption.

However, the operating environment remained challenging through the year, with weak demand, softer pricing and excess capacity pressures in the early part of the year weighing on margins and business confidence. Toward the close of the year, geopolitical tensions in Middle East further heightened concerns around energy prices, supply-chain disruptions and material volatility, underscoring the fragile and uneven nature of the recovery despite India's strong structural fundamentals.

While India's medium-term economic fundamentals remain intact, supported by favourable demographics, rising income levels, a growing consumer base and sustained public investment in infrastructure, the near-term outlook has become more cautious amid a rise in external and domestic risk factors. Heightened geopolitical tensions, such as the ongoing Middle East conflict, could result into higher inflation, pressure on corporate input costs and stress on household purchasing power. In addition, IMD's projection of lower monsoon this year can likely impact agricultural output, rural incomes and consumption demand. While these risks do not fundamentally alter India's structural growth potential, they do suggest that the economic environment may remain more volatile than previously anticipated, with growth likely to be more moderate than earlier expectations.

At the same time, these disruption may create opportunities for agile businesses through supply-chain diversification, localisation, import substitution, energy transition and digital infrastructure investments. The accelerating global adoption of AI further adds a strategic dimension to the outlook, as rising investments in digital infrastructure and data centres are beginning to place greater demands on capital, power availability

[1] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026
[2] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026
[3] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026
[4] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2233792&reg=3&lang=1

and energy systems. In this context, India will need to move with urgency to secure a stronger position in the evolving AI economy rather than risk falling behind.

Looking ahead, India is expected to remain among the fastest-growing major economies, supported by domestic demand, continued public investment and a stable policy framework. At the same time, the near-term outlook warrants caution due to risks related to global geopolitical instability, commodity and energy price volatility, weak external demand and pressure on corporate margins.

Industry overview

Infrastructure industry

During FY26, India's infrastructure sector maintained strong momentum, supported by sustained government capital expenditure and continued capacity expansion across key segments. The Union Budget 2025–26 allocated ₹ 11.2 lakh crore towards infrastructure development, equivalent to approximately 3.1% of GDP, reflecting the Government's ongoing focus on strengthening core infrastructure.[5]

The national highway network expanded by approximately 5,313 km during the year; about 15% higher than the target of 4,640 km. In the railways sector, freight loading reached 1,670 million tonnes, registering a 3.3% year-on-year increase, alongside near-complete electrification. The port capacity increased to 2,771 million metric tonnes with India's major ports handling nearly 915 million tonnes of cargo during the year surpassing the 904 million tonnes target with nearly 7% growth over last year.[6]

Looking ahead to FY27, the infrastructure sector is expected to witness accelerated growth, supported by a projected 9% increase in central capital expenditure to a record ₹ 12.2 trillion, with a continued focus on manufacturing and enhanced private sector participation through PPP models and instruments such as InvITs.[7] Investment activity is anticipated to remain strong, with estimates indicating ₹ 17.5 trillion of investments across key segments including renewables, roads and real estate. Construction activity is expected to expand steadily, driven by resilient demand in roads, urban transit and high-speed corridor development. In addition, rising investments in data centres and digital infrastructure, together with policy-led capacity creation in electronics and semiconductors, are expected to broaden the infrastructure opportunity set.

While overall, the sector is well positioned to remain a key driver of economic growth, there are a few possible risks to watch out for such as labour shortages and the transitional cost impact of the new wage code. In addition volatility in material and commodity prices could affect execution timelines and project economics. Accordingly, sustained focus on productivity, supply-chain planning and cost management will remain important to preserve momentum in such a dynamic operating environment.

Real estate industry

India's real estate sector exhibited robust growth, supported by improving sales, new projects launches and increasing investor confidence. The sector is the second-largest generator of employment in the country after agriculture and contributes significantly to India's GDP, making it one of the key drivers of the economic growth.

During FY26, India's real estate sector demonstrated strong resilience and growth, supported by residential demand, healthy office space absorption and sustained institutional investments. Housing sales reached record levels during the year, driven by continued urbanisation and improved regulatory transparency under RERA. The warehousing segment also witnessed expansion led by increasing demand from e-commerce and logistics sectors, while commercial vacancy rates moderated to around 15%, reflecting stabilisation in hybrid work models. Government initiatives such as PMAY (sanctioning 3.9 crore additional houses[8]) and REIT maturity further bolstered supply-demand equilibrium, contributing to sectoral revenues growing at nearly 12-15% YoY.

Looking ahead, India's real estate sector is expected to maintain steady growth, supported by healthy residential launches, robust office leasing demand, rising FDI inflows, expansion in retail, continued demand from global capability centres and emerging formats such as co-living. Sustainability initiatives, increasing green building adoption and supportive policy measures are also expected to strengthen investment activity and reinforce the sector's role in driving economic growth.

The sector needs to navigate across the various risks such as input cost inflation, regulatory and approval delays, and possible demand moderation in the current macroeconomic and geo political uncertainty. The implementation of the new wage and labour code framework is also likely to create near-term pressure through higher labour and compliance costs. These factors could lead to higher project costs, tighter contractor margins and some pressure on execution timelines in the near term.

