NORTON GRINDWELL NORTON LTD.

Annual Report
2016-17

PROFITABLE GROWTH...RESUMED

SAINT-GOBAIN

TEN YEAR CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ Lakhs)

	2007	2008	Jan 2009-Mar 2010 (15 Months)	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	**2016-17**
Sale of Products (Gross)	49701	55504	74490	83763	95132	98322	99058	116180	117826	**128616**
Operating Profit (Before Interest, Tax and Extraordinary Items)	8244	7892	13107	12621	15137	13853	12495	15671	16351§	**18172§**
Profit After Tax and Extraordinary Items	13340+	5421	8605	8274	10284	9715	8442	10419	10638§	**12089§**
Share Capital	2768	2768	2768	2768	2768	2768	2768	2768	2768	**5536**
Reserves and Surplus *	24749	27589	32352	36853	42966	48487	52670	58480	73549	**83766**
Total Debts	227	1647	2611	2105	1891	2237	1641	1491	1517	**776**
Net Fixed Assets *	15915	21603	22928	23525	31310	38512	37696	36360	36405	**37434**
Net Working Capital	7573	8442	12823	16923	15124	14107	18520	25597	32307	**42697**
Earnings Per Share (₹) #	5.09^	4.90	7.80	7.55	9.30	8.79	7.58	9.32	9.50	**10.78**
Dividend Per Share (₹) #	4.00□	2.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25	**4.00**
Book Value Per Share (₹) * #	24.85	27.42	31.72	35.78	41.31	46.29	50.07	55.32	68.93	**80.66**

KEY RATIOS

	2007	2008	Jan 2009-Mar 2010 (15 Months)	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	**2016-17**
Operating Margin (%) (on Gross Sales)	16.59	14.22	17.60	15.07	15.91	14.09	12.61	13.49	13.88	**14.13**
Asset Turnover	1.76	1.68	1.43@	1.94	1.93	1.77	1.66	1.77	1.45	**1.38**
Return on Capital Employed (%)	29.17	23.94	26.77@	29.20	30.71	24.87	20.92	23.93	20.11	**19.44**
Debt Equity Ratio	0.01	0.05	0.07	0.05	0.04	0.04	0.03	0.02	0.02	**0.01**
Current Ratio	1.51	1.58	1.78	1.89	1.61	1.63	1.80	1.91	2.23	**2.67**

Figures re-cast wherever necessary.
+ PAT without Extraordinary Item ₹ 5640 Lakhs
# Based on the enhanced capital
□ Includes special interim dividend of ₹ 2.00 (calculated on enhanced capital)
§ Without Other Comprehensive Income

* Without Revaluation Reserve except for FY15-16 and FY16-17
^ Based on Profit After Tax without Extraordinary Item
@ Annualised

Bankers

Deutsche Bank
HDFC Bank
ICICI Bank

Statutory Auditors
M/s. Kalyaniwalla & Mistry LLP
Chartered Accountants

Registrars & Transfer Agents
TSR Darashaw Limited
6-10, Haji Moosa Patrawala
Industrial Estate
20, Dr. E. Moses Road
Mahalaxmi, Mumbai 400 011
Telephone: + 91 22 6656 8484
Fax: + 91 22 6656 8494
E-mail id: csg-unit@tsrdarashaw.com

Registered Office
5th Level, Leela Business Park
Andheri-Kurla Road
Marol, Andheri (East)
Mumbai 400 059
Telephone: + 91 22 4021 2121
Fax: + 91 22 4021 2102

E-mail Id
sharecmpt.gno@saint-gobain.com

Website
www.grindwellnorton.com

Corporate Identity Number
L26593MH1950PLC008163

Factories

1. Mora, Dist. Raigad, Maharashtra
2. Bengaluru, Karnataka
3. Tirupati, Andhra Pradesh
4. Nagpur, Maharashtra
5. Bated, Dist. Solan, Himachal Pradesh
6. Halol, Gujarat

Directors

Mr. Pradip Shah
(Chairman)

Ms. Marie-Armelle Chupin

Mr. Keki M. Elavia

Mr. Jean-Pierre Floris

Mr. Laurent Guillot

Mr. Patrick Millot

Mr. Mikhil Narang

Mr. Shivanand Salgaocar

Mr. Krishna Prasad
(Alternate Director)

Mr. Anand Mahajan
(Managing Director)

Management Committee

Mr. Krishna Prasad
(Ceramics & Plastics and Corporate Services)

Mr. Deepak Chindarkar
(Finance & IT)

Mr. Samir Bou Obeid
(Abrasives)

Ms. Anupama Vaidya
(HR)

Company Secretary
Mr. K. Visweswaran

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NOTICE

Notice is hereby given that the 67th Annual General Meeting of the Members of Grindwell Norton Limited will be held on Wednesday, July 26, 2017 at 11:00 a.m. at M.C.Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and,

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.

2. To declare a dividend on Equity Shares for the financial year ended March 31, 2017.

3. To appoint a Director in place of Mr. Mikhil Narang (Director Identification No. 02970255), who retires by rotation and, being eligible, offers himself for re-appointment.

4. Appointment of Statutory Auditors of the Company

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Rules framed thereunder, as amended or re-enacted from time to time, and pursuant to the recommendation of the Audit Committee of the Company, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), be and is hereby appointed as the Auditors of the Company in place of the retiring Auditors, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166), to hold office for a period of five (5) consecutive years from the conclusion of 67th Annual General Meeting ("AGM") of the Company, until the conclusion of 72nd AGM of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. **Appointment of Whole-Time Director designated as Executive Director**

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Section 161 and other applicable provisions, if any, of the Companies Act, 2013, ("Act"), as amended or re-enacted from time to time, read with Schedule V to the Act, the consent of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Krishna Prasad (Director Identification No. 00130438) as a Whole-Time Director designated as Executive Director of the Company for a period of five (5) years with effect from May 23, 2017 upon his appointment as an Alternate Director to Ms. Marie-Armelle Chupin (Director Identification No. 00066499), Non-Executive Director and that Mr. Krishna Prasad shall vacate his office as and when Ms. Marie-Armelle Chupin visits India and on her leaving India after each such visit, Mr. Krishna Prasad will be deemed to have been appointed as an Alternate Director to Ms. Marie-Armelle Chupin and as such the Executive Director and his appointments be automatic, and this approval be deemed to be an approval of the Members for each such appointment.

   RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to the payment of remuneration to Mr. Krishna Prasad as an Executive Director of the Company as set out in the Statement annexed to the Notice convening Annual General Meeting.

   RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and are hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. **Reclassification of Ms. Nina Bharucha from Promoter to Public category**

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

   "RESOLVED THAT pursuant to the Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals, consents and permission of the Securities Exchange Board of India ("SEBI"), Stock Exchanges and other appropriate statutory/regulatory authorities,

if applicable, the consent of the Members of the Company be and is hereby accorded to reclassify Ms. Nina Bharucha, from ‘Promoter & Promoter Group category’ to ‘Public category’.

RESOLVED FURTHER THAT subject to receipt of Probate from the Hon’ble Bombay High Court, effecting the transmission and, on approval of the SEBI or the Stock Exchanges, upon application for reclassification of the aforementioned, the Company shall effect such reclassification in the Statement of Shareholding Pattern from immediate succeeding quarter under Regulation 31 of Listing Regulations and compliance to any other applicable provisions, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this resolution) be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalizing and executing any agreement, deeds and such other documents as may be necessary and to delegate all or any of the powers vested or conferred herein to any Director(s) or Officer(s) of the Company as may be required to give effect to this resolution.”

7. **Payment of Commission to Non-Whole-Time Directors**

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

“RESOLVED THAT in accordance with the provisions of Section 197 and other applicable provisions, if any of the Companies Act, 2013 and Article 116 (2) of the Articles of the Association of the Company, the Non-Whole-Time Directors (excluding the Directors who are nominees of Compagnie de Saint-Gobain or its subsidiaries) be paid commission to be divided amongst them in such a manner as the Board of Directors (“Board”) may from time to time determine based on the recommendation from Nomination and Remuneration Committee of such sum not exceeding 1% of the net profit of the Company computed in the manner prescribed under the provisions of the Companies Act, 2013 for a period not exceeding five (5) years commencing from April 1, 2018.

RESOLVED FURTHER THAT the aforesaid commission shall be in addition to the sitting fees and/or out of pocket expenses payable to such directors for each meeting of the Board or Committees of the Board attended by such directors.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and are hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

8. **Ratification of Remuneration to Cost Auditors of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended or re-enacted from time to time, the remuneration payable to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the financial year ended March 31, 2018, be paid a remuneration of ₹ 2,00,000/- (Rupees Two Lakhs only) plus taxes and out of pocket expenses at actuals that may be incurred in connection with the aforesaid audit be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Mumbai, May 23, 2017

Registered Office:
5th Level, Leela Business Park
Andheri-Kurla Road, Marol, Andheri (East)
Mumbai 400 059
Tel: +91 22 4021 2121 • Fax: +91 22 4021 2102
E-mail: sharecmpt.gno@saint-gobain.com • Website: www.grindwellnorton.com
Corporate Identity Number: L26593MH1950PLC008163

NOTES:

(a) The Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), in respect of business set out in Item Nos. 5 to 8 of the accompanying Notice and the relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings (SS 2) issued by The Institute of Company Secretaries of India, of persons seeking appointment/ re-appointment as Director as set out in Item Nos. 3 and 5 of the Notice, are also annexed.

(b) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by Members at the Annual General Meeting.

(c) **A Member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company carrying voting rights. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than forty-eight (48) hours before the commencement of AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.**

Members are requested to note that a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

(d) Members/Proxies should bring the duly filled Attendance Slip to the AGM. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at AGM.

(e) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 19, 2017 to Wednesday, July 26, 2017 (both days inclusive).

(f) If the Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on and from Friday, July 28, 2017, as under:

i. To all Beneficial Owners in respect of shares held in dematerialised form as per the data made available by the National Securities Depository Limited (“NSDL”) and Central Depository Service (India) Limited (“CDSL”) as of the close of business hours on Tuesday, July 18, 2017.

ii. To all Members in respect of shares held in physical form after giving effect to valid transfer in respect of transfer requests lodged with the Company on or before the close of business hours on Tuesday, July 18, 2017.

(g) Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant(s) (“DP”). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and its Registrars and Transfer Agents, TSR Darashaw Limited (“TSRDL”) to provide efficient and better services.

Members holding shares in physical form are requested to intimate such changes to TSRDL.

(h) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to their DP with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to TSRDL.

(i) Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSRDL for assistance in this regard.

(j) Members holding shares in physical form in identical order of names, in more than one folio are requested to send to the Company or TSRDL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

(k) In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

(l) Members desirous of seeking any further information about the financial statements and/or operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, at least ten days in advance of AGM, so that the information, to the extent practicable, can be made available at the AGM.

(m) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund ("IEPF"):

As per the applicable provisions of the Companies Act, 2013, all unpaid dividends or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven years. The unclaimed or unpaid final divided for the financial year ended December 31, 2008 has been transferred to IEPF on June 15, 2016.

The Company has uploaded the information in respect of unclaimed dividends, as on the date of last AGM i.e. July 28, 2016, on the website of the IEPF, www.iepf.gov.in and on the website of the Company, www.grindwellnorton.com.

The information in respect of the unclaimed dividends are as follows:

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2009-10	July 29, 2010	August 28, 2017
2010-11	July 27, 2011	August 25, 2018
2011-12	July 26, 2012	August 26, 2019
2012-13	July 24, 2013	August 22, 2020
2013-14	July 23, 2014	August 21, 2021
2014-15	August 4, 2015	September 2, 2022
2015-16	March 16, 2016	April 15, 2023

The shareholders who are yet to encash the dividend are advised to send requests for duplicate dividend warrants in case they have not received/ not encashed the dividend warrants for any of the above mentioned financial years and/ or send for revalidation of the unencashed dividend warrants still held by them to Mr. K. Visweswaran, Company Secretary or Ms. Mary George of TSR Darashaw Limited.

You are therefore, requested to claim the unpaid/unclaimed amount(s) at the earliest but not later than the last date mentioned against the above mentioned respective dividend(s).

However, you can claim from IEPF Authority the unclaimed dividend amount transferred to IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website, www.iepf.gov.in and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents enumerated in the Form IEPF-5 to the Company.

(n) The Notice of AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ DPs, unless the Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and Annual Report 2016-17 will also be available on the Company's website, www.grindwellnorton.com.

Members who have received the Notice of AGM along with the Annual Report 2016-17 through electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter at the venue to attend the AGM of the Company. As a 'Green Initiative', copies of the Annual Report will not be distributed at AGM.

(o) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRDL/DPs.

(p) The route map showing directions to reach the venue of the 67th AGM is annexed.

VOTING THROUGH ELECTRONIC MEANS

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the The Institute of Company Secretaries of India, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM (“remote e-voting”) will be provided by National Securities Depository Limited (“NSDL”).

II. The facility for voting through Ballot Paper shall be made available at the AGM and Members attending AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper.

III. The remote e-voting period shall commence on Saturday, July 22, 2017 (9:00 a.m.) and ends on Tuesday, July 25, 2017 (5:00 p.m.). During this period Members of the Company holding shares either in physical form or in dematerialised form as on the cut-off date, Wednesday, July 19, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL after Tuesday, July 25, 2017 (5:00 p.m.).

IV. Once the vote on resolution is cast by the Member through remote e-voting, the Member shall not be allowed to change it subsequently.

V. The process for remote e-voting is as under:

A. In case a Member receives an e-mail from NSDL (for members whose e-mail IDs are registered with the TSRDL/DPs):

(i) Open the e-mail and open PDF file viz., ‘remote e-voting.pdf’ with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF File ‘remote e-voting.pdf’.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com.

(iii) Click on Shareholder – Login.

(iv) Put user ID and password as initial password noted in step (i) above, Click Login.

(v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select “EVEN” (E-voting Event Number) of “Grindwell Norton Limited”.

(viii) Now you are ready for remote e-voting as ‘Cast Vote’ page opens.

(ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

(x) Upon confirmation, the message “Vote cast successfully” will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.,) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to grindwell.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member has received physical copy of the Notice of AGM (for Members whose e-mail IDs are not registered with the Company/Depository Participant(s) or requested physical copy):

a. EVEN (E-voting Event Number), user ID and password are provided in the Attendance Slip.

b. Please follow all steps from Sl. No. A (ii) to Sl. No. A (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.

In case shareholders are holding shares in demat mode, User ID is the combination of (DP ID + Client ID).

In case shareholders are holding shares in physical mode, User ID is the combination of (Even No. + Folio No).

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

IX. The voting rights of Members shall be in proportion to their shares of paid up equity share capital of the Company as on the cut-off date, Wednesday, July 19, 2017.

X. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date, Wednesday, July 19, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

If you forgot your password, you can reset password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com or contact NSDL on toll free no. 1800-222-990.

XI. The Members who have cast their vote by remote e-voting, may attend and participate at the AGM, however shall not be entitled to cast their vote at the AGM. If a Member casts votes by remote e-voting and at the AGM through Ballot Paper, then vote cast through remote e-voting shall prevail and vote cast through Ballot Paper at the AGM shall be treated as invalid.

XII. A person, whose name is recorded in the Register of Members as on the cut-off date, Wednesday, July 19, 2017, only shall be entitled to avail the facility of remote e-voting or voting at the AGM through Ballot Paper.

XIII. Mr. P.N. Parikh (Membership No. FCS 327) or failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s. Parikh & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting by remote e-voting and votes cast through Ballot Paper at the AGM in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions set out in the Notice of AGM, allow voting with the assistance of the Scrutinizer, by use of Ballot Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, www.grindwellnorton.com, and on the website of the NSDL, www.evoting.nsdl.com, immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges at which the equity shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“Act”)

The following Statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5:

The Board, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Krishna Prasad (Director Identification No. 00130438) as an Alternate Director to Ms. Marie-Armelle Chupin (Director Identification Number No.00066499) at its meeting held on May 23, 2017. Being in whole-time employment with the Company, the terms and conditions of the appointment shall be for a period of five (5) years with effect from May 23, 2017 as a Whole-Time Director designated as Executive Director of the Company. Mr. Krishna Prasad shall not hold office for a period longer than that permissible to Ms. Marie-Armelle Chupin, Non-Executive Director.

A brief profile of Mr. Krishna Prasad is given below:

Mr. Krishna Prasad graduated from the College of Engineering, Trivandrum in 1984 with a B.Tech in Mechanical Engineering. On completion of his engineering, Mr. Krishna Prasad joined The Fertilizer and Chemicals Travancore Ltd, Kochi as Mechanical Engineer. He completed his Post Graduate Diploma from the Indian Institute of Management, Bengaluru in 1990. On completion, Mr. Krishna Prasad joined Grindwell Norton Ltd. He has served the Company in various positions and is currently holding the position of Vice-President, Ceramics & Plastics and Corporate Services.

Further details of Mr. Krishna Prasad have been given in the Annexure to this Notice.

The main terms and conditions of the appointment of Mr. Krishna Prasad (hereinafter referred to as **“Executive Director”**) are given below:

I) Tenure of Appointment:

The appointment as a Whole-Time Director designated as Executive Director of the Company is for a period of five (5) years with effect from May 23, 2017 upon his appointment as an Alternate Director to Ms. Marie-Armelle Chupin as detailed in the resolution at Item no. 5 of the accompanying Notice.

II) Nature of Duties:

The Executive Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him as an employee of the Company.

Remuneration:

a) Salary:

Salary of ₹ 10,08,650/- per month and Medical Reimbursement of ₹ 1,250/- per month.

The annual increments which will be effective from January 1, of each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee.

b) Benefits, Perquisites and Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

- Mediclaim / Hospitalisation cover for self and family, one Company-maintained car with driver, reimbursement of mobile and telephone expenses and housing loan facility as per the Rules of the Company.
- Other perquisites and allowances including leave travel allowance and/or other allowances, personal accident insurance for self and club membership fees.
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund, National Pension Fund and Gratuity Fund as per the Rules of the Company.
- Leave and encashment of unavailed leaves as per the Rules of the Company.
- Incentive linked to performance of the Company against annual objective.

c) Commission:

The Executive Director shall not be eligible for remuneration by way of commission.

III) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, wherein in any financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of Salary, Benefits, Perquisites and Allowances subject to further approvals as required under Schedule V of the Companies Act, 2013, or any modification(s) thereto.

IV) Other terms of Appointment:

i. The Executive Director shall not become interested or otherwise concerned, directly or through his spouse and /or children, in any selling agency of the Company.

ii. The terms and conditions of the appointment of the Executive Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.

iii. The agreement may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu thereof.

iv. All personnel policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Executive Director, unless specifically provided otherwise.

v. The terms and conditions of appointment of the Executive Director also include a clause pertaining to adherence with the Principles of Conduct and Action and the Company's Code of Conduct, non-solicitation and maintenance of confidentiality.

vi. No sitting fees shall be paid to the Executive Director for attending the meetings of the Board of Directors or Committees thereof.

vii. The Executive Director shall not be liable to retire by rotation.

Mr. Krishna Prasad does not have any relationship with any Director and Key Managerial Personnel of the Company in terms of the Act.

Except Mr. Krishna Prasad, Ms. Marie-Armelle Chupin and their relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in this resolution.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice, for approval by the Members.

Item No. 6:

The Company has received an application from Ms. Nina Bharucha for reclassifying the equity shares that she is likely to receive through transmission from the Late Aloo N. Sidhva, Promoter. The said transmission of shares will be effective subject to receipt of the Probate from the Hon'ble Bombay High Court. After the transmission of equity shares, the total shareholding of Ms. Nina Bharucha (including her existing shareholding under the "Public category") will be classified under the "Promoter category", pursuant to the Listing Regulations. Ms. Nina Bharucha does not have any control over the affairs and management of the Company. She does not have any special rights through formal or informal arrangement with the Company or the Promoters or any person in the Promoter Group. Hence she has requested to reclassify her shareholding under the "Public category" after the transmission of equity shares. The details of the shareholding pre and post-transmission are as given below:

Pre-transmission		Post-transmission		
Her existing shareholding & percentage of total paid-up share capital of the Company under the "Public category"	Shareholding of Late Aloo Sidhva, Promoter and percentage of total paid-up share capital of the Company (equity shares held by Ms. Nina Bharucha in Trust) under the "Promoter category"	Her existing shareholding and percentage of total paid-up share capital of the Company under the "Public category" (A)	Transmission of equity shares from Late Aloo Sidhva, Promoter and percentage of total paid-up share capital of the Company (transmission will be effective upon receipt of Probate from Hon'ble Bombay High Court) under the "Promoter category" (B)	Total shareholding and percentage of total paid-up share capital of the Company of Ms. Nina Bharucha to be reclassified under the "Public category" C=(A+B)
11,71,136	17,80,544	11,71,136	5,93,515	17,64,651
(1.06%)	(1.61%)	(1.06%)	(0.53%)	(1.59%)

The Board of Directors of the Company at their meeting held on May 23, 2017 have accorded their consent and accepted the application received for reclassification of her entire shareholding post transmission to the **"Public category"**, subject to approval by the Members and relevant regulatory/statutory authorities, if any.

Accordingly, consent of the Members is sought to reclassify Ms. Nina Bharucha from 'Promoter & Promoter Group category' to 'Public category'.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in this resolution.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice, for approval by the Members.

Item No. 7:

Section 197 of the Companies Act, 2013 and Article 116 (2) of the Articles of Association of the Company provide for payment of Commission to the Non-Whole-Time Directors of the Company.

At present the Non-Whole-Time Directors, except the directors who are nominees of Compagnie de Saint-Gobain ("CSG") or its subsidiaries, are paid sitting fees of ₹ 30,000 for each of the meeting of Board/Committee attended by them. In addition to that the Shareholders authorized payment of commission not exceeding 1% of the net profit of the Company under a Special Resolution at the 62nd Annual General Meeting of the Company held on July 26, 2012 with effect from April 1, 2013.

The Non-Whole-Time Directors of the Company devote considerable time to the business of the Company and the Company benefits substantially from their expertise and advice.

The said Directors be paid commission, to be divided amongst them in such a manner as the Board of Directors may from time to time determine based on the recommendation from Nomination and Remuneration Committee of such sum not exceeding 1% of the net profit of the Company in such manner as prescribed under the Companies Act, 2013, for a period not exceeding five (5) years commencing from April 1, 2018.

All other Directors and their relatives may be deemed to be concerned or interested in this resolution except the Directors, who are nominees of CSG or its subsidiaries and Key Managerial Personnel and their respective relatives.

The Board commends the Special Resolution set out at Item No. 7 of the Notice, for approval by the Members.

Item No. 8:

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Rao, Murthy and Associates, Cost Accountants (Firm Registration No. 000065) as “Cost Auditors” of the Company, to conduct the audit of the cost records for the financial year ended March 31, 2018, maintained by the Company for products covered as per the Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Ministry of Corporate Affairs.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(1) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in this resolution.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice, for approval by the Members.

By Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Mumbai, May 23, 2017

Registered Office:
5th Level, Leela Business Park
Andheri-Kurla Road, Marol, Andheri (East)
Mumbai 400 059
Tel: +91 22 4021 2121 • Fax: +91 22 4021 2102
E-mail: sharecmpt.gno@saint-gobain.com • Website: www.grindwellnorton.com
Corporate Identity Number: L26593MH1950PLC008163

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Item Nos. 3 and 5:

Particulars	Mr. Mikhil Narang	Mr. Krishna Prasad
Director Identification Number	02970255	00130438
Date of Birth	October 28, 1978	May 1, 1962
Age	38 years	55 years
Date of first appointment	February 24, 2010	May 23, 2017
Qualifications	Graduate Degree in Commerce from Mumbai University and MBA from INSEAD, France	B.Tech and Post Graduate Diploma from Indian Institute of Management, Bengaluru
Expertise in specific functional area	Wide experience in various businesses	Wide experience in various businesses of Saint-Gobain and Business Development
Directorships held in other listed companies (excluding foreign companies and Section 8 companies)	Nil	Nil
Memberships/Chairmanships of committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil
Number of equity shares held in the Company	5,21,066	Nil

Mr. Mikhil Narang has work experience of over sixteen years. Presently, he is General Manager - Imerys Filtration India, Imerys Performance & Filtration Minerals Private Limited.

For other details such as number of meetings of the Board attended during the year and remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of the above Directors, please refer to the Board's Report and Corporate Governance Report.

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

Venue: M.C. Ghia Hall, Bhogilal Hargovindas Building,
18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001.

Landmark: Near Jehangir Art Gallery.

BOARD'S REPORT

The Members,

Your Directors present the 67th Annual Report of the Company along with the audited financial statements for the year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(₹ Crore)

	Standalone		Consolidated	
	2016-17	2015-16	**2016-17**	2015-16
Sale of Products (Gross)	**1259.43**	1154.28	**1286.16**	1178.54
Service & Other Operating Income	**110.38**	86.39	**108.49**	84.97
Less: Excise Duty	**(100.44)**	(90.08)	**(100.44)**	(90.08)
Revenue from Operations	**1269.37**	1150.59	**1294.21**	1173.43
Operating Profit	**173.85**	155.79	**181.72**	163.51
Interest	**1.10**	6.90	**2.00**	2.42
Profit before Tax	**172.75**	155.10	**179.72**	161.09
Provision for Tax	**56.74**	52.96	**58.83**	54.70
Profit for the year	**116.01**	102.14	**120.89**	106.39
Less: Share of Minority Interest	**-**	-	**(1.49)**	(1.15)
Profit for the year after Minority Interest	**-**	-	**119.40**	105.24
Retained Earnings	**196.76**	192.73	**198.47**	191.72

The Company proposes to transfer an amount of ₹ 6.05 Crore to the General Reserve. An amount of ₹ 110 Crore is proposed to be retained in the Statement of Profit and Loss.

DIVIDEND

Your Directors are pleased to recommend dividend of ₹ 4/- per equity share of face value of ₹ 5/- (Rupees Five only) each for the financial year ended March 31, 2017. The dividend on equity shares, if approved by the Members would involve cash outflow of ₹ 53.31 Crore, including dividend tax as against the cash outflow of ₹ 43.31 Crore towards dividend in the previous year.

BONUS ISSUE

Consequent to the approval of the shareholders through postal ballot and e-voting on July 7, 2016, your Company has issued 5,53,60,000 bonus shares in the ratio of 1:1 (i.e. one fully paid equity share of ₹ 5/- (Rupees Five only) each for every one fully paid equity shares). The bonus shares were allotted on July 22, 2016.

Consequently, the issued, subscribed and paid-up equity share capital of your Company has increased from ₹ 27,68,00,000 divided into 5,53,60,000 equity shares of ₹ 5/- (Rupees Five only) each to ₹ 55,36,00,000 divided into 11,07,20,000 equity shares of ₹ 5/- (Rupees Five only) each.

OPERATIONS

In 2016-17, the new, recently released, Index for Industrial Production ("IIP") witnessed an increase of 5% (the increase as per the old Index was less than 1%). The new Index, where the base year is 2011-12 and the basket of goods has been changed, is expected to be more representative of the growth of the sector. As per the new IIP, growth in 2016-17 is much higher than the preceding three years during which growth averaged about 3.6% per annum. Investment in the economy, however, also remained at a record low level (Gross Capital Formation in 2016-17 was 29.08% of GDP). Reflecting this, your Company's overall sales growth over the last few years has been lower than in earlier years.

- **Abrasives**

  The higher growth (compared to the preceding three years) of the industrial sector, buoyed domestic demand. Meanwhile, the business continued to focus on new products and new markets. Partly because of improved domestic demand and partly because of market share gains, your Company's Abrasives sales increased by 10% in 2016-17. Most of this growth was on account of volumes, which led to an increase of 11% in operating profits, while the operating margin remained at the same level.

- **Ceramics & Plastics**

  The Silicon Carbide business stabilized at a low level in 2016-17 in the face of excess global supply and low prices. The business continued to lose market share to imports from China and Vietnam. At the same time, production at your Company's Tirupati plant continued to be affected due to reduced power supply from Andhra Pradesh Gas Power Corporation Limited for much of the fiscal year. Consequently, production, sales, prices and operating profit witnessed a further decline. The High Performance Refractories business had a year of mixed fortunes with domestic sales witnessing strong growth even as exports and margins declined. Growth of the Performance Plastics business was much lower than in the previous year, mainly due to softening of demand in certain end-user segments. With improved order inflow (domestic and exports), the ADFORS business witnessed strong growth on a low base.

SUBSIDIARY COMPANY

The Company has one subsidiary in Bhutan, Saint-Gobain Ceramic Materials Bhutan Private Limited. It is not a material subsidiary in terms of sub-regulation (1)(c) of Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The operations of your Company's subsidiary in Bhutan were stable. In accordance with Section 129(3) of the Companies Act, 2013 ("Act") and Rule 5 of the Companies (Accounts) Rules, 2014 and relevant Accounting Standards ("AS"), the Company has prepared consolidated financial statements of the Company and its subsidiary company, which forms part of the Annual Report. A statement in Form AOC-I containing salient features of the financial statements of the subsidiary company is also included in the Annual Report. In accordance with provisions of Section 136(1) of the Act, the Annual Report of the Company, containing therein the standalone and consolidated financial statements and audited financial statement of the subsidiary has been placed on the website of the Company, www.grindwellnorton.com. Shareholders interested in obtaining a copy of the audited financial statements of the subsidiary may write to the Company Secretary at the Company's Registered Office.

FUTURE PROSPECTS

While the long term outlook for the Indian economy remains very positive, the short term outlook is uncertain. Investment demand remains low. The order inflow, across businesses, remains muted and there is no pull from the channel. While the implementation of the Goods and Services Tax Act will have a positive impact in the medium term, it will accentuate short term uncertainty. With capacity utilization increasing, inflation expected to remain low, the Rupee expected to depreciate gradually and the cumulative impact of the economic reforms initiated by the Government being positive, there are hopes of higher industrial growth in the new fiscal. Under the circumstances, your Company's management will continue to focus on new products, new markets and exports to sustain growth.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

There have been no material changes or commitments, affecting the financial position of the Company, which have occurred between end of the financial year and the date of the Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes forming part of the financial statements.

HUMAN RESOURCES

Employee relations were cordial at all sites of your Company. At the end of the financial year, there were 1850 employees. During the year a new productivity-enhancing wage agreement was concluded with the workers' union at Nagpur. Your Directors place on record their appreciation for the contribution made by all employees in the progress of your Company. The Company follows the best practices in hiring and on-boarding of employees. The Company adopts a fair and transparent performance evaluation process. In order to improve organizational efficiency and employee engagement, various process change initiatives were undertaken during the year. To ensure this and also to improve the skill levels, employees participate in various training programmes and complete mandatory e-learning courses.

Your Company is committed to creating and maintaining a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees have a right to be treated with respect and dignity and has zero tolerance towards violations of its Code of Conduct, in general, and its sexual harassment policy, in particular. During the year, no complaint under the sexual harassment policy has been received by the Compliance Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND ENVIRONMENT

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is set out in Annexure 1 to this Report.

Your Company is committed to ensure a clean and green, pollution-free environment as well as a safe and healthy work place at all plant locations and work sites. Your Company strictly abides by the Saint-Gobain Group's Environment, Health and Safety Charter and the policies and procedures framed under it. All the plants of your Company are certified under ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. These certifications and various awards are recognition of the efforts made and results achieved by your Company in improving Environment, Health and Safety at all its work sites.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of the Annual Report.

Having regard to the provisions of the first proviso to Section 136(1) of the said Act, the Annual Report, excluding the aforesaid information, is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is available on the website of the Company, www.grindwellnorton.com.

PUBLIC DEPOSITS

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of the provisions of the Companies Act, 2013, Mr. Pradip Shah, Mr. Keki M. Elavia and Mr. Shivanand Salgaocar have been appointed as Independent Directors at the Annual General Meeting ("AGM") held on July 23, 2014 for a term of five (5) consecutive years commencing from July 23, 2014.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Mikhil Narang, Director, retires by rotation and, being eligible, has offered himself for re-appointment.

The Board, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Krishna Prasad (Director Identification No. 00130438) as an Alternate Director to Ms. Marie-Armelle Chupin (Director Identification No. 00066499), Non-Executive Director of the Company.

Being in employment with the Company and for the purpose of the compliance with the Companies Act, 2013 and Rules framed thereunder, appointment and terms of remuneration of Mr. Krishna Prasad as Whole-Time Director designated as Executive Director of the Company for a period of five (5) years with effect from May 23, 2017, upon his appointment as an Alternate Director to Ms. Marie-Armelle Chupin, Non-Executive Director, subject to the approval of the Members at the ensuing AGM of the Company. Mr. Krishna Prasad shall not hold office for a period longer than that permissible to Ms. Marie-Armelle Chupin.

Mr. Krishna Prasad graduated from College of Engineering, Trivandrum in 1984 with B.Tech degree in Mechanical Engineering. He completed his Post Graduate Diploma from the Indian Institute of Management, Bengaluru in 1990. Mr. Krishna Prasad joined Grindwell Norton Limited in 1990 and has, since then, served in various positions. He is currently holding the position of Vice-President, Ceramics & Plastics and Corporate Services.

The resolution seeking approval of the Members for the appointment of Mr. Krishna Prasad has been incorporated in the Notice convening the AGM of the Company along with brief details about him. The Company has received a notice under Section 160 of the Act along with the requisite deposit proposing the appointment of Mr. Krishna Prasad.

None of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions with the Company, other than salaries, commission, sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations..

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation programmes are aimed to familiarise the Independent Directors with the Company, nature of industry in which the Company operates and business model of the Company. The details of the familiarisation programme imparted to Independent Directors are available on the Company's website at http://www.grindwellnorton.co.in/investor-information. The Independent Directors are regularly briefed with respect to the developments that are taking place in the Company and its operations.

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to review the Company's businesses and to discuss strategy and plans. A tentative annual calendar of meetings is circulated to the Directors in advance to enable them to plan their schedule and to ensure effective participation.

During the year, five board meetings were held. The maximum interval between the meetings did not exceed the period prescribed under the Companies Act, 2013 and the Listing Regulations.

COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013 and Regulations 18 to 21 of the Listing Regulations, the Board has constituted or reconstituted its Committees. Currently, the Board has the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Share Transfer Committee

Details of the Committees, their constitution and other details are provided in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

i. that in the preparation of the annual financial statements for year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

ii. that such accounting policies have been selected and applied consistently and judgments and estimates have been made, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2017, and of the profit of the Company for the year ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the annual financial statements have been prepared on a 'going concern' basis;

v. that proper internal financial controls are in place and that such internal financial controls are adequate and are operating effectively;

vi. that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and are operating effectively.

With reference to the point number (v), the Board believes the Company has sound Internal Financial Controls ("IFC") commensurate with the nature and size of its business. However, business is dynamic and IFC are not static, and evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will therefore be gaps in the IFC as business evolves. The Company has a process in place to continuously identify such gaps and implement newer and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration. These are set out in the Nomination and Remuneration Policy which is annexed as Annexure 3 to this Report.

ANNUAL EVALUATION OF PERFORMANCE BY THE BOARD

The Board, on recommendation of the Nomination and Remuneration Committee, has adopted a framework for performance evaluation of the Board, its committees, individual directors and the chairperson through a survey questionnaire. The survey questionnaire broadly covers various aspects of board functioning, composition of Board and its committees, culture, execution and performance of specific duties, obligation and governance.

RELATED PARTY TRANSACTIONS

All related party transactions entered during the financial year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract/arrangement/transaction with related parties which would be considered material as prescribed under the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

Prior approval of the Audit Committee is obtained for all related party transactions. The Audit Committee monitors, on a quarterly basis, the related party transactions entered vis-à-vis the related party transactions approved by the Audit Committee.

The policy on related party transactions, as approved by the Board, is available on the website of the Company, www.grindwellnorton.com. There are no transactions that are required to be reported in Form AOC-2.

The details of the transactions with related parties are provided in the accompanying financial statements.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

It is your Company's belief that its primary goal is to serve the needs of its customers and, in the process of doing so, to generate employment, livelihood and income for all its stakeholders (suppliers, vendors, service providers, employees, lenders, shareholders etc.) and, at the same time, to contribute to the revenues of Government. Further, it is your Company's belief that by pursuing its primary goal and by ensuring that its business practices meet the highest standards of corporate governance and ethics, it best fulfills its obligations and responsibility to society. Against the backdrop of this belief, your Company is committed to implement the agenda set out in its CSR policy. The CSR policy and the initiatives taken during the year, in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in Annexure 4 to this Report. In accordance with Section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee of the Board, having an Independent Chair, has been constituted to monitor the CSR policy and programs. The amount spent on eligible CSR activity for the financial year 2016-17 is around 0.56% of the average net profit of the Company during the three immediately preceding financial years.

RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROLS

Your Company recognizes that managing risk is an integral part of good management practice and an essential element of good corporate governance. It aims to have a common, formalized and systematic approach for managing risk and implementing a risk management process across the Company. The intent of the policy is to ensure the effective communication and management of risk across all risk categories. The Company has identified elements of risk, which may threaten the existence and financial position of the Company, which are set out in the Management Discussion and Analysis Report.

The Company's Internal Financial Control systems are commensurate with the nature of its business, financial statements and the size and complexity of its operations. These are routinely tested and certified by the Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Your Company has adopted and disseminated its Whistle Blower Policy to provide a secure environment and encourage employees to report unethical, unlawful or improper practices, acts or activities and to prohibit any adverse personnel action against those who report such practices, acts or activities, in good faith.

The Whistle Blower Policy is available on the website of the Company, www.grindwellnorton.com.

AUDITORS

a. Statutory Auditors

In accordance with the provision of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No 104607W/W100166), completes its term as the Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting ("AGM") of the Company.

Your Directors on recommendation of the Audit Committee, seek approval of the Members at the ensuing AGM of the Company, for appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), for an initial term of five (5) consecutive years. M/s. Price Waterhouse Chartered Accountants LLP, have confirmed their eligibility and willingness for appointment as Statutory Auditors of the Company under the provisions of the Companies Act, 2013 and Rules framed thereunder.

Accordingly, a resolution, proposing appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as the Statutory Auditors of the Company for a term of five (5) consecutive years, from the conclusion of the 67th AGM till the conclusion of the 72nd AGM of the Company pursuant to Section 139 of the Companies Act and Rules framed thereunder on such remuneration as may be mutually agreed between Board of Directors of the Company and the Auditors, as set out in the resolution included in the Notice convening the AGM of the Company. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.

The Board of Directors places on record its appreciation for the services rendered by M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, as the Statutory Auditors of the Company.

b. Cost Auditor

In accordance with Section 148 of the Companies Act, 2013 and Rules framed thereunder, the cost audit records are maintained by the Company in respect of the products which are required to be audited. Your Directors, on recommendation of the Audit Committee, appointed M/s. Rao, Murthy & Associates, Cost Accountants, to audit the cost accounting records maintained by the Company for the financial year ended March 31, 2017.

c. Secretarial Auditor

In accordance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Parikh & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2017. The Secretarial Audit Report for the financial year ended March 31, 2017 in Form No. MR-3 is set out in Annexure 5 to this Report.

COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Kalyaniwalla & Mistry LLP, Statutory Auditors, in their Auditors' Report and by M/s. Parikh & Associates, Secretarial Auditor, in their Secretarial Audit Report.

The Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form No. MGT-9 is attached as Annexure 6 to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

As per Regulation 34, Schedule V of the Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and the Management Discussion and Analysis Report are annexed and form part of this Report.

BUSINESS RESPONSIBILITY REPORT

The Listing Regulations mandate inclusion of the Business Responsibility Report ("BRR") as part of the Annual Report for the top 500 listed entities based on market capitalization. In compliance with the regulation, we have annexed the BRR as part of this Report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company's operations in the future.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to acknowledge, with sincere gratitude, the support of its esteemed customers, the strength it derives from its association with Compagnie de Saint-Gobain and its subsidiaries, the continued support and co-operation from its employees, Bankers and the loyalty of the large family of the Company's Dealers, Suppliers and valued Shareholders.

For and on behalf of the Board of Directors

PRADIP SHAH
Chairman

ANAND MAHAJAN
Managing Director

Mumbai, May 23, 2017

Annexure 1

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of energy:

Your Company is committed to ensure a clean, green, pollution-free environment as well as a safe and healthy work place at all plant locations and work sites. All the Plants of your Company are certified under the Integrated Management System. These certifications are recognition of the sustained efforts made by your Company in improving Environment, Health and Safety ("EHS") at all its sites. Your Company has taken various measures to conserve energy and resources.

(B) Technology absorption:

Your Company believes that technology absorption, adaptation and innovation is an on-going process. During the year, through various visits and interactions with the Saint-Gobain Research & Development ("R&D") centres, as well as other manufacturing locations, your Company has kept itself informed on the latest trends in technology related to the business of the Company. This has helped your Company to continuously improve the manufacturing processes, improve efficiencies and develop new products.