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[5]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222521&reg=3&lang=1#

[6]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2247870&reg=3&lang=2

[7]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2241612&reg=3&lang=1

[8]https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=157973&ModuleId=3&reg=3&lang=2

Fibre cement roofing industry

Fibre cement continues to be a widely used roofing material across commercial, industrial and residential applications in India, supported by its durability, weather resistance and cost competitiveness, particularly in rural and semi-urban markets. For FY26, the fibre cement roofing segment remained largely stable in line with FY25, with demand supported by rural housing activity, low-cost industrial structures and public spending on village-level infrastructure. This backdrop was reinforced by the Union Budget 2025-26 allocation of ₹1.88 lakh crore to the Ministry of Rural Development, which provided continued support for rural employment, housing and infrastructure-led demand drivers relevant to fibre cement roofing products.[9]

This year the allocation to the Ministry of Rural Development has been further increased to ₹1.97 lakh crore, representing an increase of about 4% over the revised estimates for FY26, indicating continued policy support for rural development and allied construction activity.

Therefore, looking ahead to FY27, the fibre cement roofing industry is expected to see steady growth, supported by resilient rural demand, replacement-led offtake and ongoing construction activity in rural and semi-urban markets. The widening price gap versus steel roofing sheets is also likely to strengthen its value proposition in price-sensitive segments. However, the industry would need to keep a close watch on certain risks such as a weaker monsoon and increasing prices of key input materials and transportation.

Pipes industry

The Indian plastic pipes and fittings industry remained under pressure through FY26, with demand conditions staying subdued across several end-use segments. Similar to the last few years the industry continued to be adversely impacted as Government spending on water infrastructure remained below expectations, impacting institutional demand. At the same time, the industry contended with sharp raw material volatility with the market moving into a phase of decadal-low PVC prices and falling CPVC prices amid weak global demand conditions. This environment intensified pricing pressure across the value chain as dealers delayed purchases in anticipation of further corrections and manufacturers competed aggressively to protect volumes.

For FY27 and over the medium term, the overall industry is expected to grow only in low single digits in volume terms, reflecting a more measured demand environment despite the sector's strong long-term fundamentals. While structural drivers such as low per-capita plastic pipe consumption in India, housing demand, agricultural applications and replacement of legacy piping systems continue to provide headroom for growth, near-term momentum is being constrained by slow public spending on water infrastructure and a fragmented industry structure marked by significant over-capacity. These conditions are driving intense competition across categories, with aggressive pricing by organised and regional players alike weighing on profitability. In addition, the weak global demand backdrop and the Indian government's evolving stance on anti-dumping protection are likely to keep PVC and CPVC prices soft and volatile. These could continue to create uncertainty around margins, channel behaviour and offtake in the near to medium term. Despite these challenges, the long-term outlook for the industry remains positive, supported by the continued rollout of housing and water-management programmes, increasing product premiumisation, and adoption of newer technologies such as oPVC and more efficient manufacturing systems.

Flooring industry

The European flooring industry remained subdued during the year, with demand conditions continuing to reflect weak residential construction activity, soft renovation spending and cautious channel sentiment. Residential renovation and new housing markets across key economies such as Germany, France and United Kingdom remained under pressure, while commercial investments also progressed cautiously. Across flooring categories including laminate, LVT, engineered wood and other wood-based flooring solutions, pricing conditions stayed competitive as manufacturers continued to contend with low capacity utilisation and soft order inflows.

Within the wooden flooring segment, consumer preference continued to gradually shift toward differentiated and value-added offerings that offer durability, ease of installation and sustainability credentials. However, the broader category continued to witness cautious buying behaviour as distributors and retailers maintained lean inventory positions.

By and large, the year remained subdued. Some green shoots were visible across parts of the value chain, particularly in channel enquiries, inventory normalisation and selective improvement in renovation-led demand. However, the geopolitical tensions in the Middle East have introduced another layer of uncertainty through energy, freight and inflation expectations, with the potential to raise manufacturing and logistics costs, delay project activity and weigh further on consumer and trade sentiment. Consequently, the anticipated

[9] https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2100410&reg=3&lang=2

recovery cycle may now be deferred by a few quarters, with customers continuing to adopt a cautious approach toward discretionary spending and project execution.

Looking ahead, the outlook for the European flooring industry remains guarded. While structural drivers such as urban renovation, sustainability trends, premiumisation and adoption of innovative flooring formats continue to support the long-term potential of the industry, near-term outlook is expected to remain flat at best, with a risk of downward bias should macroeconomic and geopolitical uncertainties persist.

Company overview

Founded in 1946, the Company has established itself as a global player in home and building solutions. Its legacy of delivering iconic projects, supported by an extensive retail presence and deep community engagement, has positioned the Company as a trusted name in the industry.

The Company integrates purpose and innovation across its product portfolio to address the evolving needs of customers. It focuses on delivering future-ready solutions that transform living and working spaces while fostering principles of sustainability, innovation and the highest quality standards.

BirlaNu offers a diverse range of products, including pipes, construction chemicals, putty, roof, wall and flooring solutions – a comprehensive portfolio of offerings across the building materials value chain.

Beyond its business operations, the Company contributes deeply to the well-being and long-term development of communities associated with its operations.

In FY25, HIL Limited was rebranded to BirlaNu. BirlaNu represents a bold evolution of our legacy, blending innovation with heritage. The new brand is inspired by the people we serve and driven by a passion for continuous growth. As the world evolves, we remain committed to shaping spaces where life unfolds and inspiring beautiful, lasting design with our customers at the heart of everything we do.