1. **Specific areas in which R&D was carried out by the Company:**

(a)	Abrasives	:	Bonded (including Thin Wheels) Coated (including Non-woven) Super Abrasives
(b)	Ceramics	:	Silicon Carbide Grains Refractories and Monolithics

2. **Benefits derived as a result of the above R&D:**

Development of:

- Light weight Depressed Centre Disc
- Tool room wheel

Improvements in:

- Product safety and quality
- EHS at manufacturing site by change of resin systems

3. **Future plans of action:**

Technology adoption from Saint-Gobain Abrasives and other Saint-Gobain plants in identified priority areas, for development of new and improved products.

Development and utilization of advanced tools facilitated with enhanced grinding system solutions.

4. **Expenditure on R&D for the year ended March 31, 2017:**

		(₹ Crore)
(a)	Capital	Nil
(b)	Recurring	3.07
(c)	Total	3.07
(d)	Total R&D expenditure as % of Total turnover	0.25%

(C) Foreign exchange earnings and outgo:

Total earnings in foreign exchange for the financial year ended March 31, 2017 were ₹ 195.29 Crore and the total outflow was ₹ 386.63 Crore. Details are given in notes no 29.2,46 and 48.

Annexure 2

PARTICULARS OF EMPLOYEES

A. Details pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2016-17 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary:

Sr. No.	Name of the Director/ Key Managerial Personnel and Designation	Remuneration for the financial year ended March 31, 2017 (₹ Lakhs)	% of increase in remuneration in the financial year ended March 31, 2017	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. Pradip Shah Chairman	15.30	12.50%	3
2.	Mr. Keki M. Elavia Non-Executive, Independent Director	15.60	12.23%	3
3.	Mr. Mikhil Narang Non-Executive Director	26.40	16.29%	5
4.	Mr. Shivanand Salgaocar Non-Executive, Independent Director	13.50	14.40%	2
5.	Mr. Anand Mahajan Managing Director	389.90	-6.29%	81
6.	Mr. Deepak Chindarkar Chief Financial Officer	134.41	16.41%	Not Applicable
7.	Mr. K. Visweswaran Company Secretary	61.61	24.44%	Not Applicable

2. The percentage increase in the median remuneration of employees in the financial year was 10%. It may be noted that in the Company's case, the median remuneration is that of a unionised employee. A unionised employee's remuneration increases significantly in the year that a new wage agreement is concluded and, as such, the increase in median remuneration may vary significantly from year to year.

3. The number of permanent employees on the rolls of the Company as on March 31, 2017: 1850.

4. The key parameters for the variable component of remuneration paid to the Directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration policy.

5. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration policy of the Company.

B. Details pertaining to employees as required under Section 197(12) of the Companies Act, 2013

Statement of Particulars of employees pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Age	Designation/ Nature of Duties	Remuneration (₹ Lakhs)	Qualification	Commencement of Employment	Last Employment	Total Experience (Years)
Employed throughout the year							
Anand Mahajan	64	Managing Director	389.90	M.A. (Economics), MBA (USA)	June 1983	Project Consultant - State Bank of India	41
P. Natarajan	61	Head-PEG, Pipes	193.60	B. Tech, PGDM (IIM)	April 2012	Managing Director - Sanmar Foundries Ltd	37
K. K. Prasad	55	Vice President, Ceramics & Plastics and Corporate Services	196.79	B.Sc. (Engg.), PGDM (IIM)	May 1990	Mech. Engineer - Fact Ltd.	31
Hari Singudasu	49	General Manager - Coated SOA	116.42	ICWA, PGDBM - Management, Diploma - Finance	January 1998	Sr. Executive (Finance) - Larsen & Toubro Ltd	20
Anupama Vaidya	45	Vice President, Human Resources	112.16	BCA, MBA (Symbiosis)	June 2012	Vice President, Human Resource Lodha Group	22
Deepak Chindarkar	53	Vice President, Finance & IT	134.41	B.Tech., CWA, MBA	June 1987	None	30
Samir Bou Obeid	45	Vice President, Abrasives India & Middle East	326.96	Chemical Engineer, Ecole Centrale Paris	June 2015	SEPR, France	22
Employed for part of the year							
Jean-Marc Hess	63	Deputy Chief Information Officer	93.12	BTS, CNAM	November 2016	Saint-Gobain DSI Groupe, France	43

Notes:

1. Total remuneration includes salary, commission, allowances, rent paid for providing accommodation, leave pay, group and accident insurance premium, Company's contribution to provident, superannuation and gratuity funds and also the monetary value of other perquisites.
2. All the above employees are employed on contractual basis.
3. Experience includes number of years of service elsewhere, if applicable.

Annexure 3

NOMINATION AND REMUNERATION POLICY

(I) Policy for appointment of Director, Key Managerial Personnel ("KMP") and Senior Management Appointment Criteria, Performance Evaluation and Removal:

1. The Director, KMP and Senior Management shall possess adequate qualification, experience and expertise and the following attributes/skills:

    a) Cultural fit and personal values.

    b) Vision and strategic management.

    c) Change management and ability to influence change.

2. An independent director shall have an impeccable reputation of integrity, deep expertise, insights and complementary skills and shall meet the requirements prescribed under the Companies Act, 2013 and the Listing Agreement.

3. The Nomination and Remuneration Committee ("Committee") shall carry out an evaluation of performance of every Director, KMP and Senior Management on a yearly basis.

4. Due to any reasons for disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board, with reasons recorded in writing, the removal of a Director, KMP or Senior Management (subject to the provisions and compliance of the said Act, Rules and Regulations).

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees:

A. Non-Executive Director ("NED"), other than a director nominated by Compagnie de Saint-Gobain:

NEDs shall be paid a sitting fees of ₹ 30,000/- for every meeting of the Board or Committee thereof attended by them as a member.

NEDs shall be paid commission up to an aggregate amount not exceeding 1% of the net profits of the Company for the year.

The Company has no stock options and no plans to introduce stock options.

B. Managing Director, Key Managerial Personnel and other employees:

The Remuneration Policy of the Company recognizes and is based on position and performance. It is aimed at attracting and retaining high-caliber talent. The quantum of an employee's remuneration and its components varies across grades and is determined by industry practices and comparisons, qualifications, experience, responsibilities and performance. Most employees are covered by an incentive plan which is linked to the performance of the Department/Function/ Business/ Company against annual objectives. The remuneration system maintains a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Managing Director is eligible for commission up to an aggregate amount not exceeding 1% of the net profits of the Company for the year.

The Company has no stock option plans. Some of the employees are eligible for Performance Shares of Compagnie de Saint-Gobain and all employees are eligible to purchase shares of Compagnie de Saint-Gobain under the Employee Share Purchase Plan.

The above criteria and policies are subject to review by the Nomination and Remuneration Committee and the Board of Directors of the Company.

Annexure 4

CORPORATE SOCIAL RESPONSIBILITY POLICY

As a part of the Saint-Gobain Group, Grindwell Norton Ltd ("GNO") has adopted the Group's Corporate Social Responsibility ("CSR") policy and adapted it to the Indian context. For the Group, CSR is at the heart of its strategy of sustainable development. CSR impacts every aspect of how it conducts its business and is far more than philanthropy.

Saint-Gobain's Corporate Social Responsibility Policy for India (http://www.saint-gobain.co.in) covers six broad areas of action:

1. Inventing and promoting sustainable buildings
2. Limiting our environmental impact
3. Encouraging employees' professional growth
4. Supporting local community development
5. Taking actions across the value chain
6. Ensuring that its business practices meet the highest standards of corporate governance and ethics

Within this, GNO's CSR agenda comprises of:

1. Limiting the impact of its operations, products and actions on the environment,
2. Supporting the Saint-Gobain India Foundation and local community development,
3. Ensuring that its business practices meet the highest standards of corporate governance and ethics, and
4. Taking action across the value chain to limit its impact on the environment and to spread good business practices.

Saint-Gobain India Foundation:

The Saint-Gobain India Foundation ("SGIF") is funded out of the profits of the Group's businesses in India. Each year, GNO contributes a certain percentage of its operating profit to SGIF. SGIF's primary aim is to enable life and livelihood through education of underprivileged children with a focus on educating the girl child. SGIF partners with NGOs having a proven track record.

Governance mechanism:

GNO's CSR Policy is framed and governed by the Board of Directors of the Company. The Board has constituted the CSR Committee comprising of an Independent Chair to monitor the policy and the programs from time to time and to ensure that they are in line with the Companies Act, 2013, and the Rules framed thereunder. The CSR Committee is responsible to review such programs and keep the Board apprised of the implementation status.

Implementation:

The Company's CSR programs shall be implemented by the Company personnel or through an external agency or through the Saint-Gobain India Foundation or any other trust or foundation.

CSR Expenditure:

CSR expenditure will include all direct and indirect expenditure incurred by the Company on CSR programmes undertaken in accordance with the approved CSR Plan.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   As a part of the Saint-Gobain Group, Grindwell Norton Limited ("GNO") has adopted the group's Corporate Social Responsibility ("CSR") policy and adopted it to the Indian context. For the Group, CSR impacts every aspect of how it conducts business is about being a responsible corporate citizen and is far more than philanthropy. The Group's view of CSR is broad and covers more than what is envisaged under the Companies Act, 2013. In line with the Group's CSR policy, GNO's CSR agenda comprises of:

   - Limiting the impact of its operations, products and actions on the environment
   - Supporting the Saint-Gobain India Foundation and local community development
   - Ensuring that its business practices meet the highest standards of corporate governance and ethics
   - Taking action across the value chain to limit its impact on the environment and to spread good business practices

   The CSR policy and details of the programme are available on the website of the Company, www.grindwellnorton.com

2. **Composition of the CSR Committee:**

   Mr. Keki Elavia - Chairman

   Mr. Jean-Pierre Floris

   Mr. Anand Mahajan

3. **Average net profit of the Company for the last three financial years:** ₹ 140,59.30 Lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 281.19 Lakhs

5. **Details of CSR spent during the financial year:**

   a. Total amount spent on CSR activities for the financial year was ₹ 78.97 Lakhs. The manner in which the amount has been spent during the financial year is detailed below:

(₹ Lakhs)

Sl. No.	CSR programs/ project / activity Identified	Sector in which the programs/ projects are covered	Projects/ programs		Amount outlay (budget) project / programs wise	Amount spent on the projects/programs		Cumulative expenditure up to the reporting period	Amount spent	
			Area	State		Direct Expenditure	Overheads		Direct	Agency
1.	Contribution to the corpus of Saint-Gobain India Foundation	Promotion of education	NA	NA	78.97	78.97		203.95	203.95	-
	TOTAL				**78.97**	**78.97**		**203.95**	**203.95**	**-**

6. Justification for spending lesser than the prescribed CSR expenditure:

GNO believes that its main purpose is to invest and to grow its businesses and while doing so to provide products, services and solutions that meet the needs of its customers, to generate direct and indirect employment, to contribute to the revenue of the Government and to meet the expectations of all other stakeholders. GNO also believes that the means are as important as the ends and as such, it will always act as a good corporate citizen and will ensure that its business practices meet the highest standards of corporate governance and ethics. GNO believes that it is by acting in this way and by fulfilling its purpose that GNO can best serve society. Having said this, GNO also considers that it is important to more directly contribute to improve the lives and livelihood of those who are less privileged. With this in mind, a few years ago, GNO, along with the other subsidiaries of the Saint-Gobain Group in India, set up the Saint-Gobain India Foundation ("SGIF"). Each year, GNO contributes a certain percentage of its profit to the corpus of the SGIF. GNO is represented on the Board of SGIF and its management is involved in the working of SGIF

7. In 2016-17, the Company has undertaken the implementation and monitoring of the CSR Policy as per the CSR agenda and Policy of the Company.

8. Details of a few of the Programs (near the Company's offices or sites) undertaken through the Saint-Gobain India Foundation:

a. Akanksha Foundation is an NGO that works primarily in the field of education for underprivileged children through Akanksha schools. Under this model, Akanksha adopts, manages and operates government schools in Mumbai. Saint-Gobain India Foundation supports 100 children at D.N.Nagar Municipal School, Mumbai.

b. Aseema is a Mumbai based NGO working for the rights of underprivileged children living in the streets and in slum communities. It supports poorly functioning municipal schools and helps improved students learning. Saint-Gobain India Foundation has sponsored education of three classes (around 108 children) at Santacruz Municipal School. Saint-Gobain India Foundation also sponsored the Anganwadi at Igatpuri in which 53 children will be benefited.

c. Parikrama aims at creating a sustainable model by effecting a fundamental change in the way poor and marginalized children are educated. They manage the entire education cycle from kindergarten to college for every child. Saint-Gobain India Foundation supports 120 students of Grade II, 34 students of Grade IX and 36 students of Grade X in four schools in Bengaluru.

For **Grindwell Norton Limited**

ANAND MAHAJAN
Managing Director

For and on behalf of the
Corporate Social Responsibility Committee of
Grindwell Norton Limited

KEKI M. ELAVIA
Chairman

Mumbai, May 23, 2017

Annexure 5

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
GRINDWELL NORTON LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Grindwell Norton Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

(vi) Other laws applicable specifically to the Company namely:

a. Factories Act, 1948;

b. Labour Laws and other incidental laws related to labour and employees;

c. Industries (Development & Regulation) Act, 1991;

d. Acts and rules prescribed under prevention and control of pollution;

e. Acts relating to protection of IPR.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, the Company has spent an amount of ₹ 78.97 Lakhs against the amount of ₹ 281.19 Lakhs to be spent during the year towards Corporate Social Responsibility.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously;

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

1. The Company on July 22, 2016 issued and allotted 5,53,60,000 ordinary equity shares of ₹ 5/- each as Bonus Shares.

For **PARIKH & ASSOCIATES**
COMPANY SECRETARIES

Place: Mumbai
Date: May 23, 2017

MITESH DHABLIWALA
Partner
FCS No: 8331 CP No: 9511

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure A

To,
The Members,
GRINDWELL NORTON LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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For **PARIKH & ASSOCIATES**
COMPANY SECRETARIES

Place: Mumbai
Date: May 23, 2017

MITESH DHABLIWALA
Partner
FCS No: 8331 CP No: 9511

Annexure 6

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	Corporate Identity Number (CIN):	:	L26593MH1950PLC008163
ii.	Registration Date	:	July 31, 1950
iii.	Name of the Company	:	Grindwell Norton Limited
iv.	Category / Sub-Category of the Company	:	Company having share capital
v.	Address of the registered office and contact details	:	5th Level, Leela Business Park Andheri-Kurla Road, Marol, Andheri (East), Mumbai 400 059 Tel.: +91 22 4021 2121 Fax: +91 22 4021 2102 E-mail: sharecmpt.gno@saint-gobain.com
vi.	Whether listed company	:	Yes
vii.	Name, Address and Contact details of Registrars and Transfer Agent, if any	:	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 Tel.: +91 22 6656 8484 Fax: +91 22 6656 8494 E-mail: csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Abrasives	23993	67.62%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Compagnie de Saint-Gobain ("Saint-Gobain") Les Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	Foreign Company	Ultimate Holding*	51.6*	2(46)
	* The Ultimate Holding Company (Saint-Gobain) holds shares in the Company through the following subsidiaries:				
	Saint-Gobain Abrasives Inc. 1 New Bond Street, P.O. Box – 15008 Worcester, MA 01615, USA	Foreign Company		26.8	
	Societe de Participations Financieres et Industrielles Les Miroirs, 18, Avenue D' Alsace 92096 La Defence Cedex, France	Foreign Company		24.5	
	Saint-Gobain India Private Limited Sigapi Aachi Building, Floor No 7, 18/3 Rukmini Lakshmipathy Road, Egmore Chennai, Tamil Nadu, India 600008	U26109TN1997PTC037875		0.3	
2.	Saint-Gobain Ceramic Materials Bhutan Private Limited L-14, Pasakha Industrial Estate P.O. Box no: 275, Pasakha, Bhutan	Foreign Company	Subsidiary	70.0	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01-04-2016				No. of Shares held at the end of the year i.e. 31-03-2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a.	Individuals / Hindu Undivided Family	4,114,352	0	4,114,352	7.43	8,078,770	0	8,078,770	7.30	(0.14)
b.	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c.	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d.	Bodies Corporate	150,000	0	150,000	0.27	300,000	0	300,000	0.27	0.00
e.	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f.	Any Other (Trust)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	**4,264,352**	**0**	**4,264,352**	**7.70**	**8,378,770**	**0**	**8,378,770**	**7.57**	**(0.14)**
(2)	**Foreign**									
a.	NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b.	Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c.	Bodies Corporate	28,414,000	0	28,414,000	51.33	56,828,000	0	56,828,000	51.33	0.00
d.	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e.	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	**28,414,000**	**0**	**28,414,000**	**51.33**	**56,828,000**	**0**	**56,828,000**	**51.33**	**0.00**
	Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	**32,678,352**	**0**	**32,678,352**	**59.03**	**65,206,770**	**0**	**65,206,770**	**58.89**	**(0.14)**
B.	**Public Shareholding**									
(1)	**Institutions**									
a.	Mutual Funds	7,267,197	0	7,267,197	13.13	15,497,992	0	15,497,992	14.00	0.87
b.	Banks / Financial Institutions	1,022	3,400	4,422	0.01	3,961	6,800	10,761	0.01	0.00
c.	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d.	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
e.	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f.	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g.	FIIs	521,410	600	522,010	0.94	1,049,532	1,200	1,050,732	0.95	0.01
h.	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i.	Any Other (specify) - FPIs-CORP	1,670,316	0	1,670,316	3.02	3,664,129	0	3,664,129	3.31	0.29
	Sub-Total (B) (1)	**9,459,945**	**4,000**	**9,463,945**	**17.10**	**20,215,614**	**8,000**	**20,223,614**	**18.27**	**1.17**
(2)	**Non-Institutions**									
a.	Bodies Corporate	2,273,851	7,000	2,280,851	4.12	3,243,609	13,200	3,256,809	2.94	(1.18)
i)	Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b.	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,422,414	660,485	4,082,899	7.38	6,423,384	1,264,950	7,688,334	6.94	(0.43)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,655,112	0	5,655,112	10.22	12,260,846	2,400	12,263,246	11.08	0.86
c.	Other (specify)									
	Non Resident Indian	537,377	5,500	542,877	0.98	768,210	1,600	769,810	0.70	(0.29)
	Trusts	655,964	0	655,964	1.18	1,311,417	0	1,311,417	1.18	0.00
	Sub-Total (B) (2)	**12,544,718**	**672,985**	**13,217,703**	**23.88**	**24,007,466**	**1,282,150**	**25,289,616**	**22.84**	**(1.03)**
	Total Public Shareholding (B) = (B) (1) + (B) (2)	**22,004,663**	**676,985**	**22,681,648**	**40.97**	**44,223,080**	**1,290,150**	**45,513,230**	**41.11**	**0.14**
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	**54,683,015**	**676,985**	**55,360,000**	**100.00**	**109,429,850**	**1,290,150**	**110,720,000**	**100.00**	**0.00**

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01-04-2016			Shareholding at the end of the year i.e. 31-03-2017			
		No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	% change in share holding during the year
	Saint-Gobain Group							
1.	Saint- Gobain Abrasives, Inc.	14,817,760	26.77	0.00	29,635,520	26.77	0.00	0.00
2.	Societe De Participations Financieres et Industrielles	13,596,240	24.56	0.00	27,192,480	24.56	0.00	0.00
3.	Saint-Gobain India Private Limited	150,000	0.27	0.00	300,000	0.27	0.00	0.00
	Indian Promoters							
4.	Mrs. V.A. Mahajan	647,800	1.17	0.00	1,295,600	1.17	0.00	0.00
5.	Mrs. K.M. Narang	555,000	1.00	0.00	1,110,000	1.00	0.00	0.00
6.	Mr. Anand Mahajan	498,422	0.90	0.00	996,844	0.90	0.00	0.00
7.	Late A.N. Sidhva **(Shares held by Ms. Nina Bharucha in Trust)**	890,272	1.61	0.00	1,780,544	1.61	0.00	0.00
8.	Mr. Aakil A. Mahajan	402,079	0.73	0.00	804,158	0.73	0.00	0.00
9.	Ms. Ashaita A. Mahajan	381,779	0.69	0.00	763,558	0.69	0.00	0.00
10.	Mr. Mikhil M. Narang	335,500	0.61	0.00	521,066	0.47	0.00	(0.14)
11.	Mr. Danesh M. Narang	334,500	0.60	0.00	669,000	0.60	0.00	0.00
12.	Mr. Malvinder C. Narang	69,000	0.12	0.00	138,000	0.12	0.00	0.00
	Total	**32,678,352**	**59.03**	**0.00**	**65,206,770**	**58.89**	**0.00**	**(0.14)**

(iii) Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	**SAINT- GOBAIN ABRASIVES, INC.**						
	At the beginning of the year			14,817,760	26.77		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	14,817,760	13.38	29,635,520	26.77
	At the end of the year					29,635,520	26.77
2.	**SOCIETE DE PARTICIPATIONS FINANCIERES ET INDUSTRIELLES**						
	At the beginning of the year			13,596,240	24.56		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	13,596,240	12.28	27,192,480	24.56
	At the end of the year					27,192,480	24.56
3.	**SAINT-GOBAIN INDIA PRIVATE LIMITED**						
	At the beginning of the year			150,000	0.27		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	150,000	0.14	300,000	0,27
	At the end of the year					300,000	0,27

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	**MRS. V.A. MAHAJAN**						
	At the beginning of the year			647,800	1.17		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	647,800	0.59	1,295,600	1.17
	At the end of the year					1,295,600	1.17
5.	**MRS. K.M. NARANG**						
	At the beginning of the year			555,000	1.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	555,000	0.50	1,110,000	1.00
	At the end of the year					1,110,000	1.00
6.	**MR. ANAND MAHAJAN**						
	At the beginning of the year			498,422	0.90		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	498,422	0.45	996,844	0.90
	At the end of the year					996,844	0.90
7.	**LATE A.N. SIDHVA (SHARES HELD BY MS. NINA BHARUCHA IN TRUST)**						
	At the beginning of the year			890,272	1.61		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	890,272	0.80	1,780,544	1.61
	At the end of the year					1,780,544	1.61
8.	**MR. AKHIL A. MAHAJAN**						
	At the beginning of the year			402,079	0.73		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	402,079	0.36	804,158	0.73
	At the end of the year					804,158	0.73
9.	**MS. ASHAITA A. MAHAJAN**						
	At the beginning of the year			381,779	0.69		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	381,779	0.34	763,558	0.69
	At the end of the year					763,558	0.69

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10.	**MR. MIKHIL M. NARANG**						
	At the beginning of the year			335,500	0.61		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	06-May-2016	Transfer	(97)	(0.00)	335,403	0.61
		01-Jul-2016	Transfer	(630)	(0.00)	334,773	0.60
		08-Jul-2016	Transfer	(20,889)	(0.04)	313,884	0.57
		15-Jul-2016	Transfer	(43,382)	(0.08)	270,502	0.49
		21-Jul-2016	Transfer	(19,938)	(0.04)	250,564	0.45
		28-Jul-2016	Bonus	270,502	0.24	521,066	0.47
	At the end of the year					521,066	0.47
11.	**MR. DANESH M. NARANG**						
	At the beginning of the year			334,500	0.60		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	334,500	0.30	669,000	0.60
	At the end of the year					669,000	0.60
12.	**MR. MALVINDER C. NARANG**						
	At the beginning of the year			69,000	0.12		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	69,000	0.06	138,000	0.12
	At the end of the year					138,000	0.12

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**SBI Mutual Fund**						
	At the beginning of the year			1,903,438	3.44	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	20-May-2016	Transfer	(130,000)	(0.23)	1,773,438	3.20
		20-May-2016	Transfer	250,000	0.45	2,023,438	3.66
		21-Jul-2016	Transfer	35,000	0.06	2,058,438	3.72
		28-Jul-2016	Bonus	2,023,438	1.83	4,081,876	3.69
		05-Aug-2016	Transfer	443,535	0.40	4,525,411	4.09
		12-Aug-2016	Transfer	200,000	0.18	4,725,411	4.27
		19-Aug-2016	Transfer	381,736	0.34	5,107,147	4.61
		02-Sep-2016	Transfer	25,003	0.02	5,132,150	4.64
		07-Oct-2016	Transfer	286,073	0.26	5,418,223	4.89
		04-Nov-2016	Transfer	11,569	0.01	5,429,792	4.90
		09-Dec-2016	Transfer	7,878	0.01	5,437,670	4.91
		27-Jan-2017	Transfer	74,769	0.07	5,512,439	4.98
		17-Feb-2017	Transfer	27,000	0.02	5,539,439	5.00
	At the end of the year			-	-	5,539,439	5.00

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
2.	**Sundaram Mutual Fund**						
	At the beginning of the year			1,454,408	2.63	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	22-Apr-2016	Transfer	(1,473)	(0.00)	1,452,935	2.62
		29-Apr-2016	Transfer	(4,049)	(0.01)	1,448,886	2.62
		06-May-2016	Transfer	(2,252)	(0.00)	1,446,634	2.61
		13-May-2016	Transfer	(4,626)	(0.01)	1,442,008	2.60
		24-Jun-2016	Transfer	(7,896)	(0.01)	1,434,112	2.59
		30-Jun-2016	Transfer	(58,568)	(0.05)	1,375,544	2.48
		01-Jul-2016	Transfer	(9,226)	(0.01)	1,366,318	2.47
		08-Jul-2016	Transfer	(6,151)	(0.01)	1,360,167	2.46
		15-Jul-2016	Transfer	(13,849)	(0.01)	1,346,318	2.43
		28-Jul-2016	Bonus	1,346,318	1.22	2,692,636	2.43
		09-Sep-2016	Transfer	(9,451)	(0.01)	2,683,185	2.42
		16-Sep-2016	Transfer	(4,073)	(0.00)	2,679,112	2.42
		23-Sep-2016	Transfer	(3,163)	(0.00)	2,675,949	2.42
		30-Sep-2016	Transfer	(2,968)	(0.00)	2,672,981	2.41
		24-Feb-2017	Transfer	639,045	0.58	3,312.026	2.99
	At the end of the year			-	-	3,312,026	2.99
3.	**HDFC Trustee Company Limited**						
	At the beginning of the year			1,810,000	3.27	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	1,810,000	1.63	3,620,000	3.27
		12-Aug-2016	Transfer	(580,000)	(0.52)	3,040,000	2.75
	At the end of the year			-	-	3,040,000	2.75
4.	**UTI**						
	At the beginning of the year			1,028,429	1.86	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	15-Apr-2016	Transfer	8,000	0.01	1,036,429	1.87
		22-Apr-2016	Transfer	1,505	0.00	1,037,934	1.87
		21-Jul-2016	Transfer	7,000	0.01	1,044,934	1.89
		28-Jul-2016	Bonus	1,037,934	0.94	2,082,868	1.88
		05-Aug-2016	Transfer	20,000	0.02	2,102,868	1.90
		30-Sep-2016	Transfer	13,948	0.01	2,116,816	1.91
		07-Oct-2016	Transfer	29,634	0.03	2,146,450	1.94
		14-Oct-2016	Transfer	13,000	0.01	2,159,450	1.95
		11-Nov-2016	Transfer	4,078	0.00	2,163,528	1.95
		18-Nov-2016	Transfer	36,175	0.03	2,199,703	1.99
		25-Nov-2016	Transfer	7,000	0.01	2,206,703	1.99
		02-Dec-2016	Transfer	8,826	0.01	2,215,529	2.00
		16-Dec-2016	Transfer	12,578	0.01	2,228,107	2.01
		31-Dec-2016	Transfer	8,515	0.01	2,236,622	2.02
		13-Jan-2017	Transfer	(365,000)	(0.33)	1,871,622	1.69
		13-Jan-2017	Transfer	365,000	0.33	2,236,622	2.02
		20-Jan-2017	Transfer	(125,000)	(0.11)	2,111,622	1.91
		20-Jan-2017	Transfer	45,000	0.04	2,156,622	1.95
		27-Jan-2017	Transfer	(20,000)	(0.02)	2,136,622	1.93
		10-Feb-2017	Transfer	(60,000)	(0.05)	2,076,622	1.88
		10-Feb-2017	Transfer	40,000	0.04	2,116,622	1.91
		24-Mar-2017	Transfer	(35,000)	(0.03)	2,081,622	1.88
	At the end of the year			-	-	2,081,622	1.88

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
5.	**Goldman Sachs India Limited**						
	At the beginning of the year			841,363	1.52	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	841,363	0.76	1,682,726	1.52
		31-Mar-2017	Transfer	7,528	0.01	1,690,254	1.53
	At the end of the year			-	-	1,690,254	1.53
6.	**Nina G. Bharucha**						
	At the beginning of the year			585,568	1.06	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	585,568	0.53	1,171,136	1.06
	At the end of the year			-	-	1,171,136	1.06
7.	**Gagandeep Credit Capital Private Limited**						
	At the beginning of the year			523,344	0.95	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/ bonus/sweat equity etc.,)	28-Jul-2016	Bonus	523,344	0.47	1,046,688	0.95
	At the end of the year			-	-	1,046,688	0.95
8.	**Nemish S. Shah**						
	At the beginning of the year			501,200	0.91	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	501,200	0.45	1,002,400	0.91
	At the end of the year			-	-	1,002,400	0.91
9.	**Kuwait Investment Authority Fund**						
	At the beginning of the year			500,014	0.90	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	500,014	0.45	1,000,028	0.90
	At the end of the year			-	-	1,000,028	0.90

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
10.	**Karl Gayomard Bharucha**						
	At the beginning of the year			456,032	0.82	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	28-Jul-2016	Bonus	456,032	0.41	912,064	0.82
	At the end of the year			-	-	9,12,064	0.82

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Mr. Anand Mahajan,** Managing Director						
	At the beginning of the year			498,422	0.90		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	28-Jul-2016	Bonus	498,422	0.45	996,844	0.90
	At the end of the year					996,844	0.90
2.	**Mr. Mikhil Narang,** Director						
	At the beginning of the year			335,500	0.61		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	06-May-2016	Transfer	(97)	(0.00)	335,403	0.61
		01-Jul-2016	Transfer	(630)	(0.00)	334,773	0.60
		08-Jul-2016	Transfer	(20,889)	(0.04)	313,884	0.57
		15-Jul-2016	Transfer	(43,382)	(0.08)	270,502	0.49
		21-Jul-2016	Transfer	(19,938)	(0.04)	250,564	0.45
		28-Jul-2016	Bonus	270,502	0.24	521,066	0.47
	At the end of the year					521,066	0.47
3.	**Mr. Deepak Chindarkar,** Chief Financial Officer						
	At the beginning of the year			Nil	–	–	–
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)			–	–	Nil	–
	At the end of the year			Nil	–	–	–
4.	**Mr. K. Visweswaran,** Company Secretary						
	At the beginning of the year			Nil	–	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)			–	–	Nil	–
	At the end of the year			Nil	–	–	–

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ Lakhs)

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	Nil	299.61	Nil	299.61
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total [(i)+(ii)+(iii)]	**Nil**	**299.61**	**Nil**	**299.61**
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	27.54	Nil	27.54
Net Change	**Nil**	**27.54**	**Nil**	**27.54**
Indebtedness at the end of the financial year				
(i) Principal Amount	Nil	272.07	Nil	272.07
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total [(i)+(ii)+(iii)]	**Nil**	**272.07**	**Nil**	**272.07**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ Lakhs)

Sl. No.	Particulars of Remuneration	Anand Mahajan (Managing Director)	Total Amount
1.	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	205.27	205.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14.88	14.88
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	**Stock Option**	–	–
3.	Sweat Equity	–	–
4	**Commission**	–	–
	• as % of profit	169.75	169.75
	• others, specify	–	–
5.	Others, please specify	–	–
	Total (A)	**389.90**	**389.90**
	Ceiling as per the Act	5% of net profit	

B. Remuneration to other directors:

(₹ Lakhs)

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		Pradip Shah	Shivanand Salgoacar	Keki M. Elavia	Mikhil Narang	
1.	**Independent Directors**					
	Fee for attending board/committee meetings	3.30	1.50	3.60	-	8.40
	Commission	12.00	12.00	12.00	–	36.00
	Others, please specify	–	–	–	–	–
	Total (1)	**15.30**	**13.50**	**15.60**	**–**	**44.40**
2.	**Other Non-Executive Directors**					
	Fee for attending board/committee meetings	–	–	–	2.40	2.40
	Commission	–	–	–	24.00	24.00
	Others, please specify	–	–	–	–	–
	Total (2)	**–**	**–**	**–**	**26.40**	**26.40**
	Total (B) = (1+2)					**70.80**
	Total Managerial Remuneration					**460.70**
	Overall Ceiling as per the Act	11% of net profits				

The Company has not paid any sitting fees and/or commission to Mr. Jean-Pierre Floris, Mr. Patrick Millot, Ms. Marie-Armelle Chupin, and Mr. Laurent Guillot, Non-Executive Directors of the Company, who are employees of Saint-Gobain Group.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel(s)		
		Mr. Deepak Chindarkar (Chief Financial Officer)	Mr. K. Visweswaran (Company Secretary)	Total Amount
1.	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	128.88	61.61	190.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.53	-	5.53
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4	**Commission**			
	• as % of profit	–	–	–
	• others, specify	–	–	–
5.	Others, please specify	–	–	–
	Total	**134.41**	**61.61**	**196.02**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ Lakhs)

	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other officers in default					
Penalty					
Punishment					
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GENERAL REVIEW

Grindwell Norton Ltd ("GNO") is one of the subsidiaries of Compagnie de Saint-Gobain ("Saint-Gobain"), a transnational group with its headquarters in Paris and with Sales of Euro 39.1 billion in 2016. Saint-Gobain's businesses fall into four broad sectors of activity: Construction Products, Flat Glass, High Performance Materials and Building Distribution. GNO's businesses are part of the High Performance Materials sector of activity. In GNO, the businesses are divided into two major segments:

1. Abrasives
2. Ceramics & Plastics

BUSINESS ENVIRONMENT

For the fiscal year 2016-17, the new, recently released, Index for Industrial Production ("IIP") witnessed an increase of 5% (the increase as per the old Index was less than 1%). The manufacturing sector which contributes to 75% of the Index increased by 4.9%.

ABRASIVES SEGMENT REVIEW

Products & Plants

Bonded Abrasives are most commonly available in the form of wheels. They are also available in other shapes such as segment, sticks etc., and are used for various applications ranging from polishing or lapping to removing high quantities of materials. Bonded Abrasives are used in precision applications such as lapping, honing, super-finishing, race grinding, thread grinding, fluting, OD grinding, ID grinding, surface grinding etc. They are also used in rough applications such as snagging, cutting-off, burr removal, weld preparation etc. Bonded Abrasives are used by a very large number of users cutting across several industries like Steel, Bearings, Auto Ancillaries, Auto OEMs, Cutting Tools, Needle, Razor, Rice Polishing & General Engg etc. The variety is very high. GNO makes over 15,000 different products in a year.

Super Abrasives are made of diamond (synthetic or natural) or Cubic Boron Nitride and are used in precision applications.

Coated Abrasives products are engineered composites comprising of a backing, a bond system and abrasive grains and are designed for material removal and surface preparation. Coated Abrasives products are available in various shapes like discs, belts, rolls etc. to suit a wide gamut of surface preparation and polishing applications. Non-Woven, which is a part of Coated also caters to consumer market in scouring applications.

GNO offers the widest range of cutting-edge Abrasive products to the Indian market, made in India or sourced from other plants of Saint-Gobain. Saint-Gobain has a strong backward integration when it comes to Abrasives as the Grains & Powders Division manufactures high end Abrasive grains. Besides, Saint-Gobain has its own in-house, strong Research and Development ("R&D") and is uniquely positioned in the Abrasives industry, as it can leverage the capability of developing grain technologies suited for Abrasives applications.

The Abrasives business has four manufacturing sites: Mora (near Mumbai), Bengaluru, Nagpur and Bated (Himachal Pradesh). All the sites are certified under ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

Industry

The Abrasives industry currently has two major players offering a full range of Abrasives products, one of which is GNO. GNO has a leadership position in several product-market segments. Apart from the two major players in the market, there are a few medium-sized players and a number of small local players. Besides, imports from China are present in many categories, particularly, at the low end. Some of the players from Europe and Japan have their agents and/or distributors to service mainly the precision grinding or polishing or surface preparation segments. In the case of Coated Abrasives, a few important international players have set up conversion facilities and some have also set-up local manufacturing facilities. Also most of the Power Tool players are now focusing on developing their accessories business which includes Thin Wheels and some Coated Abrasives. The market, over a period of time, has become highly price sensitive. Key success factors are quality, cost, service and capability to provide total grinding solutions.

Development & Outlook

Saint-Gobain is a major player worldwide in Abrasives. It has a strong product portfolio, a strong R&D set-up with projects in both basic and applied areas and global reach, with plants and marketing/sales organizations all over the world. GNO benefits from being a part of such an organization, in terms of access to all developments in products and process technology, sourcing of products and development of exports.

Over the past few years, the growth in manufacturing and mining has been moderate to low and this has affected the Abrasives Business. During 2016-17, there was some revival of the Auto and Steel sectors. On the other hand, there was little or no improvement in private investment and in project activity. Consequently, volume growth though much higher than the previous year, was below expectations. The growth was mainly on account of new products and new markets (including export markets). While efforts were made to increase product prices, in a competitive and low-growth and low inflationary market, success was limited and the increase was below expectations. Under these circumstances, the business delivered a reasonable performance with improvements in several areas.

The “Next Level” initiative continued to engage the employees at all levels and there was progress on several dimensions. In addition, working capital, in general, and the quality of Receivables and Inventory, in particular, were in good shape. All in all, the Abrasives business strengthened its market and its financial position during the financial year.

Looking ahead, the short term outlook is uncertain. The implementation of the Goods and Services Act will accentuate uncertainty in the next few months. Having said that, the medium term outlook is positive and the business is well-placed to benefit from growth of the industrial economy as and when this takes place. Under these circumstance, in the current fiscal, the business will focus on growing volumes (new products, new markets – domestic and export) and on increasing prices while continuing to focus on operational excellence, implementing various marketing programmes and The Next Level initiatives.

Risks & Concerns

(i) **Industry & Market:** The Abrasives business caters to a number of industries such as Steel, Automobiles, Auto Components, General Metal Fabrication and Woodworking. The dependence on any single industry segment is less than 15%. Demand for Abrasive products can get affected if all sub-segments of the industry perform badly at the same time (as has been the case in the last few years). Normally, this happens in an economic slowdown. There are a number of large customers serviced directly and there are several dealers to service small and medium customers. The largest customer accounts for less than 3% of the total sales and the largest dealer also accounts for less than 3% of the total sales. In order to minimize the impact of a domestic downturn, GNO has been putting in efforts to develop export markets and will continue to do so. Export sales are not concentrated in any single country, but are spread over several countries.

(ii) **Technology:** Abrasives have been used over a very long period of time and technological changes in terms of applications are gradual. GNO Abrasives is well positioned to anticipate and take advantage of these technological changes as Saint-Gobain is a World Leader in Abrasives with a very strong R&D Centre in the USA with regional R&D centres located elsewhere (including a Centre in India). Both basic and applied research takes place at these R&D centers. GNO has full access to all the research and technology developments.

(iii) **Competition:** The Abrasives Market has clearly been evolving from two major players to multi-players. The competitive landscape has become much more dynamic. With the economies in Europe growing very slowly, the attention of many global major players has turned towards India and China. Some of them are setting up their manufacturing operations in India and many of them are expanding their current infrastructure. On the other hand, cheap imports from China and increased participation in the markets by Power Tool players will make the market more challenging. It is expected that post implementation of GST, imports are expected to become cheaper. To meet the growing challenges in the market, the business will have to continue to invest in technology, provide superior solutions and at the same time focus on improving cost competitiveness by improving operational efficiencies.

CERAMICS & PLASTICS SEGMENT REVIEW

The main businesses in this segment are:

(i) Silicon Carbide;

(ii) High Performance Refractories;

(iii) Performance Plastics.

(i) **SILICON CARBIDE ("SiC")**

Product & Plant

Silicon Carbide grains are used primarily as raw material in the manufacture of Abrasives, Refractories and for stone polishing. SiC is manufactured at the plant located at Tirupati in Andhra Pradesh. SiC is also manufactured by the Company's subsidiary, Saint-Gobain Ceramic Materials Bhutan Private Limited, at its plant near Phuentsholing in Bhutan. Both the plants are certified under ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

Industry

In the domestic market there are three main players (including GNO) in the SiC business. GNO is the market leader. This market is also catered to by imports, mainly from China and Vietnam. The key requirements for success in the industry are quality and cost competitiveness. Entry barriers are high by way of capital investment and technology.