BirlaNu empowers homeowners, builders, and designers to bring their vision to life, crafting buildings that stand the test of time. And that's why our brand campaign is anchored around a simple, powerful idea: "Build Your World."

Our updated brand architecture unifies all our product categories - Pipes, Putty, Construction Chemicals, Walls, Roofs, and Floors - under a single identity. This alignment is helping our customers and partners with a clear and consistent understanding of who we are and what we stand for.

This rebranding is not just about changing how we look, it signifies a bold growth agenda. It is a renewed promise. It signals our readiness for new customers, new markets, new conversations and new ideas. It reflects the world we live in today - faster, more digital, more design-led and deeply conscious of sustainability.

Key awards won in FY 2026

- Super Brand Award 2026 Realty+ Iconic Brand Award for Charminar BirlaNu and BirlaNu Aerocon
- Most Trusted Brands of India Marksmen Daily for BirlaNu Leakproof Pipes
- ET Polymers: Best Plastics and Polymer Brands 2026 for BirlaNu Leakproof Pipes
- BW Excel Awards 2026 Gold for rebranding campaign - "NU_ERA: Build Your New World With BirlaNu"
- German Sustainability Award for Parador
- EcoVadis Gold certification for Parador
- FX Design Awards for Best Floor Covering for Parador
- toom Supplier of the Year for Parador

Strategic acquisition to drive future growth

In November 2025, BirlaNu acquired Clean Coats Private Limited, a leading Indian manufacturer of high-performance coatings and specialised construction chemicals.

The acquisition of Clean Coats is a strategic step in strengthening BirlaNu's portfolio in specialty construction chemicals and high-performance coatings. This transaction brings together Clean Coats' technical expertise, proven formulations, and export capability with BirlaNu's strong brand presence, market reach, institutional relationships, and execution scale.

Clean Coats enables BirlaNu to reach a broader spectrum of customers across projects and retail channels, from advanced surface technologies to protection, adhesives, admixtures, and waterproofing – under one integrated, specialised construction-chemicals platform. For the shareholders, this transaction offers significant long-term value creation through deeper participation in this fast-growing, high-value segment.

Key strengths

Strong values and heritage

BirlaNu, draws on the Group's long-standing legacy of trust, with its products earning strong recognition in the market for their high quality, reliability and focus on innovation.

Diverse product portfolio

The Company caters to homeowners, builders, and designers through a comprehensive suite of home and building solutions spanning pipes, construction chemicals, putty, roofing, walling, and flooring applications. The portfolio is constantly evolving in line with changing customer needs and market trends, with each product developed to deliver durability, superior performance, and aesthetic appeal, thereby enhancing the functionality, reliability, and overall quality of built spaces.

Strong distribution network

BirlaNu has established a robust global footprint, with operations spanning over 80 countries, supported by an extensive distribution network comprising more than 30,000 retail touchpoints and over 21,000 channel partners worldwide.

Global manufacturing footprint

The Company operates 33 state-of-the-art manufacturing facilities across India, Germany and Austria, enabling faster response times and efficient servicing of diverse customer requirements across key geographies. These facilities are built around best-in-class operational practices, including Lean Six Sigma methodologies, and are integrated with advanced Industry 4.0 technologies and business intelligence systems, enhancing productivity, product quality and industry-leading operational efficiencies.

Purpose-driven innovation

BirlaNu's innovation strategy is rooted in a deep understanding of customer needs, enabling the development of durable, high-performance, and sustainable building solutions. Its evolving portfolio including offerings such as Modular ONE flooring, Taterra flooring, oPVC pipes, Ultra premium roofs, BirlaNu Aerocon 6X AAC Blocks, Designer boards and multiple new products across putty and construction chemicals such as Covermax, Multifix bonder, Instaplug, TA1+ Tile adhesives etc. reflect a focus on enhancing functionality, efficiency and design. Proprietary advancements such as Organic Based Stabilizer (OBS) and Electrofusion fittings with Integrated Service Saddle further reinforce the Company's commitment to setting higher benchmarks in quality, safety and performance.

Leading brands

The Company has built a portfolio of well-recognised and trusted brands across its operating segments, including Charminar, BirlaNu Aerocon, BirlaNu Leakproof Pipes, Topline, Clean Coats and Parador, each reflecting strong market presence and customer confidence.

Skilled and engaged workforce

With a diverse workforce of nearly 7,000 employees representing 30+ nationalities and spread across 160+ towns, BirlaNu considers its people a key driver of its success. The Company fosters a strong culture of pride, inclusivity, and engagement, supported by focused talent development initiatives and progressive people practices. This enables employees to collaborate effectively, think innovatively and work alongside partners to deliver impactful solutions.

Business performance

Total FY 2026 Revenue in crore

1,139
Roofs

692
Pipes & Construction Chemicals

610
Walls

1,287
Floors

The performance during the year was supported by disciplined execution, along with continued focus on cost optimisation and strong operational controls across business segments.

Pipes

BirlaNu offers advanced water management solutions through its two established brands, BirlaNu Leakproof Pipes and Topline. The Company provides a comprehensive portfolio of more than 20 products designed to address a wide range of plumbing and water management requirements.