Development & Outlook

The Silicon Carbide business had another challenging year. Domestic demand for SiC continued to be stable. The business lost market share to imports (primarily from Vietnam/China). Exports continued to decline. This was partly due to weak European demand and also due to the weakness of the Euro. The depreciation of the Euro had an impact on export margins too. The availability of low priced imports from Vietnam and China put increasing downward pressure on domestic prices. On the supply side, production at your Company's Tirupati Plant was affected by the low power generation by the Andhra Pradesh Gas Power Corporation Limited (on account of reduced availability of gas). Consequently, production was low at Tirupati. Further, prices for key raw materials increased significantly during the fiscal year.

Although from an external perspective, the outlook for the business in 2017-18 continues to be uncertain, the worst seems to be over. The supply situation should improve, while demand and prices are unlikely to fall further. Input prices are expected to be stable around present levels. The focus in 2017-18 will be on price and cost management. In the medium term, the business needs to find an economically viable source of crude to grow.

Risks & Concerns

The major short term risk is posed by aggressive pricing by competitors from China and Vietnam. Regarding input costs, electricity costs across India are expected to rise, making it unviable to produce SiC crude at Tirupati.

(ii) **HIGH PERFORMANCE REFRACTORIES ("HPR")**

Products / Plants

Refractories are used for processing ferrous and non-ferrous metals, as kiln furniture to fire ceramic wares, as filtering media, as wear resistance material and also as body protection plates. GNO manufactures mostly silicon carbide refractories and high alumina monolithics. GNO offers complete solution with expertise in design, engineering and manufacturing refractory systems for most of the demanding, high temperature and wear applications. In the monolithic part, we also provide installation training and support as part of our product-service package. HPR has two plants: one is located at Bengaluru and the other at Halol, near Vadodara in Gujarat. Both the plants are certified under ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999.

Industry

GNO's High Performance Refractories Business caters to specialized refractory and ceramic product applications that straddle across industry segments like primary and secondary metal (ferrous / non-ferrous) production, Heat Treatment, Waste to Energy Conversion, Abrasives, Porcelain and Sanitary-ware. Specialized ceramic product based solutions are also used for Armour applications (protection of human and vehicular bodies) and applications that require resistance to wear.

Development & Outlook

2016-17 was again a difficult year for the business as investment in many sectors continued to remain muted and the foundry segment (secondary steel making) was adversely affected due to high imports in the early part of the year and due to demonetization in the third quarter of the financial year. Several growth opportunities have, however, been identified and developed during 2016-17 in the non-ferrous segment in the domestic market and in the foundry segment in export markets. In 2017-18, growth opportunities in the foundry market (both domestic & exports) and non-ferrous segment in the domestic market will be the key drivers for growth.

Risks & Concerns

Continued low investment in new projects will adversely impact growth. Product acceptance and competitive pricing will continue to be critical in export markets.

(iii) PERFORMANCE PLASTICS ("PPL")

Product, Plant & Industry

The Performance Plastics business produces and markets more than 800 standard and custom-made polymer products through three business segments: Engineered Components ("ENC"), Fluid Systems ("FLS") and Composites ("CMP"). Each demonstrates innovation, responsiveness to customer needs and polymer expertise.

The major product lines in PPL are Bearings, Seals, Tubing & Hoses, Films, Fabrics and Foams. The major markets addressed are Automotive, Oil & Gas, Life Sciences, Construction, Energy and General Industrial.

GNO has a plant for ENC and FLS products situated at Bengaluru. This plant is certified under ISO 9001:2008, ISO 14001:2004, OHSAS 18001:1999 and TS1694.

Development & Outlook

The major growth drivers are:

- New products and new markets
- Success in new applications
- Broad-basing of existing applications and markets
- Specification driven approvals at customers

The PPL business had a stable year helped by steady growth in the Composites and Automotive segments. One of the key markets for the Plastics business is the automotive passenger vehicle market which witnessed growth in 2016-17. The focus has been on defending our high share in conventional applications, while trying to grow new applications. Composites business witnessed good overall growth by identifying new applications and competition conversion. The Oil & Gas segment again declined in this financial year. Life sciences business, witnessed a slowdown in growth on account of FDA-related stoppages at some of our pharmaceutical customers. The main aim of the business in 2017-18 would be to strengthen its position in existing markets, while accelerating growth in new markets in the industrial, life sciences and construction segments. On the operations front, plans are being made to accelerate localization initiatives and to improve the cost position of the business in key growth segments.

The key for growth of the PPL business is to have a well-trained, technical sale and application engineering organizations with good market coverage in order to identify and develop new applications and deliver high growth. Building such teams will continue to be a key priority for the business.

Risks & Concerns

Demand stagnation in key markets like Automotive, Life Sciences and Oil & Gas is a major risk. Depreciation of the Rupee is also a risk as the business is import-intensive. Aggressive pricing action by competition (including low-cost Chinese imports) in certain segments is another risk.

Risks & Concerns – Others

1. Financial

GNO's financial management has always been governed by the prudent policies, based on conservative principles. Currently, GNO is debts free Company. All the commercial transactions entered into by GNO in foreign currencies are managed by hedging them appropriately to minimize the exchange risk of the currency. GNO has a well-defined and structured treasury operation, with the emphasis being on security.

2. Legal & Statutory

(i) Contingent Liabilities: Details of Contingent Liabilities are in the Notes forming part of the financial statements.

(ii) Statutory Compliance: GNO ensures statutory compliance of all applicable laws and is committed to timely payment of statutory dues.

HUMAN RESOURCES

During the year the focus has been on engagement of employees through the 75 year celebrations across locations and businesses while ensuring effective implementation of HR initiatives. Several programs including contests to bring out the talent in areas of art and culture along with sports were held over the year culminating in the Anniversary celebrations with families. In addition, we continued the programs towards people development and nurturing. GNO continued to invest in training people in Environment, Health and Safety and World Class Manufacturing and to provide an environment in which employees can give their best and realize their full potential.

OVERALL PERFORMANCE

The growth of the Manufacturing and Mining sectors was lower than the previous fiscal. Against this backdrop, during the year under review, your Company's sales and operating profit registered a satisfactory growth of 9% and 11% respectively.

INTERNAL CONTROL SYSTEM

GNO has an effective internal control environment which ensures that the businesses and operations are managed efficiently and effectively, assets are safeguarded, regulatory requirements are complied with and transactions are recorded after appropriate authorizations. The Company's strong and independent internal audit function performs regular audits. The internal controls are constantly upgraded based on internal audit recommendations. Every quarter the significant audit findings, the corrective steps recommended and their implementation status are presented to the Audit Committee.

SEGMENT FINANCIALS

GNO has identified two segments in line with the Accounting Standards on Segment Reporting. The segments are Abrasives and Ceramics & Plastics.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains a few forward looking statement based on the information and data available with the Company and assumptions with regard to the economic environment, the government policies etc. The Company cannot guarantee the validity of assumptions and performance of the Company in the future. Hence, it is cautioned that the actual results may differ from those indicated, expressed or implied in this report.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Grindwell Norton Limited ("GNO"), a member of the 'Saint-Gobain' group, is committed to the highest standards of fair, ethical and transparent governance practices. The corporate governance policies followed by GNO are intended to ensure transparency in all its dealings.

The Company recognizes the importance of strong corporate governance which is a vital mechanism for investor protection.

2. BOARD OF DIRECTORS

Composition:

As on March 31, 2017, the Company has nine Directors. Of the nine Directors, eight are Non-Executive Directors out of which three are Independent Directors. The Chairman of the Board is an Independent, Non-Executive Director.

The Board has an optimal mix of professionalism, knowledge and experience. The composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

None of the Directors on the Board hold Directorships in more than twenty companies or in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2017 have been made by the Directors. None of the Directors are related to each other.

All the independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013 ("Act"). The maximum tenure of the Independent Director is in compliance with the Act. Independent Directors do not hold office as an Independent Director in more than seven listed companies. The details of the familiarisation programme imparted to Independent Directors are available on the Company's website at http://www.grindwellnorton.co.in/investor-information.

Meetings of the Board:

Five Board meetings were held during the year and the gap between two consecutive meetings did not exceed one hundred and twenty days.

The dates on which the said meetings were held are as follows:

May 30, 2016; July 28, 2016; November 3, 2016; December 20, 2016 and February 1, 2017.

Necessary quorum was present for all the meetings.

During the year, information as mentioned in Schedule II, Part A of the Listing Regulations has been placed before the Board for its consideration. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

The names and category of the Directors, their attendance at Board meetings held during the year and number of Directorships and committee chairmanships/memberships held by them in other public and private companies as on March 31, 2017 are given below:

Name of the Director	Category	Number of Board Meetings during the year 2016-17		Whether attended last AGM held on July 28, 2016	Number of Directorship held (including GNO)#		Number of Committee positions held in public companies (including GNO)*	
		Held	Attended		Public	Private	Chairman	Member
Mr. Pradip Shah DIN 00066242 (Chairman)	Independent, Non-Executive	5	5	Yes	9	7	1	7
Ms. Marie-Armelle Chupin DIN 00066499	Non-Executive	5	1	No	1	-	-	-
Mr. Keki M. Elavia DIN 00003940	Independent, Non-Executive	5	5	Yes	10	3	5	4
Mr. Jean-Pierre Floris DIN 02504627	Non-Executive	5	1	No	1	-	-	-
Mr. Patrick Millot DIN 00066275	Non-Executive	5	1	No	1	-	-	-
Mr. Mikhil Narang DIN 02970255	Promoter, Non-Executive	5	5	Yes	1	1	-	1
Mr. Shivanand Salgaocar DIN 00001402	Independent, Non-Executive	5	3	Yes	1	17	1	-
Mr. Laurent Guillot DIN 07412302	Non-Executive	5	1	No	1	-	-	-
Mr. Anand Mahajan DIN 00066320 (Managing Director)	Promoter, Executive	5	5	Yes	3	4	1	2

Video/tele-conferencing facilities are also used to facilitate Directors to participate in the meetings.

Excluding foreign companies and companies under Section 8 of the Act.

* The information related to committee positions held as stated above, pertains to the audit committee and stakeholders relationship committee in accordance with the provisions of Regulation 16 of the Listing Regulations.

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The audit committee is constituted in line with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Terms of Reference:

- To act in accordance with the terms of reference specified in writing by the Board.
- To recommend the appointment, re-appointment and if required, the replacement or removal of the various auditors of the Company and the remuneration and terms of appointment thereof.
- To approve payment to statutory auditors for any other services rendered by the statutory auditors.

- To review and monitor the auditor's independence and performance, and effectiveness of the audit process.
- To examine the financial statement and the auditors' report thereon.
- To approve transactions of the Company with related parties and any subsequent modification thereof.
- To scrutinise inter-corporate loans and investments.
- To undertake valuation of undertakings or assets of the Company, wherever it is necessary.
- To evaluate internal financial controls and risk management systems.
- To review/monitor with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors.
- To review financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.
- To have oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in the draft audit report.
- To review with the management, the quarterly financial statements before submission to the Board for approval.
- To review, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- To discuss with internal auditors any significant findings and follow-up there on.
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- To discuss with statutory auditors, before the audit commences about the nature and scope of audit and post-audit, to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

- To carry out any other function as is mentioned in the terms of reference of the Audit Committee.
- To review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- To have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- To seek information and have direct access to any employees, Directors, Key Managerial Personnel's to perform its functions effectively.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.
- To invite such of the executives as it considers appropriate to be present at the meetings, but on occasion may also meet without the presence of any executives of the Company.
- To review the appointment, removal and terms of appointment of Chief Internal Auditor.
- The Committee shall also conduct an annual review of the adequacy of the Terms of Reference and recommend any proposed changes to the Board for approval.

Composition:

The composition of the audit committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2016-17	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	4	4
Mr. Pradip Shah	Independent, Non-Executive	4	4
Mr. Anand Mahajan	Promoter, Executive	4	4

Mr. Keki M. Elavia, an Independent Director, is the Chairman of the committee. Mr. Keki M. Elavia is B.Com. (Hons),FCA, CFE. He retired as a senior partner of M/s. Kalyaniwalla & Mistry, Chartered Accountants, after an association of more than 40 years.

The members of the committee are well versed in finance matters, accounts and general business practices. The Vice President – HR, Vice President – Finance & IT, Internal Auditor and the Statutory Auditors are invitees to the meetings of the committee. The Company Secretary acts as the secretary to the audit committee.

Mr. Keki M. Elavia, Chairman of the committee was present at the previous Annual General Meeting ("AGM") of the Company held on July 28, 2016.

Meetings of the Audit Committee:

During the year ended March 31, 2017, four audit committee meetings were held. The dates on which the said meetings were held are as follows:

May 30, 2016; July 28, 2016; November 3, 2016 and February 1, 2017.

Necessary quorum was present for all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee is constituted in line with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Terms of Reference:

- To formulate criteria for appointment of Directors and remuneration including criteria for determining qualification, positive attributes and independence of a Director.
- To formulate evaluation criteria for assessment of performance of Board and its committees.
- To formulate, review and recommend nomination and remuneration policy to the Board.
- To recommend to the Board, the commission payment to Non-Whole-Time Directors (other than the Nominee Directors of Compagnie de Saint-Gobain ("CSG")) and to the executive directors.

- To identify candidates who are qualified to become Directors or who may be appointed in senior management positions and recommending to the Board their appointment and/or removal.
- To review and determine all elements of the remuneration package of Executive Directors.
- Such other matters as the Board may, from time to time, request the committee to examine and recommend/approve.

Composition:

The composition of the nomination and remuneration committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2016-17	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	2	2
Mr. Pradip Shah	Independent, Non-Executive	2	2
Mr. Jean-Pierre Floris	Non-Executive	2	–

Meetings of the Nomination and Remuneration Committee:

Two meetings of the Nomination and Remuneration Committee was held during the year on May 30, 2016 and February 1, 2017.

Nomination and Remuneration Policy:

In accordance with Section 178 of the Act, the committee has framed a nomination and remuneration policy and the same is set out as Annexure 3 to the Board Report.

Performance evaluation criteria for Independent Directors:

The Board, on recommendation of the nomination and remuneration committee, has adopted a framework for performance evaluation of the Board, its committees, individual directors and the chairperson through a survey questionnaire. The survey questionnaire broadly covers various aspects of Board functioning, composition of Board and its committees, culture, execution and performance of specific duties, obligation and governance.

Pecuniary relationship or transaction of Non-Executive Directors vis-à-vis the Company:

Apart from receiving Director's sitting fees and commission, the Non-Executive Directors of the Company do not have any pecuniary relationships or transactions with the Company.

Mr. Mikhil Narang is a member of the Indian Promoters' Group. Mr. Jean-Pierre Floris, Mr. Patrick Millot, Ms. Marie-Armelle Chupin and Mr. Laurent Guillot are employees of the Saint-Gobain Group.

Details of the Remuneration to the Directors for the financial year ended March 31, 2017 are given below:

<u>Executive Directors:</u>

(i) All elements of remuneration package i.e. salary, benefits, perquisites, profit commission, pension etc.:

Mr. Anand Mahajan: ₹ 389.90 Lakhs

(ii) Fixed component and performance linked incentives along with the performance criteria:

Fixed component is paid as salary and other perquisites. In addition, a profit commission, if applicable, is paid within the maximum ceiling on remuneration, based on certain pre-agreed performance parameters.

(iii) Service contracts, notice period, severance fees:

The appointment of Executive Directors is by virtue of their employment with the Company as management employees and therefore, their terms of employment are governed by the applicable policies at the relevant point in time.

(iv) Stock Option:

Presently, the Company does not have a scheme for grant of stock options either to the Managing Director or to any other employees.

Non-Executive Directors:

The Non-Executive Directors other than the nominee directors of CSG are paid a sitting fees of ₹ 30,000/- per meeting of the Board or its committees.

The shareholders of the Company at the 62nd Annual General Meeting held on July 26, 2012, have approved payment of commission up to 1% of the net profits of the Company to its Non-Executive Directors (other than Nominee Directors of CSG) for a period of five years commencing from April 1, 2013. Out of the total commission payable, about 60% of the amount is paid to the Non-Independent Director(s) and the balance 40% is paid to Independent Directors based on the allocation approved by the Board of Directors.

The details of sitting fees (paid) and commission (payable) to Non-Executive Directors are as follows:

(₹ Lakhs)

Name	Sitting Fees	Profit Commission	Total
Mr. Pradip Shah	3.3	12	15.30
Mr. Keki M. Elavia	3.6	12	15.60
Mr. Shivanand Salgaocar	1.5	12	13.50
Mr. Mikhil Narang	2.4	24	26.40

Equity Shares held by Non-Executive Directors:

Mr. Mikhil Narang holds 5,21,066 equity shares of the Company, which represents 0.47% of total paid-up capital of the Company. No other Non-Executive Director hold any equity shares in the Company.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The stakeholders relationship committee is constituted in line with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Composition:

The composition of the stakeholders relationship committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2016-17	
		Held	Attended
Mr. Shivanand Salgaocar (Chairman)	Independent, Non-Executive	2	2
Mr. Mikhil Narang	Promoter, Non-Executive	2	2
Mr. Anand Mahajan	Promoter, Executive	2	2

Meetings of Stakeholders Relationship Committee:

During the year ended March 31, 2017, two meetings of the stakeholders relationship committee were held on July 28, 2016 and February 1, 2017.

Necessary quorum was present for all the meetings.

Mr. K. Visweswaran, Company Secretary also functions as the Compliance Officer.

Details of investor complaints received and redressed during the year 2016-17 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	2	2	0

D. CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

The CSR committee is constituted in line with the provision of Section 135 of the Act. The committee has an independent chair to monitor the CSR policy and programs and to ensure that they are in line with the Act and Rules framed thereunder. The CSR policy and initiatives taken during the year are set out as Annexure 4 to the Board's Report and also disseminated through the website of the Company, www.grindwellnorton.com.

Composition:

The composition of CSR committee and details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2016-17	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	1	1
Mr. Jean-Pierre Floris	Non-Executive	1	-
Mr. Anand Mahajan	Promoter, Executive	1	1

Meeting of the Corporate Social Responsibility Committee:

One meeting of the CSR committee was held during the year on May 30, 2016.

E. RISK MANAGEMENT COMMITTEE

The risk management committee is constituted in line with the Regulation 21 of the Listing Regulations. The committee has formulated the risk management policy of the Company which is integrated with internal control system in line with the Saint-Gobain internal control and risk management system. The broad framework of the committee is to identify and analyse main identifiable risks, control activities proportionate to the risks, communication and implementation, and on-going monitoring and a regular review of the process.

Composition:

The composition of risk management committee and details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2016-17	
		Held	Attended
Mr. Jean-Pierre Floris (Chairman)	Non-Executive	1	-
Mr. Mikhil Narang	Promoter, Non-Executive	1	1
Mr. Anand Mahajan	Promoter, Executive	1	1

Meeting of the Risk Management Committee:

One meeting of the risk management committee was held during the year on February 1, 2017.

F. SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee of Directors comprising of Mr. Shivanand Salgaocar (Independent, Non-Executive) as the Chairman, Mr. Mikhil Narang (Promoter, Non-Executive) and Mr. Anand Mahajan (Promoter, Executive) as its members.

Necessary quorum was present for all the meetings.

The share transfer committee meets as often as required to approve share transfers, issue of duplicate share certificate, issue of share certificate in lieu of request for renewal by the shareholders and transmission, which are noted at subsequent board meetings.

G. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on February 1, 2017 without the attendance of Non-Independent Directors and members of the management. The said meeting was attended by all the Independent Directors of the Company.