The product range includes CPVC, uPVC, PVC-O, SWR, Silent, UGD, Foamcore, Pressure, Column and Casing pipes, along with PPR, HDPE and MDPE pipes, gas pipes, electrofusion fittings, FHTC fittings and water tanks. These solutions are complemented by precisely engineered fittings and solvents to ensure reliable system performance.

The Company's TruFiT technology ensures accurate tolerances, enabling easy installation and leakproof assembly. Supported by advanced manufacturing technology, BirlaNu delivers products that maintain high standards of dimensional accuracy, consistent quality and reliable performance.

BirlaNu is also among the pioneers in in-house CPVC compounding under patent, enabling greater control over formulation and ensuring durability and long-term product performance.

In addition to its pipes portfolio, the Company offers a comprehensive range of water storage solutions designed to ensure safe and hygienic storage of water. These solutions are engineered for durability, long service life and sustainability, with a focus on maintaining water quality while meeting the evolving requirements of residential, commercial and infrastructure applications.

Its operations are supported by several recognised certifications, including ISO 45001, ISO 14001, ISO 9001, GreenPro, Ecolabel and GRIHA, reflecting the Company's commitment to quality, sustainability and responsible manufacturing practices.

Performance in FY 2026

During the year, the pipes segment witnessed a challenging operating environment, with demand impacted by lower government spending and slower project execution cycles, which also affected collections. The sharp decline in PVC and CPVC resin prices, which reached multi-year lows, led to a corresponding reduction in realisations across the industry. In addition, a highly competitive market landscape, particularly in a falling price environment, exerted further pressure on volumes and margins, as players focused on pushing volumes.

Despite these headwinds, the Company undertook several strategic initiatives to strengthen its market position and improve operational efficiency. A key highlight of the year was the successful launch of the Company's brand through a well-integrated mix of ATL, BTL and digital campaigns, supported by a significant scale-up in retail visibility and deeper channel engagement. These efforts have helped enhance brand recall and improve reach across key markets. At the same time, focused efforts on cost optimisation resulted in the Company achieving its lowest-ever conversion cost, alongside rationalisation of fixed costs, thereby strengthening its cost competitiveness.

The Company also continued to invest in future growth drivers, with successful trial production of new product categories such as PVC-O and PPR pipes. These developments are expected to expand the product portfolio and open up new application areas, positioning the business for improved growth prospects as market conditions stabilise.

Construction Chemicals

BirlaNu's construction chemicals portfolio is designed to deliver innovative solutions that support stronger, safer and more durable structures, while addressing the requirements of modern construction practices. The Company offers a range of products including BirlaNu Tough Tile Adhesives, BirlaNu Tough Tile Grouts, BirlaNu Surface Cleaners and BirlaNu Plasters. These products cater to diverse applications across residential, commercial and large-scale infrastructure projects. The portfolio is further strengthened by the Company's TruBond technology, which ensures enhanced bonding strength, durability and ease of application, enabling a smooth and reliable tile finish.

BirlaNu has recently acquired Clean Coats Private Limited which is a leading manufacturer of high-performance coatings and specialised construction chemicals. Clean Coats is a pioneer in specialty coatings with a comprehensive portfolio that includes epoxy and polyurethane coatings, anti-corrosion linings, flooring systems, waterproofing, and food-grade protective coatings. The Company serves some of the most demanding pharmaceutical, steel, chemicals, oil & gas, F&B, infrastructure and water management projects across India and in 27+ countries globally.

The overall construction chemical segment maintained a strong focus on building long-term capabilities by continuing to invest in new product development, strengthening customer engagement, and enhancing distribution channels. The business expanded its portfolio with solutions aligned to evolving application needs, while deepening relationships with key customers through targeted outreach and technical support. At the same time, efforts to streamline and deepen channel network helped improve market access and responsiveness, positioning the business to capture future growth opportunities more effectively.

Performance in FY 2026

During the year, the construction chemicals business continued to grow strongly, supported by expansion across its product offerings and market presence. The Company focused on strengthening this segment as a key part of its portfolio. As a result, in FY26, revenue for the construction chemicals segment grew by 45%.

Putty

BirlaNu TruColour Putty provides a reliable solution for creating smooth and vibrant wall surfaces. The product portfolio including wall putty, durable waterproof putty, gypsum plaster and weather resistant texture putty offers a range of high-quality solutions designed to meet diverse construction requirements.

The Company's TruColour technology enhances both durability and aesthetics by delivering vibrant and fade-resistant finishes. In addition, BirlaNu offers a range of high-quality primers, designed to provide strong adhesion, improved opacity and long-lasting durability across different surface types.

Performance in FY 2026

In FY26, revenue for the overall putty segment de-grew as the business continued to operate in a market defined by high competitive intensity resulting in continued pressure on pricing.

During the year, the market prices reduced by nearly 7% with industry demand remaining largely flat. In such an environment the Company focused on reducing the impact on margin erosion through value enhancement measures and at the same time streamlined sales and distribution. The Company also focused on portfolio premiumisation through the launch of various differentiated products such as CoverMax.

Roofs

With a market share of nearly 25% in India, the Charminar brand enjoys leadership position and is widely regarded as synonymous with the fibre cement roofing category. Charminar roofs represent high-quality, durable, and aesthetically appealing solutions designed to cater to residential, commercial, and industrial applications. The portfolio combines strength with innovation, offering key benefits such as thermal insulation, fire resistance, and reliable long-term performance.