4. GENERAL BODY MEETINGS

(a) Annual General Meetings:

Date and Time	Venue	Special Resolutions passed
July 23, 2014 at 3.00 p.m	M. C. Ghia Hall Bhogilal Hargovindas Building 18/20, Kaikushru Dubash Marg (Rampart Row), Mumbai 400 001	None
August 4, 2015 at 3:00 p.m	M. C. Ghia Hall Bhogilal Hargovindas Building 18/20, Kaikushru Dubash Marg (Rampart Row), Mumbai 400 001	None
July 28, 2016 at 3:00 p.m	M. C. Ghia Hall Bhogilal Hargovindas Building 18/20, K. Dubash Marg Kala Ghoda, Mumbai 400 001	None

(b) Details of Special Resolution passed through Postal Ballot, the person who conducted the Postal Ballot exercise and details of Voting Pattern:

A Special Resolution for alteration of the Articles of Association of the Company and three Ordinary Resolutions for increase in Authorised Share Capital of the Company, Alteration of the Capital Clause of the Memorandum of Association and Approval for issue of Bonus Shares as contained in a Notice to the Shareholders dated May 30, 2016 were passed during the year under a Postal Ballot. Mr. Mitesh Dhabliwala (Membership No. FCS 8331) or failing him Ms. Sarvari Shah (Membership No. 27572) of M/s. Parikh & Associates, Company Secretaries, was appointed as the Scrutinizer to scrutinize the Postal Ballot and remote e-voting process in fair and transparent manner. The Bonus Shares were allotted on July 22, 2016 based on the Record Date of July 15, 2016.

Details of the Resolutions passed through Postal Ballot are as follows:

Resolution No. 1

Description:

Ordinary Resolution to accord the consent of the Shareholders for increase in Authorised Share Capital of the Company.

Voting Pattern:

Category	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
E-voting & Postal Ballot				
Promoter and Promoter Group	32,296,476	0	100%	-
Public Institutional holders	8,185,546	0	100%	-
Public-Others	1,622,455	701	99.96%	0.04%
Total	**42,104,477**	**701**	**99.99%**	**0.01%**

Resolution No. 2

Description:

Ordinary Resolution to accord the consent of the Shareholders for Alteration of the Capital Clause of the Memorandum of Association.

Voting Pattern:

Category	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
E-voting & Postal Ballot				
Promoter and Promoter Group	32,296,476	0	100%	-
Public Institutional holders	8,185,546	0	100%	-
Public-Others	1,620,760	2,159	99.87%	0.13%
Total	**42,102,782**	**2,159**	**99.99%**	**0.01%**

Resolution No. 3

Description:

Special Resolution to accord the consent of the Shareholders for Alteration of the Articles of Association.

Voting Pattern:

Category	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
E-voting & Postal Ballot				
Promoter and Promoter Group	32,296,476	0	100%	-
Public Institutional holders	8,185,546	0	100%	-
Public-Others	1,621,457	1,767	99.89%	0.11%
Total	**42,103,479**	**1,767**	**99.99%**	**0.01%**

Resolution No. 4

Description:

Ordinary Resolution to accord the consent of the Shareholders for Approval for Issue of Bonus Shares.

Voting Pattern:

Category	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes polled	% of Votes against on Votes polled
E-voting & Postal Ballot				
Promoter and Promoter Group	32,296,476	0	100%	-
Public Institutional holders	8,185,546	0	100%	-
Public-Others	1,522,672	1	100%	-
Total	**42,004,694**	**1**	**100%**	**-**

(c) Procedure for Postal Ballot:

The Company conducted the Postal Ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch of the Postal Ballot Notice dated May 30, 2016 along with the Explanatory Statement, Postal Ballot Form and self-addressed Business Reply Envelope on June 7, 2016 to the shareholders who had not registered their e-mail IDs with the Company/ Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a Notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Section 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the Listing Regulations, the Company had offered the facility of e-voting to its Members to enable them to cast their vote electronically. The voting under the Postal Ballot was kept open from June 8, 2016 to July 7, 2016. Upon completion of scrutiny of the Postal Ballot Forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Mitesh Dhabliwala (FCS 8331) submitted his report to the Company and results of the Postal Ballot were announced by the Company on July 8, 2016. The voting results were sent to the Stock Exchanges and also displayed on the Company's website, www.grindwellnorton.com and on the website of National Securities Depository Limited, www.evoting.nsdl.com.

(d) Details of Special Resolution proposed to be conducted through Postal Ballot:

No Special Resolution is proposed to be conducted through Postal Ballot at the AGM to be held on July 26, 2017.

5. MEANS OF COMMUNICATION

Quarterly Financial Results and Publications:

The unaudited quarterly, unaudited half-yearly and audited annual financial results are approved by the Board of Directors and published in The Economic Times and Maharashtra Times.

The results are also displayed on the website of the Company, www.grindwellnorton.com. The presentations made to institutional investors and analysts are also displayed on the Company's website.

6. GENERAL SHAREHOLDERS' INFORMATION

(a) Annual General Meeting ("AGM"):

Day & Date	:	Wednesday, July 26, 2017
Time	:	11:00 a.m.
Venue	:	M.C. Ghia Hall, Bhogilal Hargovindas Building 18/20, K. Dubash Marg,Kala Ghoda, Mumbai 400 001

(b) Financial Year: The Company's financial year begins on April 1, and ends on March 31, every year.

Calendar of Financial Results for 2017-18:

(i)	First Quarter Results	:	July/August 2017
(ii)	Half-yearly Results	:	October/November 2017
(iii)	Third Quarter Results	:	January/February 2018
(iv)	Results for the year ending March 31, 2018	:	April/May 2018

(c) Date of Book Closure:

Wednesday,July 19, 2017 to Wednesday, July 26, 2017 (both days inclusive).

(d) Date of payment of Dividend:

The dividend, if approved by the Members, shall be paid/credited on and from Friday, July 28, 2017

(e) Listing on Stock Exchange(s):

BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

National Stock Exchange of India Limited ("NSE"), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

The annual listing fees of BSE and NSE have been paid for the year 2017-2018.

(f) Stock Code/Symbol/International Securities Identification Number ("ISIN"):

NSE	:	GRINDWELL
BSE	:	506076
ISIN FOR NSDL/CDSL	:	INE536A01023

(g) Corporate Identity Number ("CIN") of the Company:

L26593MH1950PLC008163

(h) Market Price Data: High, Low during each month in the last financial year and Performance in comparison to BSE Sensex (broad based index):

Month	NSE		BSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	Sensex High	Sensex Low
April 2016	684.15	644.60	679.20	639.00	26064.12	24673.84
May 2016	678.85	622.00	680.65	624.00	26725.60	25101.73
June 2016	736.30	661.15	734.60	663.30	27020.66	26395.71
July 2016*	750.45	340.05*	748.45	339.75*	28208.62	27126.90
August 2016	337.45	327.60	338.05	326.40	28452.17	27697.51
September 2016	337.25	316.80	335.60	317.05	29045.28	27827.53
October 2016	344.25	323.10	342.40	323.25	28334.55	27529.97
November 2016	340.95	310.40	336.85	308.70	27876.61	25765.14
December 2016	331.90	320.80	333.50	320.10	26747.18	25807.10
January 2017	328.70	316.25	328.25	318.35	27882.46	26595.45
February 2017	339.80	319.00	337.90	318.00	28892.97	28141.64
March 2017	355.90	330.95	356.50	330.70	29648.99	28832.45

* Price from July 14, 2016 is Ex-Bonus.

(i) Registrars and Transfer Agents:

TSR Darashaw Limited ("TSRDL")
6-10, Haji Moosa Patrawala Industrial Estate
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011
Telephone: +91 22 6656 8484
Fax: +91 22 6656 8494
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

For the convenience of the shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TRSDL:

a. Branches of TSRDL:

- TSR Darashaw Limited
  503, Barton Centre, 5th Floor
  84, Mahatma Gandhi Road
  Bengaluru 560 001
  Telephone: + 91 80 2532 0321
  Fax: + 91 80 2558 0019
  E-mail: tsrdlbang@tsrdarashaw.com
- TSR Darashaw Limited
  Tata Centre, 1st Floor
  43, Jawaharlal Nehru Road
  Kolkata 700 071
  Telephone: + 91 33 2288 3087
  Fax: + 91 33 2288 3062
  E-mail: tsrdlcal@tsrdarashaw.com
- TSR Darashaw Limited
  Bungalow No. 1, ‘E’ Road
  Northern Town, Bistupur
  Jamshedpur 831 001
  Telephone: + 91 657 2426 616
  Fax: + 91 657 2426 937
  E-mail: tsrdljsr@tsrdarashaw.com
- TSR Darashaw Limited
  Plot No. 2/42, Sant Vihar
  Ansari Road, Daryaganj
  New Delhi 110 002
  Telephone: + 91 11 2327 1805
  Fax: + 91 11 2327 1802
  E-mail: tsrdldel@tsrdarashaw.com

b. Agent of TSRDL:

Shah Consultancy Services Limited
3, Sumatinath Complex,
Pritam Nagar Akhada Road, Ellisbridge
Ahmedabad 380 006
Telefax: + 91 79 2657 6038
E-mail: shahconsultancy8154@gmail.com

(j) Share Transfer System:

Transfer of shares held in physical form are processed by TSR Darashaw Limited and approved by the Share Transfer Committee.

(k) Shareholding Pattern as on March 31, 2017:

Category	Number of Shareholders	Number of Shares	Percentage
Promoters:			
Foreign	2	56,828,000	51.33
Indian	10	8,378,770	7.57
Insurance Companies & Banks	8	10,761	0.01
UTI & Mutual Funds	36	15,497,992	14.00
NRIs, OCBs FIIs and FPI	375	5,484,671	4.95
Domestic Companies and Trusts	351	4,548,076	4.11
Resident Individuals	14,650	19,971,730	18.03
Total	**15,432**	**110,720,000**	**100.00**

(l) Distribution of Shareholdings:

Number of Equity Shares	Number of Shares	Percentage of Capital	Number of Shareholders	Percentage of total Shareholders
Upto 250	703,258	0.63	8,125	52.64
251 to 500	1,248,182	1.13	3,202	20.75
501 to 1000	2,009,639	1.82	2,560	16.59
1001 to 5000	2,543,442	2.30	1,180	7.65
5001 to 10000	1,065,068	0.96	146	0.95
10001 to 100000	4,518,014	4.08	139	0.90
100001 and above	98,632,397	89.08	80	0.52
Total	**110,720,000**	**100.00**	**15,432**	**100.00**

(m) Dematerialisation of shares and liquidity:

98.83% of the paid-up capital has been dematerialised as on March 31, 2017.

(n) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

(o) Commodity price risk or foreign exchange risk and hedging activities:

GNO's foreign currency exposure on account of imports and exports are appropriately hedged. GNO has a well-defined and structured treasury operation, with the emphasis being on security.

(p) Plant Locations:

The Company's plants are located at Mora (near Mumbai), Nagpur, Bengaluru, Tirupati, Bated (Himachal Pradesh) and Halol (near Vadodara). The Company's subsidiary, Saint-Gobain Ceramic Materials Bhutan Private Limited, has a plant near Phuentsholing in Bhutan.

(q) Address for correspondence:

Grindwell Norton Limited
5th Level, Leela Business Park
Andheri-Kurla Road, Marol, Andheri (East)
Mumbai 400 059
Tel: + 91 22 4021 2121 ● Fax: + 91 22 4021 2012
Designated e-mail address for Investor Services: sharecmpt.gno@saint-goban.com
Website: www.grindwellnorton.com

7. DISCLOSURES

(a) Materially Significant Related Party Transactions:

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. Transactions with related parties, as per the requirements of Indian Accounting Standards ("Ind AS") – 24, are disclosed in Note 54 of Notes forming part of financial statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link:

http://www.grindwellnorton.co.in/investor-information

(b) Compliance:

The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on all matters relating to capital markets, and no penalty or strictures were imposed on the Company during the last three years.

(c) Whistle Blower Policy and Vigil Mechanism:

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to provide a secure environment and encourage employees to report unethical, unlawful or improper practices, acts or activities, a Whistle Blower policy has been operational for a number of years. The Whistle Blower Policy and Vigil Mechanism are disseminated through the Company's website; www.grindwellnorton.com. We affirm that no employee of the Company was denied access to the Audit Committee.

(d) Mandatory and Non-mandatory requirements:

The Company has complied with all the mandatory requirements of Schedule II of the Listing Regulations. The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II of the Listing Regulations:

(i) The financial statements of the Company are unmodified.

(ii) The position of Chairman and Managing Director are separate.

(iii) The Internal Auditor directly reports to the Audit Committee

(e) The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary company. The minutes of the board meetings of the unlisted subsidiary company are periodically placed before the Board of Directors of the Company. The Company has a subsidiary incorporated in Bhutan. However, it is not a material subsidiary in terms of the Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

(f) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

8. PROMOTERS' GROUP

i. Indian Promoters:

- Late A.N. Sidhva (Shares held by Ms. Nina Bharucha in Trust)
- Mrs. V.A. Mahajan & family
- Mrs. K.M. Narang & family

ii. Foreign Promoters (Collaborators):

(a) Saint-Gobain Abrasives Inc., USA

(b) Societe de Participations Financieres et Industrielles, France

iii. Other Saint-Gobain Group of Companies in India:

(a) Saint-Gobain India Private Limited

(b) Saint-Gobain India Foundation

(c) Saint-Gobain Sekurit India Limited

(d) Saint-Gobain Research India Private Limited

9. OTHER INFORMATION

(a) CEO/CFO certification:

Pursuant to the provisions of Regulation 17(8), Part B of Schedule II of Listing Regulations, the Managing Director ("CEO") and the Vice President-Finance & IT ("CFO") have issued a certificate to the Board of Directors, for the financial year ended March 31, 2017.

(b) Code of Conduct:

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of conduct is available on the website of the Company, www.grindwellnorton.com. Internally, all employees of the Company are expected to strictly follow Saint-Gobain's Principles of Conduct and Action and the Code of Conduct for Saint-Gobain employees in India.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2017.

For **Grindwell Norton Limited**

ANAND MAHAJAN

Managing Director

Mumbai, May 23, 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
GRINDWELL NORTON LIMITED

We have examined the compliance of conditions of Corporate Governance by Grindwell Norton Limited ("the Company") for the year ended March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Obligations and Disclosure Requirements

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm registration no. 104607W/W100166

SAI VENKATA RAMANA DAMARLA
Partner
Membership No. 107017

Date: May 23, 2017
Place: Mumbai

BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

Introduction

Grindwell Norton Limited's commitment to sustainability is based on the values forged over its 75 year history. As a part of the Saint-Gobain Group, Grindwell Norton Limited ("GNO") is committed to sustainable business and has adopted the Group's Corporate Social Responsibility ("CSR") Policy and adapted it to the Indian context. The Group's policy has five broad areas of action: inventing and promoting sustainable buildings, limiting the Group's environmental impacts, encouraging employees' professional growth, supporting local community development and taking action across the value chain. GNO will focus on all except one (inventing sustainable buildings) of these areas of action. In addition as an important element of sustainable business and in line with its CSR Policy, GNO will lay great emphasis on ensuring that its business practices meet the highest standards of corporate governance and ethics.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L26593MH1950PLC008163
2. **Name of the Company:** Grindwell Norton Limited
3. **Registered address:** 5th Level, Leela Business Park, Andheri-Kurla Road, Marol, Andheri (East), Mumbai 400 059
4. **Website:** www.grindwellnorton.com
5. **E-mail id:** sharecmpt.gno@saint-gobain.com
6. **Financial Year reported:** April 1, 2016 to March 31, 2017
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

NIC Code	Product Description
2399	Abrasives
2391	Refractory Products

8. List three key products/ services that the Company manufactures/provides (as in balance sheet):
   - Abrasives
   - Ceramics
   - Performance Plastics
9. **Total number of locations where business activity is undertaken by the Company:**

   Number of International Locations: GNO, through its subsidiary, has a plant located in Bhutan.

   Number of National Locations: GNO has its registered and corporate office in Mumbai and its manufacturing units are located in Mora (near Mumbai), Bengaluru, Tirupati, Nagpur, Bated (Himachal Pradesh) and Halol (near Vadodara). The regional/ branch offices are located at, Delhi, Ludhiana, Kolkatta, Chennai, Pune, Mumbai, Bengaluru, Ahmedabad and Coimbatore etc.
10. **Markets served by the Company:** The markets for the Company's products are across India and overseas.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

	Particulars	FY 2016-17 (₹ Lakhs)
1.	Paid up Capital	5,536
2.	Total Turnover	133,687
3.	Profit after Tax	11,601
4.	Total Spending on CSR i) In ₹ ii) As % Profit after Tax	 78.97 0.68%
5.	List of activities in which expenditure in 4 above has been incurred	Primarily, education of underprivileged children

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies?** Yes

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):** Yes, the Company's overseas subsidiary participates in BR activities.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:** Some suppliers/customers/associates participate in such activities although it is difficult to ascertain the percentage.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   (a) Details of Director/Director responsible for implementation of the BR policy/policies:

Sr. No.	Particulars	Details
1.	DIN Number	00066320
2.	Name	Mr. Anand Mahajan
3.	Designation	Managing Director

   (b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00130438
2.	Name	Mr. Krishna Prasad
3.	Designation	Alternate Director/Executive Director
4.	Telephone number	+91 22 4021 2121
5.	e-mail id	Krishna.Prasad@saint-gobain.com

2. **Principle-wise [as per National Voluntary Guidelines(NVG)] Business Responsibility Policy/policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted following nine areas of Business Responsibility. These, briefly, are as follows:

P1 **Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

P2 **Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

P3 **Businesses should promote the wellbeing of all employees**

P4 **Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

P5 **Businesses should respect and promote human rights**

P6 **Business should respect, protect, and make efforts to restore the environment**

P7 **Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

P8 **Businesses should support inclusive growth and equitable development**

P9 **Businesses should engage with and provide value to their customers and consumers in a responsible manner**

(a) **Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Policies are prepared in line with applicable laws and in line with international standards such as ISO and OSHAS.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes.								
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes.								
6.	Indicate the link for the policy to be viewed online?	Corporate Social Responsibility policy (www.grindwellnorton.co.in/investor-information) SG's Principles of Conduct & Action and the Code of Conduct for the Groups employees in India (www.grindwellnorton.co.in/commitments) Quality Policy (www.grindwellnorton.co.in/investor-information) Whistle Blower Policy (www.grindwellnorton.co.in/investor-information) Environmental Health and Safety Policy (www.grindwellnorton.co.in/investor-information)								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, these policies are communicated to all internal stakeholders and also to external stakeholders based on their relevance to them.								
8.	Does the Company have in-house structure to implement the policy/policies?	The Company has in-house structure to implement these policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Whistle blower mechanism provides employees and others to report any concerns or grievances. The investor grievance committee monitors the grievances of the shareholders. Customer complaints are monitored by each business through proper review mechanism.								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Code of Conduct of the Company is reviewed by the internal auditors and the Quality and Safety, Health and Environment policies are subject to internal and external audits.								

3. **Governance related to BR**

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:** Annually

(b) **Does the Company publish a BR or a Sustainable Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is our first Business Responsibility Report and will be published annually as part of the Annual Report of the Company. The Business Responsibility Report can be accessed at www.grindwellnorton.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

GNO believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. GNO adopted the **"Code of Conduct"** with the underlying philosophy of engaging with all stakeholders (including suppliers, channel partners, customers, employees, shareholders, the government and the public at large) in a fair and highly ethical manner.

The Code of Conduct provides guidelines on equal opportunities for all, enabling work environment, compliance, procurement practices, free and fair competition and environment, health and safety. However these policies and guidelines are also communicated to various other stakeholders such as suppliers, customers and associates and it is expected that they will follow the same in their dealings with the Company.

GNO also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or irregularity in the Company practices or any behaviour, which is not in line with the Code of Conduct. This policy is widely communicated to all the stakeholders. GNO has provided a dedicated e-mail addresses:GnoCompliance.L03GEN@saint-gobain.com for reporting such grievances. The policy also encourages employees to write directly to the Senior Management and the Compliance Officer. Employees may communicate in writing, by email, by speaking over the phone or face-to-face. Anonymous complaints are also permitted. Employees are encouraged to raise any concerns without any fear or threat of being victimized. In addition, as per the SG Group's Whistle Blower Policy, all employees may also write directly to the Group's Compliance Officer in Paris. Such references, however, cannot be made anonymously.

During the financial year 2016-17, a total of 2 cases from employees / business partners were reported under the Code of Conduct framework and the same were investigated and closed in accordance with the Code of Conduct procedure.

All cases registered under Code of Conduct and Whistle Blower Policy of the Company are reported to the Management and reviewed by the Managing Director.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Most of GNO's businesses and products are part of the High Performance Materials ("HPM") division of Saint-Gobain. These businesses provide solutions with high-technology content for a wide range of leading-edge applications for the habitat, transportation, industrial, healthcare and other diverse markets. These businesses offer a portfolio of complementary products to its customers, often in niche industrial segments that are ideal for co-development projects. These businesses have the capability to design solutions tailored to their customers' specific needs.