The brand continues to differentiate itself through innovative offerings, including colour-coated roofing solutions suited for contemporary spaces and Ultracool roofs designed to enhance indoor comfort. In line with growing sustainability preferences, products such as "Charminar Fortune" provide eco-conscious alternatives. Complementing its roofing range, the Company also offers a suite of tools and accessories, including EPDM washers, engineered to deliver anti-corrosion properties, effective sealing, and resistance to heat and harsh weather conditions, thereby ensuring durable and long-lasting structural support.

Performance in FY 2026

During the year, the Roofs segment sustained its market leadership while further strengthening its competitive position. Despite a challenging pricing environment marked by heightened competition, the business delivered stable volume performance, supported by sharp execution and continued customer relevance. Focused cost optimisation initiatives across both fixed and variable elements helped improve operational resilience.

The segment also stepped-up investments in brand visibility and market reach, leveraging enhanced trade engagement and digital-led campaigns to deepen customer connect. A strong push on value-added products resulted in healthy growth in the premium portfolio, complemented by the successful launch of ultra-premium roofing solutions. Overall, the year reflected a balanced approach of defending core strengths while building momentum in higher-value offerings.

Walls

BirlaNu Aerocon offers a versatile portfolio of wall solutions that combine strength, aesthetics and sustainability. These solutions enable faster project execution while delivering superior thermal and sound insulation. Compared with conventional construction materials, these solutions also help reduce environmental impact, enabling customers to build more efficient and sustainable spaces.

AAC Blocks

The Company offers Autoclaved Aerated Cement (AAC) Blocks that are lightweight and provide effective sound and thermal insulation. These blocks are manufactured using fly ash, cement, lime and an aeration agent, enabling faster construction while reducing the consumption of cement and steel.

The products comply with IS 2185 (Part 3) standards, ensuring consistent quality and reliable performance.

Panels

The Company offers panels designed with two fibre-reinforced cement facing sheets enclosing a lightweight cementitious core. This structure enables a strong and efficient construction solution while maintaining durability and ease of installation.

These ready-to-install panels provide high strength, durability and operational efficiency for wall applications. They are suitable for a wide range of uses, including building partitions, prefabricated structures, mezzanine flooring, cladding, boundary walls and fire-separation systems.

The panels provide a sustainable and reliable solution, supporting safe, efficient and environmentally responsible construction practices.

Designer Boards and Planks

The Company's designer boards and planks combine durability with design flexibility, offering solutions that enhance surface aesthetics. These products are developed to support both interior and exterior applications.

The eco-friendly boards feature a natural grain texture that enhances visual appeal while maintaining dimensional stability. They are designed to provide long-term resistance to weather conditions, termites and moisture, ensuring durability and reliable performance.

Performance in FY 2026

The Walls business recorded strong growth in revenue and volumes during the year, driven by steady demand across key segments and sustained improvement in market reach. The Company continued to strengthen its presence across regions through wider channel penetration and deeper engagement across retail, trade and project markets.

The year also saw continued emphasis on premiumisation, with the successful launch of high-strength premium blocks and designer boards. Supported by strong marketing and branding initiatives, higher trade visibility, and the Company's established strengths in brand, product quality and service, the business further reinforced its premium positioning in the market.

On the manufacturing front, the Company ramped up production at the newly commercialised Line 2 at Chennai blocks plant. In addition, ongoing and planned expansions, including the boards plant at Nellore, are expected to support future growth and increase the contribution of value-added products to the overall portfolio.

The Company also expanded its network of retail and trade partners and serviced a higher number of projects during the year. A focused approach towards Government and institutional customers further enabled cross-selling of multiple products and strengthened customer engagement across markets.

Floors

Parador

Founded in Germany in 1977, Parador is a global interiors brand with strong European heritage. The brand specialises in engineered wood, laminate and vinyl flooring, as well as eco-friendly resilient flooring solutions such as "Modular ONE". These products cater to diverse applications across residential, retail, hospitality and commercial segments.

The brand places strong emphasis on craftsmanship, innovative design and superior product quality, with manufacturing operations based in Germany and Austria, reflecting its focus on precision and engineering excellence. It also serves as a creative platform for architects and designers, supported by decades of experience and deep domain expertise.

With a presence in over 80 countries, Parador continues to deliver high-quality flooring solutions that combine functionality, durability and design excellence.

Performance in FY 2026

FY26 performance was impacted by a sharp slowdown in construction activity across Europe, particularly in Germany and key EU markets, where new housing construction and permitting declined significantly. This resulted in subdued demand conditions and performance below earlier expectations. Despite these headwinds, the business demonstrated resilience by maintaining and expanding its market share in the DIY segment across DACH, Eastern Europe and Scandinavia. Operational performance was driven by disciplined cost and working capital management, while the commercial footprint was strengthened through expanded teams across Europe and the establishment of new entities in the USA, UK and Middle East.

During the year, the business continued to strengthen its long-term positioning through expansion across key geographies, including the Americas, EMEAI and APAC, along with localisation of engineered wood production in select markets. Channel development initiatives supported continued share gains in core regions, and further strengthened its presence in the premium segment through participation in industry platforms such as FOAID, enabling engagement with architects and designers while showcasing its product portfolio. New offerings, including Modular ONE and Modular ONE Hydron, were introduced in India and received encouraging response for their design and performance. While revenues and volumes remained impacted by external conditions, the business enters FY27 with a stronger operational base.