GNO's businesses are all engaged in initiatives aimed at ensuring that their products are safe in terms of their composition and their usage/application and contribute to sustainability throughout their life cycle. For example, many of the products offered by these businesses helps to reduce energy consumption, provide protection, improve comfort and sustain environment.

GNO is committed to responsible purchasing. This purchasing approach is based on the Suppliers Charter which sets out the Company's expectations and requirement from its suppliers, among other things, on protection of the environment, on health and safety of their employees, on compliance with all laws and regulations and on human rights. Suppliers who violate the Suppliers Charter are black-listed and GNO stops dealing with them.

All sites of GNO have ongoing projects aimed at reducing the generation of waste and increasing the recycling of waste. Towards this, in some business, new products have been developed which can utilize the waste generated from certain other products. Saint-Gobain group's sustainable water management policy has been implemented in India. All sites of GNO have taken steps to reduce the amount of withdrawals and discharges. Most of the sites have undertaken rain water harvesting projects. Majority of the sites have invested in effluent treatment plants to recycle and reuse a significant part of their water consumption.

GNO has managed to recycle 17.38% of our waste water back to the process, besides ensuring "zero discharge" of industrial water.

Principle 3

Businesses should promote the wellbeing of all employees

The aim of the GNO's human resources policy is to provide each employee with a working environment that is safe and hygienic and that fosters personal and professional fulfillment and growth, as these are fundamental aspects of well-being and performance at the workplace.

Health and Safety:

The health and safety of its employees are deeply embedded in Saint-Gobain's CSR, EHS and HR policies. The Group's Environment, Health and Safety ("EHS") Charter, communicated to all employees, sets out the objectives which include zero loss-time accidents and zero occupational illness. Saint-Gobain has drawn up standards and recommendations with regard to specific EHS concerns. The standards are mandatory and apply to all sites of the Group, even if the country or local legislation is less stringent. GNO's EHS policy states that as a responsible corporate citizen and employer, we have an obligation to the public, in general, and our employees, in particular, to operate our facilities and to conduct our business in such a way as to; (1) ensure the health and safety of all our employees and (2) to protect the environment. GNO' management, at every level from the top to the shop-floor, monitors and reports accidents (loss-time and non-loss-time), first aid cases and near misses. GNO also continuously identifies and reduces risks and offers itself for periodic audits. The health and safety policies apply to everyone (employees, service providers, participants of onsite initiatives viz. student interns, apprentices, visitors) at all the sites of your Company. GNO emphasize the importance of healthy living of all the employees and facilitates the same by providing regular heath check-ups (and other medical advisory interventions) to all its employees.

Diversity:

Globally, diversity is an important HR priority. For GNO increasing diversity (gender, age, regional, economic and cultural background, people with different abilities etc.) in the workforce is a challenge, an opportunity and is a major objective.

Total number of employees	3644
Total number of employees hired on temporary/contractual/casual basis	1794
Number of permanent women employee	135
Number of permanent employees with disabilities	1
Whether the employee association is recognized by the Management	Yes
Percentage of your permanent employees are the members of this recognized employee association	29%
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	NIL
Percentage of the employees were given safety & skill up-gradation training in the last year	100%

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The success of the business enterprises is always measured in terms of value it creates in the society. The value it creates can be measured in terms of employee development, supplier development, dividends to shareholders and taxes paid to government and the support disadvantaged children. GNO contributes to the economic development in the regions in which it operates by creating several upstream and downstream indirect jobs. The responsible purchasing approach is designed to extend the Company's good business practices to partners all the way up and down the value chain. GNO is equal opportunity employer and provides equal opportunities to differently-abled, marginalized and people from economically weaker background. The internal and external stakeholders mapped are identified and disadvantaged, vulnerable and marginal stakeholders are provided with opportunity. The Company is engaged in providing skill development training to these stakeholders through National Employability Enhancement Mission ("NEEM") programme. Around 130 people are currently undergoing training under this programme.

Principle 5

Businesses should respect and promote human rights

The aim of the Company's human resources policy is to provide each employee with a working environment that is safe and hygienic and that fosters personal and professional fulfillment and growth, as these are fundamental aspects of well-being and performance in the workplace. The commitment to human rights is embedded in the Code of Conduct adopted by the Company.

The Company ensures that employees' rights are respected and even as it promotes active dialogues with all its employees. The Company also refrains from any form of recourse to forced labour, compulsory labour or child labour - whether directly or indirectly or through sub-contractors where the latter are working on a Group or Company's site/plant. The Company also refrains from any form of discrimination of whatever kind with respect to its employees whether in the recruitment process, at hiring, or during or at the end of the employment relationship. GNO protects the rights of the employees engaged indirectly or through sub-contractors by monitoring and ensuring that the sub-contractors comply with payment of social security dues properly and in a timely manner and provide safe and healthy working conditions.

In addition, as per the Suppliers' Charter, suppliers are required to declare and to ensure that they strictly respect the human rights of their employees. In particular, they must declare and ensure that they refrain from any form of recourse to forced labour, compulsory labour or child labour - whether directly or indirectly or through their sub-contractors.

The Company did not receive any complaint pertaining to Human Rights violation, Child Labour and Forced Labour during the financial year 2016-17.

Principle 6

Business should respect, protect, and make efforts to restore the environment

GNO strives to ensure the preservation and availability of all natural resources and to meet the expectations of all its stakeholders in this regard. More specifically, GNO's EHS policy states that as a responsible corporate citizen and employer, we have an obligation to the public, in general, and our employees, in particular, to operate our facilities and to conduct our business in such a way as to; (1) ensure the health and safety of all our employees and (2) to protect the environment. Moreover, Saint-Gobain's EHS Charter states: let's commit ourselves every day to achieving our objectives: zero work-related accidents, zero occupational illnesses, zero environmental accidents and minimum impact of our activities. GNO's policy on environment extends to its business partners including suppliers, vendors and contractors.

In line with the Group's Charter, GNO's objective is to achieve zero environmental accidents and the maximum possible reduction of the impact of our activities. Also, there are specific certifications such as ISO 9001, ISO 14001 and OHSAS 18001 that govern the Environment Management Systems. All GNO sites are currently certified under these International Standards.

The Company assesses the environmental impact through its Aspect/Impact assessment activity and Hazard Identification and Risk Assessment technique as a part of our Environment Management System certifications of ISO 14001 and Occupational Health and Safety Management System certification of OHSAS 18001. The emission norms are well within the permissible limits and as a part of global strategy the Company strives to reduce the emission norms below the legally permissible limits. The Company does not have pending show cause or legal notice under pollution control legislations.

It is endeavor of the Company to commit to the Clean Development. At present the Company has not registered any project under Clean Development Mechanism, GNO is committed to drive energy efficiency. This can be achieved through operating plants and offices efficiently and driving the efforts for Green Initiatives & Resource Conservation.

Energy efficiency is a key component in every site's environmental performance. All sites are making progress in this area by innovating and optimizing existing equipment and processes. This includes improving combustion processes, making refractories more effective, recovering heat from furnaces, kilns and driers, using alternate fuels or sources of electricity that are less harmful to climate change and replacing end of life equipment.

GNO's businesses have, over the years, taken various initiatives to reduce energy consumption in their manufacturing process. Here are a few recent examples:

1. The replacement of thermic-fluid heated ovens at Nagpur and Mora by energy-efficient electric ovens saved 106 KL of furnace oil per annum;

2. Productivity and yield improvements at the Halol factory saved 21765 SCM of Natural Gas per annum;

3. Utilizing heat generated by incineration of waste biomass at the Bengaluru factory resulted in saving of 129 KL of furnace oil per annum.

   All sites of GNO have ongoing projects aimed at reducing the generation of waste and increasing the recycling of waste. Towards this end, in some businesses new products have been developed which can utilize the recycled waste generated from certain other products. Also, as in the example above, certain waste generated at the Bengaluru factory is being converted into energy.

   The Saint-Gobain group's sustainable water management policy has been implemented in India. All sites of GNO have taken steps to reduce the amount of withdrawals and discharges. Most of the sites have undertaken rain water harvesting projects. Most of GNO's sites have invested in effluent treatment plants and the recycled water is used in the site.

   Currently, GNO recycles around 17% of its waste water, besides ensuring "zero discharge" of industrial water.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The nature of GNO's businesses is such that it is not actively involved in influencing public and regulatory policies. As a responsible corporate citizen, however, GNO is associated and engaged with association/chambers like Bombay Chamber of Commerce, Confederation Indian Industry which provide a forum for exchanging views on economic legislation and governance and making representations when required.

Principle 8

Businesses should support inclusive growth and equitable development

The Company has adopted the Group's Corporate Social Responsibility ("CSR") policy and adapted it to the Indian context. For the Group, CSR is at the heart of its strategy of sustainable development. CSR impacts every aspect of how it conducts its business and is far more than philanthropy.

GNO, along with the other subsidiaries of the Saint-Gobain Group in India, set up the Saint-Gobain India Foundation ("SGIF"). Through this foundation, the Company has taken on the task of improving living conditions of the disadvantaged sectors of the population by supporting projects related to education of the underprivileged, particularly of the girl child. It is also active in providing skill development opportunities. Each year, GNO contributes a certain percentage of its profit to the corpus of the SGIF. GNO is represented on the Board of SGIF and its management is involved in the working of SGIF.

SGIF funds projects undertaken by various NGO partners. Here are some examples:

Akanksha adopts, manages and operates government schools in Mumbai. SGIF supports 100 children at D.N. Nagar Municipal School, Mumbai.

Aseema is a Mumbai based NGO, SGIF is working with Aseema to improve education for a pre-primary class of 108 underprivileged children at the Santacruz (West) Municipal School, Mumbai.

Parikrama aims at creating a sustainable model by effecting a fundamental change in the way the poor and marginally children are educated. SGIF supports 120 students of Grade II, 34 students of Grade IX and 36 students of Grade X in four schools in Bengaluru.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

GNO seeks to maintain a relationship of trust with all its channel partners and customers. The strong Pan-India network of dealers and retailers helps to provide service and deliver the Company's products to thousands of end consumers across the country. GNO is active in industrial markets, where its expertise in innovation and co-development is applied in diverse sectors. The Company works closely with the customers in co-development of new products and solutions. In order to maximize the value addition to the customers, GNO also offers solution like installation and designing of products in some of its businesses. The employees of dealers and customers are provided training by the Company on the use of its products in order to ensure safety in their usage and also to provide value by better understanding and meeting the end-user's expectations.

The Company's businesses either have a portal or have a dedicated consumer response cell to respond to customer queries and feedback on products so as to enable the Company to improve upon its products and services. Consumers are provided multiple options to connect with Company through email, telephone and through the website.

The customer complaints are reviewed by the senior personnel in the organization and addressed with utmost care based on the merits of the complaints. All the complaints received during the year were resolved successfully and there were no pending complaints at the end of the year.

GNO's products meet the highest standards of quality and safety and comply with the various regulations such as Legal Metrology Act, Trademark Act and Copyright Act whereever applicable. The Company's communications are aimed at enabling customers to make informed purchase decisions. The Company also makes efforts to educate customers on the responsible usage of its products and services.

The employees of GNO are expected to comply at all times with Competition Law and follow good competition practices. Relevant employees are required to do a mandatory e-learning course on compliance with Competition Law. This has to be completed every two years. The Management of GNO regularly reminds them of the Saint-Gobain zero tolerance policy on any violation of the Competition Law. During the year, there were no anti-competitive, abuses of dominant position or unfair practices complaints against the Company and there are no case pending against the Company.

Customer satisfaction is regularly monitored in the Abrasives business of the Company. Based on the feedback provided by the customers, it is able to undertake corrective actions and improve service to its customers.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRINDWELL NORTON LIMITED

Report on the Standalone Indian Accounting Standard (Ind AS) Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **GRINDWELL NORTON LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 43 to the standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management-Refer Note 53 to the Standalone Ind AS Financial Statements.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No.: 107017

Mumbai : May 23, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended March 31, 2017.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and nature of its assets. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account.

(c) The title deeds of immovable properties are held in the name of the Company.

ii. The Physical Verification of the inventory has been conducted at reasonable intervals by the Management. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

iii. The Company has granted unsecured loans to one party covered in the register maintained under section 189 of the Act.

(a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;

(b) The payment of principal amount and interest are regular.

(c) There is no overdue amount in respect of loans granted to the party listed in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us and the records examined by us, in respect of loans, investments and guarantees, provisions of the section 185 and 186 of the Companies Act, 2013 have been complied with.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India, for maintenance of cost records under sub section (1) of section 148 of the Act, and are of the opinion that, prima facie the prescribed accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.

vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2017, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute except:

Name of Statute	Name of Dues	Amount (₹ Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	2,14.32	1999-2000 to 2014-15	Commissioner (Appeals) / Tribunal /Supreme Court
Customs Act, 1962	Custom Duty	2,47.24	2014-15 to 2015-16	Tribunal
Non Agricultural Land Act	Non Agricultural Land Cess	37.79	1995	Revenue Department
Income Tax Act, 1961	Income Tax	1,65.32	2006-2007 to 2010-2011	Commissioner (Appeals) / Tribunal

viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions, government or debenture holders.

ix. The Company has not raised money through initial public offer or further public offer and term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.

x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company, has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence, the provisions of Section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of paragraph 3 (xvi) of the Order are not applicable.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No.: 107017

Mumbai : May 23, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GRINDWELL NORTON LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by "The Institute of Chartered Accountants of India".

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No.: 107017

Mumbai : May 23, 2017

SAINT-GOBAIN

BALANCE SHEET AS AT MARCH 31, 2017

	Notes	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	**339,11.70**	319,31.42	326,50.11
Capital work in progress	3	**5,55.99**	13,01.60	6,68.54
Goodwill	4	**48.80**	48.80	48.80
Other intangible assets	4	**1,82.62**	2,50.49	2,89.43
Financial assets				
i. Investments	5	**165,83.70**	155,28.70	103,40.70
ii. Trade Receivables	6	**—**	—	—
iii. Loans	7	**3,26.71**	2,20.22	2,15.27
iv. Other financial assets	8	**4,17.86**	1,63.38	1,72.11
Other non-current assets	9	**7,73.21**	10,46.76	9,41.47
		528,00.59	504,91.37	453,26.43
CURRENT ASSETS				
Inventories	10	**235,44.24**	246,74.67	225,75.65
Financial assets				
i. Trade receivables	11	**123,41.80**	126,36.95	108,48.16
ii. Cash and cash equivalents	12	**240,65.49**	116,38.81	113,94.28
iii. Bank balances other than (ii) above	13	**1,68.95**	7,48.84	1,50.28
iv. Loans	14	**1,03.51**	96.88	1,07.72
v. Other financial assets	15	**19,75.02**	24,31.23	17,65.15
Current tax assets (Net)	16	**—**	—	1,28.97
Other current assets	17	**39,32.44**	36,08.55	33,48.53
		661,31.45	558,35.93	503,18.74
TOTAL ASSETS		**1,189,32.04**	1,063,27.30	956,45.17
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	18	**55,36.00**	27,68.00	27,68.00
Other Equity	19	**832,56.19**	733,77.47	682,48.84
		887,92.19	761,45.47	710,16.84
LIABILTIES				
NON-CURRENT LIABILITIES				
Provisions	20	**17,28.13**	10,48.25	10,70.79
Deferred tax liabilities (Net)	21	**27,94.54**	28,31.94	20,48.90
Other non-current liabilities	22	**1,98.24**	2,28.66	2,70.28
		47,20.91	41,08.85	33,89.97
CURRENT LIABILITIES				
Financial liabilities				
i. Borrowings	23	**2,72.07**	2,99.61	2,26.55
ii. Trade payables	24	**75,46.70**	84,03.43	85,59.67
iii. Other financial liabilities	25	**138,66.72**	134,30.28	89,76.96
Other Current Liabilities	26	**28,43.81**	32,50.86	30,35.89
Provisions	27	**5,67.58**	4,22.78	4,39.29
Current tax liabilities (Net)	28	**3,22.06**	2,66.02	—
		254,18.94	260,72.98	212,38.36
TOTAL LIABILITIES		**301,39.85**	301,81.83	246,28.33
TOTAL EQUITY AND LIABILITIES		**1,189,32.04**	1,063,27.30	956,45.17
Significant Accounting Policies	1.3			

The accompanying notes (1 to 56) are an integral part of the financial statements.

As per our Report of even date

For and on behalf of Board of Directors of
Grindwell Norton Limited

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No. 107017

Mumbai: May 23, 2017

Pradip Shah	Chairman	DIN 00066242
Anand Mahajan	Managing Director	DIN 00066320
Deepak Chindarkar	Chief Financial Officer	
K. Visweswaran	Company Secretary	

Mumbai: May 23, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Notes	**For the Year ended March 31, 2017 (₹ Lakhs)**	For the Year ended March 31, 2016 (₹ Lakhs)
INCOME			
Revenue from Operations	29	**1,336,86.83**	1,216,08.47
Other Income	30	**32,94.36**	24,58.62
Total Income		**1,369,81.19**	1,240,67.09
EXPENSES			
Cost of Materials Consumed	31	**473,24.00**	444,12.25
Excise Duty		**100,44.00**	90,08.18
Purchase of Stock-in-Trade	32	**99,68.16**	86,17.19
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	33	**1,20.01**	(13,01.18)
Employee Benefit Expense	34	**168,17.13**	146,26.45
Finance Costs	35	**1,10.46**	68.98
Depreciation and Amortisation Expense	36	**39,82.92**	36,84.93
Other Expenses	37	**313,40.03**	294,40.61
Total Expenses		**1,197,06.71**	1,085,57.41
Profit Before Tax		**172,74.48**	155,09.68
Tax Expense	38		
Current Tax		**57,26.59**	53,87.73
Deferred Tax		**(53.09)**	(92.17)
		56,73.50	52,95.56
Profit for the year		**116,00.98**	102,14.12
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		**6.41**	(4,21.91)
Change in fair value of FVOCI equity instruments		**10,55.00**	46,88.00
Income tax relating to these items		**(15.69)**	(6,90.00)
Other Comprehensive Income for the Year		**10,45.72**	35,76.09
Total Comprehensive Income for the Year		**126,46.70**	137,90.21
Earnings per share			
Basic earnings per share# (in ₹)	39	**10.48**	9.23
Diluted earnings per share# (in ₹)	39	**10.48**	9.23

Significant Accounting Policies 1.3

Based on Enhanced Capital
The accompanying notes (1 to 56) are an integral part of the financial statements.

As per our Report of even date

For and on behalf of Board of Directors of
Grindwell Norton Limited

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No. 107017
Mumbai: May 23, 2017

Pradip Shah — Chairman — DIN 00066242
Anand Mahajan — Managing Director — DIN 00066320
Deepak Chindarkar — Chief Financial Officer
K. Visweswaran — Company Secretary

Mumbai: May 23, 2017

STATEMENT OF CHANGES IN EQUITY

I) EQUITY SHARE CAPITAL

(₹ Lakhs)

	Notes	Amounts
Balance as at April 1, 2015		27,68.00
Changes in equity share capital during the year	18	—
Balance as at March 31, 2016		27,68.00
Changes in equity share capital during the year	18	27,68.00
Balance as at March 31, 2017		**55,36.00**

II) OTHER EQUITY

(₹ Lakhs)

	Notes	Reserves and Surplus				Other Reserves		
		Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI Equity Investment Reserve	Revaluation Reserve	Stock Compensation Reserve	Total
Balance as at April 1, 2015		34,82.82	401,15.91	192,72.59	49,55.95	3,35.34	86.23	**682,48.84**
Profit for the period	19	—	—	102,14.12	—	—	—	102,14.12
Remeasurement of post employment benefit obligation (net of tax)		—	—	(3,27.87)	—	—	—	(3,27.87)
Other comprehensive income	19	—	—	—	38,24.80	—	79.65	39,04.45
Total Comprehensive Income for the year		**34,82.82**	**401,15.91**	**291,58.84**	**87,80.75**	**3,35.34**	**1,65.88**	**820,39.53**
Transactions with Owners in their capacity as owners								
Dividend		—	—	(86,62.06)	—	—	—	(86,62.06)
General Reserve		—	8,20.95	(8,20.95)	—	—	—	—
								—
Balance as at March 31, 2016		34,82.82	409,36.86	196,75.83	87,80.75	3,35.34	1,65.88	**733,77.47**
Profit for the period	19	—	—	116,00.98	—	—	—	116,01.98
Remeasurement of post employment benefit obligation (net of tax)		—	—	(58.39)	—	—	—	(58.39)
Other comprehensive income	19	—	—	—	10,08.41	—	95.70	11,04.11
Bonus issue	19	(6,92.00)	(20,76.00)	—	—	—	—	(27,68.00)
Transactions with Owners in their capacity as owners								
General Reserve		—	6,04.68	(6,04.68)	—	—	—	—
Balance as at March 31, 2017		**27,90.82**	**394,65.54**	**306,13.74**	**97,89.16**	**3,35.34**	**2,61.58**	**832,56.17**

The accompanying notes (1 to 56) are an integral part of the financial statements.