Financial Performance

Performance in FY 2026

BirlaNu on a standalone basis achieved net revenue from operations of ₹ 2,427 crore as against ₹ 2,390 crore in the previous year, an increase of 2%. Consequent to the merger of Crestia group companies with BirlaNu becoming effective from March 31, 2026, with the appointed date being April 5, 2024, the standalone financial statements of the Company for FY26 include the financials of the Crestia group companies. On a consolidated basis, the Company registered net revenue from operations of ₹ 3,730 crore as against ₹ 3,615 crore in the previous year recording a growth of 3%. It remained a challenging year for the industry, marked by heightened competition and intense pricing pressure from peers. The India business delivered a relatively stronger performance, registering volume growth across most categories, while, the Parador business was impacted by market sluggishness and ongoing geopolitical tensions.

During the year under review, on a standalone basis, BirlaNu reported a profit before tax (PBT), before exceptional items, of ₹22.15 crore, compared with a loss before tax of ₹17.33 crore in the previous year, representing an improvement of 228%. This was primarily driven by volume-led growth and cost optimisation measures implemented during the year. Loss before tax before exceptional items on a consolidated basis for the financial year 2025-26 stood at ₹ 155.36 crore as against loss of ₹ 124.28 crore in the previous year, recording a de-growth of 25% mainly on account of persistent softness in the European flooring market, coupled with a muted demand environment and ongoing pricing pressures.

On a consolidated basis, the net worth of the Company as of March 31, 2026 stood at ₹ 1,110 crore as against ₹ 1,211 crore in the previous year. The consolidated earnings per share (basic) for the financial year ended March 31, 2026 stood at ₹ (158.55) per share as against ₹ (43.63) per share for the financial year ended March 31, 2025.

Key Financial Ratios (Standalone)

Sl. no.	Particulars	FY 2025-26	FY 2024-25	Change (%)	Comments
1	Debtors Turnover (Times)	12.39	13.93	11.06%	-
2	Inventory Turnover (Times)	6.01	5.72	5.09%	-
3	Current Ratio (Times)	0.98	0.90	8.84%	-
4	Debt Equity Ratio (Times)	0.38	0.35	10.57%	-
5	Operating Profit Margin (%)	2.40	0.81	194.75%	The significant changes in the ratios are primarily attributable to improvement in operational performance and profitability during the year, resulting in better returns and debt servicing capability. Further, changes in working capital and borrowings also impacted certain ratios.
6	Debt Service Coverage Ratio (Times)	0.42	0.25	63.02%	
7	Net Profit Margin (%)	0.85	(1.18)	172.19%	
8	Return on Net Worth (%)/ Return on Equity (%)	1.71	(2.34)	173.24%	
9	Return on Capital Employed (%)	3.52	1.18	198.08%	

For more details, please refer note no. 57 of the standalone financial statements forming part of this Annual Report.

Intentional innovation

The Company has built a strong, technology-driven innovation ecosystem anchored by advanced Research & Development (R&D) centres in India and Germany, enabling continuous product development and technology-led advancements. The state-of-the-art Innovation Centre in Hyderabad, recognised by the Department of Scientific and Industrial Research (DSIR), Government of India, is equipped with advanced laboratories and pilot-scale testing facilities that support end to end product innovation, validation, and scale up.

Innovation efforts are further strengthened through the integration of advanced automation, Internet of Things (IoT), and smart manufacturing technologies, which enhance operational efficiency, improve product consistency, and significantly reduce waste across manufacturing operations. A structured stage gate innovation framework guides new product development, ensuring disciplined evaluation, faster time to market, and alignment with evolving customer and market requirements.

The Company continues to focus on formulation optimisation, cost effective material innovation, and evaluation of alternate raw materials to deliver high performance products while maintaining cost competitiveness. Sustainability remains integral to the innovation strategy, with ongoing development of green and resource efficient products, increased use of secondary and sustainable materials, and reduction of environmental footprint across the product lifecycle.

Digital tools and data driven platforms have been increasingly adopted to accelerate research, product testing, and development processes. In parallel, the Company is building advanced capabilities to deliver solution-based offerings, particularly in construction chemicals, reinforcing its commitment to innovation led growth, sustainability, and customer centric product development.

Technology and Digital

BirlaNu continues to strengthen its digital transformation journey with a clear focus on enhancing operational efficiency, elevating customer engagement, and enabling data-driven decision-making across the organisation. Over the past year, we have scaled key enterprise platforms and deployed solutions aligned with our long-term technology roadmap.

A major step forward has been the successful deployment of our SAP S/4HANA environment, which now provides an integrated digital core across financial, operational, and supply chain processes. Building on this, we are modernising our enterprise data architecture through expanded centralised data platforms that bring together insights from critical business systems. This unified data backbone is enabling real-time, role-based analytics and is laying the groundwork for future AI-enabled decision support across functions.

Beyond enterprise systems, our commercial and customer-facing platforms have seen significant upgrades. Enhancements to our Sales Force Automation (SFA) tools are streamlining sales planning, improving visibility into pipeline performance, and driving structured engagement across primary and secondary markets. These advancements have contributed to measurable gains in field-force productivity. During the year, the Company also became the first in the Pipes & Fittings segment to launch a QR code–enabled influencer rewards program, supported by a specialised capability to print dynamic QR codes directly on pipes, enhancing traceability and engagement. In parallel, we are strengthening our conversational commerce initiatives with the rollout of a Generative AI (Gen-AI) engagement platform designed to simplify interactions using WhatsApp that will improve responsiveness and elevate overall customer experience.

In line with our broader digital ambition, we continue to expand the application of Artificial Intelligence and advanced analytics across operational processes. AI-enabled tools – such as digital SKU-counting applications and analytics-driven warehouse monitoring systems – are under development to enhance accuracy, improve efficiency, and provide deeper operational visibility. As these capabilities mature, we plan to extend AI adoption to enterprise-level procurement, intelligent supply chain optimisation, and smart decision-support systems to help unlock further value across the business.

Our Industry 4.0 initiatives also continue to progress, enabling smarter manufacturing operations. Sensor-enabled monitoring and digital dashboards are now providing real-time insights into key plant and equipment metrics. These capabilities enhance equipment reliability, reduce unplanned downtime, and facilitate decentralised monitoring across facilities. Collectively, these initiatives are strengthening our digital-first operating model and building a scalable foundation for continued transformation in the years ahead.

Sustainability

Sustainability remains a core focus across operations, product development and governance, with continued emphasis on reducing environmental footprint and enabling responsible construction. The business is advancing eco-efficient manufacturing through optimisation of raw materials, increased use of alternative inputs and process improvements aimed at reducing energy consumption, waste generation and packaging intensity, while also promoting the 3R principles across operations. A strong push on green building solutions is reflected in the growing portfolio of certified products, including those aligned with GreenPro, GRIHA and IGBC standards, supporting environmentally conscious construction practices. Alongside environmental initiatives, efforts are directed towards social impact through community engagement, skill development and rural outreach programmes, while maintaining robust governance frameworks with a focus on transparency, ethical practices and board-level oversight of sustainability priorities. These initiatives collectively reinforce a balanced approach towards long-term value creation and sustainable growth.

Under its sustainability agenda, the Company is in the process of greening its power portfolio through the phased implementation of renewable energy solutions across its various plants. This transition is aimed at increasing the share of clean energy in the manufacturing mix, improving long-term energy sustainability and reducing the carbon intensity of operations. As these initiatives are scaled up across locations, they are expected to support the Company’s commitment to responsible growth while also strengthening operational resilience over time.

The Company continues to integrate sustainability and resource efficiency into its operations by expanding its portfolio of green and certified products and adopting environmentally responsible practices. Alongside this, it remains focused on contributing to better living standards, aligned with its vision of building a greener and more responsible future.

Details are available in the Business Responsibility & Sustainability Report of the Company.

Human Capital

The Company is supported by a diverse workforce of nearly 7,000 employees and workers representing more than 30 nationalities, along with a strong network of 150,000+ skilled applicators, enabling it to serve customers across global markets.

Recognising talent as a key driver of long-term value, the Company continues to invest in employee engagement, capability building and a high-performance culture. Initiatives such as the JOSH engagement programme and Yashotsav rewards and recognition platform are focused on strengthening engagement across locations. Digital tools such as Amber enable real-time employee feedback and insights, supporting improved engagement and retention. The Company has also strengthened its focus on diversity by enhancing women representation across functions, including manufacturing and sales, while fostering an inclusive workplace through the “DEI at BirlaNu” initiative.

The Company continues to strengthen its talent pipeline and build future-ready capabilities through structured learning and development initiatives. Competency-based assessments for campus hires and apprenticeship programmes have been introduced to enhance hiring quality and workforce readiness. The Sales Learning Academy (iSAIL) focuses on improving frontline sales capabilities and enabling teams to respond effectively to evolving market dynamics. In addition, skilling and certification programmes for tradespeople such as plumbers, masons, applicators and painters have been implemented to strengthen the broader ecosystem. These initiatives collectively support organisational agility, strengthen execution capabilities and reinforce the Company's commitment to building a capable and engaged workforce.

Risk Management Framework

The Company has adopted a robust risk management policy that outlines the objectives and guiding principles of its risk management approach. The policy provides a structured risk management framework, including the processes, procedures and responsibilities assigned to the relevant committee members. The implementation of the framework is overseen by the Risk Management Committee while the Audit Committee supervises the identification, assessment and monitoring of key risks across the Company.

Risk mitigation initiatives

Type	Description	Mitigation strategies
Macroeconomic risks	Geopolitical instability and volatility in the global economy may pose potential risks such as foreign exchange risks, etc. to the Company's global operations.	BirlaNu's operations, sales and supply sources are diversified across multiple geographies and business segments, reducing dependence on a single country or product. The Company has also developed an extensive global vendor network, strengthening supply continuity and providing a level of insulation against potential geopolitical instability.
Supply chain risks	Disruptions in the supply chain may lead to fluctuations in key raw material prices such as for fibre, cement, resin and wood. Such volatility may adversely affect the Company's operating costs and margins.	BirlaNu has established long-term partnerships with its key suppliers, which helps mitigate impact of raw material price volatility. The Company has also developed a diversified global supplier network enabling continuity in procurement and facilitating efficient logistics.
Technology risks	Failure to adopt evolving technologies may negatively affect BirlaNu's operational efficiency and customer experience. Additionally, cybersecurity risks, including potential data breaches or unauthorised access to information, may lead to operational disruptions and reputational damage.	BirlaNu's manufacturing facilities are supported by advanced infrastructure and technology systems designed to safeguard its IT environment and ensure operational continuity. The Company has also made significant investments in digitalisation. The Company has strengthened its digital infrastructure and addressed potential cybersecurity risks.
Quality risks	Failure to maintain product quality and comply with applicable quality standards may adversely affect BirlaNu's reputation and financial performance.	BirlaNu follows stringent quality control processes to ensure that only certified, high-quality products are delivered to customers. The Company is accredited by leading industry bodies for its product certification processes, reinforcing its commitment to maintaining consistent and high-quality standards.
Human capital risk	Employee attrition may pose a potential risk to the Company. As BirlaNu holds leadership position across several product segments, its workforce may attract interest from competitors seeking experienced talent.	BirlaNu has strengthened its leadership structure by ensuring that critical positions are adequately staffed. The Company has implemented structured succession planning, leadership and individual development programmes. Additionally, BirlaNu has partnered with leading educational institutions to enhance skills and capabilities of its workforce. Employee engagement initiatives and employer branding programmes further support talent retention.
Health and safety risks	The Company's workforce plays a critical role in its growth and operations. Failure to maintain adequate health and safety standards could create an adverse working environment and affect operational continuity.	BirlaNu has established a comprehensive Environment, Health and Safety (EHS) framework across its operations. Structured safety processes, regular training programmes and periodic employee health check-ups are implemented across facilities. The Company has also invested in infrastructure and systems aimed at promoting an incident-free workplace and minimising occupational hazards including investments in ISO-certified occupational health and safety (OH&S) management systems across its manufacturing plants.
Climate change risk	Extreme weather events, including heavy rainfall, may pose operational risks to BirlaNu's operations across various business segments.	All BirlaNu manufacturing facilities are supported by infrastructure designed to address potential climate-related risks. The Company has also established a Business Continuity Plan (BCP) that includes provisions for disaster recovery, enabling the Company to respond effectively to unforeseen disruptions.

Type		Description	Mitigation strategies
Environment risks		Growing emphasis on environmental protection increases the importance of responsible environmental practices. Any failure by BirlaNu to adequately protect the environment may adversely affect the Company's reputation and long-term sustainability.	BirlaNu has implemented structured environmental management programmes across operations. These initiatives focus on optimising energy consumption, maintaining a balanced ecological footprint and supporting the objective of zero effluents and emissions. Details are available in the Business Responsibility & Sustainability Report of the Company.
Financial risks		The Company's global operations expose it to fluctuations in foreign exchange rates. Currency volatility may adversely affect profitability. Additionally, international operations and acquisitions may influence the Company's financial performance, including operating costs and revenue generation.	BirlaNu manages foreign exchange exposure through forward contracts to hedge currency risks. The Company also follows robust financial controls to ensure accurate accounting of revenue and costs. In addition, a structured integration framework facilitates an effective integration of acquisitions into its existing operations.

Internal Control System and their Adequacy

BirlaNu has strong internal control systems commensurate with its business requirements, scale of operations, and applicable statutes. The Board of Directors and the Audit Committee are independent of the Management and oversee the adequacy and effectiveness of the Company's internal controls. These controls are deployed through documented policies, standard operating procedures (SOPs), and Internal Financial Control (IFC) risk and control matrices. In addition, cybersecurity and digital IT general control assessment reviews are conducted on a periodic and risk-focused basis, considering the increasing use of digital applications and exposure to external networks.

BirlaNu's whistle-blower policy provides a platform for employees and other stakeholders to report and help the organisation avert and prevent any suspicious activity or behaviour. Allegations of violations are investigated in a comprehensive manner with a zero-tolerance approach towards any reported cases of ethical breach. The policy offers complete confidentiality and protection to whistle-blowers against any attempted harassment or retaliation.

BirlaNu has a well-established and evolving internal financial controls (IFC) framework wherein process owners periodically self-assess critical controls using a control self-assessment tool, along with independent evaluations by audit partners. Revised processes and practices are updated in control documentation, and responsibilities relating to execution of controls are updated on a timely basis.

Ernst & Young (E&Y) continues as the Internal Audit partner. The internal audit approach covers both standard and emerging risk areas, with comprehensive coverage of critical business processes relevant to BirlaNu's operations. The use of data analytics and technology-enabled audit procedures remains an integral part of audit reviews. BirlaNu also has an internal audit function staffed by qualified professionals who plan, conduct, coordinate, and monitor audit activities, including follow-up on agreed action items. Going forward, BirlaNu will continue to strengthen analytics-driven audits, selective automation, and stakeholder awareness on governance, risk, and compliance through structured training, workshops, and culture-building initiatives.

Cautionary Statement

Certain statement in the MDA section concerning future prospects may be forward looking statements which involve a number of underlying identified/non-identified risks and uncertainties that could cause actual results to differ materially. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent the Company's current intentions, beliefs or expectations and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, arising due to new information, future events, or otherwise.

For and on behalf of the Board of Directors
BirlaNu Limited

CK Birla
Chairman
DIN 00118473

Place: New Delhi
Date: May 12, 2026