As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No. 107017

Mumbai: May 23, 2017

For and on behalf of Board of Directors of
Grindwell Norton Limited

Pradip Shah — Chairman — DIN 00066242

Anand Mahajan — Managing Director — DIN 00066320

Deepak Chindarkar — Chief Financial Officer

K. Visweswaran — Company Secretary

Mumbai: May 23, 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE: 1

1.1 CORPORATE INFORMATION

Grindwell Norton Ltd ("the Company") is a limited Company incorporated on July 31, 1950 and domiciled in India. Its shares are publicly traded and has its registered office at 5th Level, Leela Business Park, Andheri Kurla Road, Marol, Andheri (East), Mumbai – 400059. The Company is one of the subsidiary of Compagnie de Saint-Gobain ("Saint-Gobain "), a transnational group with its headquarters in Paris. The Company's businesses are part of the High Performance Materials sector.

In the Company, the businesses are divided into two major segments:

a. Abrasives

b. Ceramics and Plastics.

The financial statements of the Company for the year ended March 31, 2017 were authorised for issue in accordance with a resolution of the Board of Directors on May 23, 2017.

1.2 BASIS OF PREPARATION

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

The financial statements upto year ended March 31, 2016 were prepared in accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101- First time Adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the 'Previous GAAP' for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's financial position, financial performance and cash flows is provided in Note 55.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments – calculated using the Black and Scholes option pricing model.

(iii) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

1.3 SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

(i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost (except to the extent of any adjustment permissible under other accounting standard) of the property, plant and equipment.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. Depreciation on additions / deductions is calculated on pro rata basis from/upto the month of additions/deductions. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II of the Act:

(a) Servers & Networks are depreciated over 4 years.

(b) Specific Kilns are depreciated over 5 to 10 years based on the estimated useful life.

Leasehold improvements is depreciated over the lease period or over its useful life if less than the lease period.

B. Intangible assets

(i) Recognition and measurement

An Intangible asset is recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

The useful life of intangible assets are assessed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible asset other than Goodwill and Trade Marks is carried at its cost less any accumulated amortization and any accumulated impairment losses.

Goodwill and Trade Marks on acquisitions are included in intangible assets. Goodwill and Trade Marks is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances that indicate impairment, and is carried at cost less accumulated impairment losses.

Goodwill and Trade Marks are allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill and trademark arose.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

(ii) Amortization

Intangible assets other than Goodwill and Trademark are amortized on the Straight Line Method over the useful life, based on the economic benefits that would be derived, as per the estimates made by the Management:

a) Computer Software : 3 to 5 Years
b) Other Intangibles : 10 Years

C. Impairment

(i) Financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, deposits, and bank balance.

(b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(ii) Non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units).

D. Inventories

Inventories are valued at lower of cost and net realisable value.

Raw materials, packing materials, trading items and stores & spare parts are valued at cost on weighted average basis. Cost includes direct expenses, freight, taxes & duties (where credit not availed).

Cost of finished goods and work-in-process includes material, direct labour, overheads, duties & taxes wherever applicable.

Slow-moving, non-moving & defective inventories are identified and wherever necessary, provision is made for such inventories.

E. Investments and other financial assets

Classification
The Company classifies its financial assets in the following measurement categories –

- Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- Those measured at amortized cost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, in case of a financial asset not at fair value through profit and loss, the Company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Statement of Profit and Loss are expensed in Statement of Profit and Loss.

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

(b) Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/ losses. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Fair value through profit and loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognized in Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/losses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

A financial asset is derecognized only when

(a) The Company has transferred the rights to receive cash flows from the financial asset or

(b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

F. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

G. Financial Liabilities

Measurement

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

H. Foreign Currency Translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Indian Rupee (INR) is the functional and presentation currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the Statement of Profit and Loss, in the period in which they arise.

I. Forward Contracts

Forward Contracts are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value is routed through Statement of Profit and Loss.

J. Revenue Recognition

(i) Sale of Goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of the goods.

(ii) Service Income

Service Income is recognized when the service is rendered.

(iii) Dividend

Dividends are recognized in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(iv) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(v) Other Income

Export entitlements are recognized when the right to receive them as per terms of the entitlement is established in respect of exports made.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

K. Employee Benefits

a) **Short-term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

b) Post-employment Benefits

(i) Defined Contribution Plans

The Company's contributions paid / payable to provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and / or statutes and are recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts / appropriate authorities.

(ii) Defined Benefit Plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

(iii) Other Long-term Employee Benefit

Liability towards Long-term Compensated Absences are determined based on actuarial valuation by independent actuaries as at the date of the Balance Sheet using Projected Unit Credit method. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Statement of Profit and Loss of the year.

(iv) Terminal Benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.

c) Share Based Payment

Certain employees are given Performance shares of Ultimate Holding Company. The cost of Performance shares is calculated using the Black and Scholes option pricing model. The cost calculated using this method is recognized as an employee benefit expense over the vesting period of the Performance shares, which is four years, with a corresponding credit to Other Comprehensive Income.

L. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

M. Research & Development

Revenue expenditure on Research & Development is charged under respective heads of account. Capital expenditure on Research & Development is included as part of the relevant Fixed Assets.

N. Taxes on Income

Income Tax expense comprises of current and deferred tax. Income Tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

(i) Current Tax

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date

Current tax assets and liabilities are offset if, and only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and

b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

O. Provisions and Contingencies

(a) Provisions are recognized based on the best estimate of probable outflow of resources which would be required to settle obligations arising out of past events.

(b) Contingent liabilities not provided for as per (a) above are disclosed in notes forming part of the Financial Statements

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(c) Contingent Assets are disclosed, where the inflow of economic benefits is probable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

P. Earnings per share

(a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

Q. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Management Committee comprising of the Managing Director, the Chief Financial Officer and the Business Heads assesses the financial performance and position of the Company and makes strategic decisions.

R. Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected life of the related assets and presented within other income.

S. Leases

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

As a lessee

Payments made under operating leases (net of incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

The respective leased assets are included in the balance sheet based on their nature.

T. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2 USE OF JUDGMENTS, ESTIMATE AND ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the Management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the Management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful life of tangible assets

Useful life of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

c) Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

d) Discounting of financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

e) Fair valuation of employee share options

The Fair valuation of the employee share options is based on the Black and Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

f) Measurement of Fair valuation of financial instruments

i. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

ii. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not possible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g) Impairment of financial assets

The impairment provisions of financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

h) Sales Incentive Schemes and Turnover Discounts

The provision for sales incentive schemes and turnover discounts are calculated based on terms of the relevant schemes and the estimate of likely sales eligible for such discounts and schemes.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT

(₹ Lakhs)

	Land - Freehold	Land - Leasehold	Buildings *	Leasehold Improvements	Plant & Machinery	Electrical Installations & Equipments	Laboratory Equipments	Computers	Furniture & Fixtures	Office Equipments	Vehicles	Total	Capital Work-in-Progress
Gross carrying amount:													
Deemed cost as at April 1, 2015	19,01.35	78.41	101,17.15	5,43.96	187,82.20	9.21	34.30	2,57.34	6,03.02	2,12.97	1,10.20	326,50.11	6,68.54
Additions	—	—	3,43.63	0.41	20,02.21	27.14	51.95	2,77.48	53.36	90.58	61.71	29,08.47	37,09.79
Deductions	—	—	—	—	92.35	—	—	—	0.14	0.27	24.25	117.01	—
Transfers	—	—	—	—	—	—	—	—	—	—	—	—	(30,76.73)
As at March 31, 2016	**19,01.35**	**78.41**	**104,60.78**	**5,44.37**	**206,92.06**	**36.35**	**86.25**	**5,34.82**	**6,56.24**	**3,03.28**	**1,47.66**	**354,41.57**	**13,01.60**
Additions	—	—	9,93.80	4,65.23	34,25.87	1,93.10	27.18	3,08.30	2,17.39	1,54.47	54.12	58,39.46	51,79.72
Deductions	—	—	0.02	—	39.67	—	—	—	0.12	0.43	—	40.24	—
Transfers	—	—	—	—	—	—	—	—	—	—	—	—	(59,25.33)
As at March 31, 2017	**19,01.35**	**78.41**	**114,54.56**	**10,09.60**	**240,78.26**	**2,29.45**	**1,13.43**	**8,43.12**	**8,73.51**	**4,57.32**	**2,01.78**	**412,40.79**	**5,55.99**
Accumulated Depreciation:													
Depreciation for 2015-16	—	0.97	4,14.64	43.61	25,72.32	2.63	6.12	1,88.08	1,48.04	1,14.01	26.26	35,16.68	—
On sale	—	—	—	—	6.47	—	—	—	0.01	0.02	0.03	6.53	—
As at March 31, 2016	—	**0.97**	**4,14.64**	**43.61**	**25,65.85**	**2.63**	**6.12**	**1,88.08**	**1,48.03**	**1,13.99**	**26.23**	**35,10.15**	—
Depreciation for 2016-17	—	0.92	4,39.01	1,47.19	27,32.72	9.41	10.33	2,18.54	1,54.66	89.38	27.03	38,29.17	—
On sale	—	—	—	—	9.72	—	—	—	0.10	0.40	—	10.22	—
As at March 31, 2017	—	**1.89**	**8,53.65**	**1,90.80**	**52,88.85**	**12.04**	**16.45**	**4,06.62**	**3,02.59**	**2,02.97**	**53.26**	**73,29.10**	—
Net Carrying amount													
As at April 1, 2015	19,01.35	78.41	101,17.15	5,43.96	187,82.20	9.21	34.30	2,57.34	6,03.02	2,12.97	1,10.20	326,50.11	6,68.54
As at March 31, 2016	19,01.35	77.44	100,46.14	5,00.76	181,26.21	33.72	80.13	3,46.74	5,08.21	1,89.29	1,21.43	319,31.42	13,01.60
As at March 31, 2017	**19,01.35**	**76.52**	**106,00.91**	**8,18.80**	**187,89.42**	**2,17.41**	**96.99**	**4,36.50**	**5,70.92**	**2,54.35**	**1,48.52**	**339,11.70**	**5,55.99**

*** Includes an amount of ₹ 750/- (Previous Year - ₹ 750/-) representing the value of shares in a co-operative housing society.**

4 INTANGIBLE ASSETS

(₹ Lakhs)

	Computer Software	Trade Marks	Non Compete Fees & Marketing Network	Total	Goodwill
Gross carrying amount:					
Deemed cost as at April 1, 2015	1,47.59	23.97	1,17.87	2,89.43	48.80
Additions	1,29.31	—	—	1,29.31	—
Deductions	—	—	—	—	—
As at March 31, 2016	**2,76.90**	**23.97**	**1,17.87**	**4,18.74**	**48.80**
Additions	85.88	—	—	85.88	—
Deductions	—	—	—	—	—
As at March 31, 2017	**3,62.78**	**23.97**	**1,17.87**	**5,04.62**	**48.80**
Accumulated Amortization:					
Amortization for 2015-16	89.42	—	78.83	1,68.25	—
As at March 31, 2016	**89.42**	—	**78.83**	**1,68.25**	—
Amortization for 2016-17	1,14.71	—	39.04	1,53.75	
On sale	—			—	—
As at March 31, 2017	**2,04.13**	—	**1,17.87**	**3,22.00**	—
Net Carrying amount					
As at April 1, 2015	1,47.59	23.97	1,17.87	2,89.43	48.80
As at March 31, 2016	1,87.48	23.97	39.04	2,50.49	48.80
As at March 31, 2017	**1,58.65**	**23.97**	**—**	**1,82.62**	**48.80**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
5	**NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**			
	Quoted Investments			
	Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)			
	John Oakey & Mohan Ltd. (1,900 equity shares of ₹10/- each fully paid up)	**0.16**	0.16	0.16
	Investment in Government Securities (at Amortized Cost)			
	8.20% 10 Years NHAI Tax Free Bonds	**74.17**	74.17	74.17
	Unquoted Investments			
	Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)			
	Andhra Pradesh Gas Power Corporation Ltd. (21,86,880 equity shares of ₹10/- each fully paid up)	**9,47.00**	10,94.00	11,75.00
	Shivalik Solid Waste Management Ltd. (20,000 equity shares of ₹10/- each fully paid up)	**2.00**	2.00	2.00
	In Fellow Subsidiaries:			
	Saint-Gobain India Pvt. Ltd. (25,00,000 equity shares of ₹10/- each fully paid up)	**117,56.00**	107,54.00	59,87.00
	Saint-Gobain Research India Pvt. Ltd. (40,25,853 equity shares of ₹10/- each fully paid up as at March 31, 2017 and March 31, 2016) (27,87,924 equity shares of ₹10/- each fully paid up as at April 1, 2015)	**17,70.00**	15,70.00	10,68.00
	Saint-Gobain India Foundation (100 equity shares of ₹10/- each fully paid up)	**0.01**	0.01	0.01
	Investment in Equity Instruments (at cost)			
	In Subsidiaries:			
	Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd. (20,29,597 equity shares of ₹100/- each fully paid up)	**20,34.36**	20,34.36	20,34.36
		165,83.70	155,28.70	103,40.70
	Aggregate amount of quoted investments	**74.33**	74.33	74.33
	Aggregate amount of unquoted investments	**165,09.37**	154,54.37	102,66.37
6	**NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**			
	Unsecured and considered doubtful			
	Trade Receivables	**3,87.92**	3,50.91	2,64.79
	Less: Provision for Doubtful Debts	**(3,87.92)**	(3,50.91)	(2,64.79)
		—	—	—
7	**NON-CURRENT FINANCIAL ASSETS - LOANS**			
	Unsecured and considered good			
	Loan to Director	**1,73.60**	73.48	52.34
	Loan to Employees	**1,53.11**	1,46.74	1,62.93
		3,26.71	2,20.22	2,15.27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
8	**NON-CURRENT - OTHER FINANCIAL ASSETS**			
	(Unsecured and considered good)			
	Bank Deposits (Deposit with maturity of more than 12 months)	**10.78**	—	—
	Other Deposits	**4,07.08**	1,63.38	1,72.11
	(Unsecured and considered doubtful)			
	Advances recoverable in cash or in kind	**40.49**	40.49	40.49
	Less: Provision for doubtful advances	**(40.49)**	(40.49)	(40.49)
		4,17.86	1,63.38	1,72.11
9	**OTHER NON-CURRENT ASSETS**			
	Capital Advances	**2,48.93**	5,50.09	2,53.80
	Deferred Rent Asset	**75.93**	55.64	99.44
	Prepaid Expenses	**6.45**	6.57	10.57
	Deposits	**4,10.46**	3,95.74	5,67.70
	Other Receivables	**31.44**	38.72	9.96
		7,73.21	10,46.76	9,41.47
10	**CURRENT ASSETS - INVENTORIES**			
	Raw Materials	**69,58.71**	78,69.67	78,70.96
	Raw Materials in Transit	**18,04.54**	20,56.09	12,48.47
	Work-in-Progress	**50,28.68**	54,07.77	49,92.19
	Finished Goods	**65,95.61**	66,28.67	62,38.58
	Stock in Trade	**22,21.33**	19,29.19	14,33.68
	Stores and Spares	**9,29.46**	7,80.83	7,89.30
	Loose Tools	**5.91**	2.45	2.47
		235,44.24	246,74.67	225,75.65
	Amounts recognized in Profit and Loss:			
	Obsolete stocks amounting to ₹ 1,88 Lakhs (March 31, 2016 ₹ 3,92 Lakhs) are charged off in the Statement of Profit and Loss for financial year 2016-17.			
11	**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**			
	Unsecured and considered good			
	Trade Receivables	**106,05.91**	103,97.71	96,44.07
	Receivables from Related Parties (Refer Note 54)	**17,35.89**	22,39.24	12,04.09
		123,41.80	126,36.95	108,48.16
12	**CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**			
	Balances with Banks			
	- in Current Accounts	**5,70.58**	2,10.57	6,89.57
	- in Collection Accounts	**14,03.57**	14,27.20	14,08.46
	- in Deposit Accounts with maturity of less than 3 months	**—**	—	11.77
	Cash Balances	**32.75**	35.85	35.07
	Liquid Mutual Funds	**220,58.59**	99,65.19	92,49.41
		240,65.49	116,38.81	113,94.28

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
13	**CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**			
	Balances with Banks			
	- Deposits with maturity of more than 3 months but less than 12 months	**7.71**	5,45.42	—
	- Margin Money	**64.46**	64.46	64.46
	Earmarked Balances with Banks			
	Unpaid Dividend	**96.78**	1,38.96	85.82
		1,68.95	7,48.84	1,50.28
14	**CURRENT FINANCIAL ASSETS - LOANS**			
	Unsecured, considered good			
	Loan to Director	**47.83**	28.78	29.89
	Loan to Employees	**55.68**	68.10	77.83
		1,03.51	96.88	1,07.72
15	**CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS**			
	Employee Advances	**1,66.04**	1,83.59	1,56.53
	Gratuity	**20.60**	—	—
	Deposits	**4,32.54**	3,83.62	2,98.25
	Others	**13,55.84**	18,64.02	13,10.37
		19,75.02	24,31.23	17,65.15

15.1 The Company has not provided any loans and advances to its Subsidiary during the year (Previous Year - ₹ Nil) and hence disclosure under regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, is not required.

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
16	**CURRENT TAX ASSETS**			
	Advance Tax (Net of Provision for Income Tax)	**—**	—	1,28.97
17	**OTHER CURRENT ASSETS**			
	Prepaid Expenses	**1,73.86**	1,25.68	2,38.07
	Deferred Rent Assets	**10.55**	18.08	17.08
	Balances with Government Authorities	**26,69.03**	22,99.32	17,59.20
	Other Receivables	**10,79.00**	11,65.46	13,34.18
		39,32.44	36,08.55	33,48.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
18 EQUITY SHARE CAPITAL			
AUTHORISED			
11,20,00,000 Equity Shares of ₹ 5/- each (5,60,00,000 Equity Shares of ₹ 5/- each at March 31, 2016 and April 1, 2015)	**56,00.00**	28,00.00	28,00.00
ISSUED, SUBSCRIBED AND PAID UP			
11,07,20,000 Equity Shares of ₹ 5/- each fully paid-up (5,53,60,000 Equity Shares of ₹ 5/- each at March 31, 2016 and April 1, 2015)	**55,36.00**	27,68.00	27,68.00

(a) Shares of the Company held by subsidiaries of ultimate holding Company (Compagnie de Saint-Gobain) are as below:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	**% of Holding**	Number of shares	% of Holding	Number of shares	% of Holding
Saint-Gobain Abrasives Inc.	**2,96,35,520**	**26.8%**	1,48,17,760	26.8%	1,48,17,760	26.8%
Societe de Participations Financieres et Industrielles	**2,71,92,480**	**24.5%**	1,35,96,240	24.5%	1,35,96,240	24.5%
Saint-Gobain India Private Limited	**3,00,000**	**0.3%**	1,50,000	0.3%	1,50,000	0.3%
	5,71,28,000	**51.6%**	2,85,64,000	51.6%	2,85,64,000	51.6%

(b) Shareholders holding more than 5% shares in the Company (in addition to those included in Note (a) above) is as below:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	**% of Holding**	Number of shares	% of Holding	Number of shares	% of Holding
SBI Mutual Fund	**55,39,439**	**5.0%**	19,03,438	3.4%	-	-

(c) Movement in Equity Share Capital:

Authorised Share Capital

(₹ Lakhs)

	Number of shares	**Equity share capital (par value)**
As at April 1, 2015	5,60,00,000	28,00.00
As at March 31, 2016	5,60,00,000	28,00.00
Increased during the year	5,60,00,000	28,00.00
As at March 31, 2017	**11,20,00,000**	**56,00.00**

Issued and paid-up Share Capital

(₹ Lakhs)

	Number of shares	**Equity share capital (par value)**
As at April 1, 2015	5,53,60,000	27,68.00
As at March 31, 2016	5,53,60,000	27,68.00
Bonus Shares issued	5,53,60,000	27,68.00
As at March 31, 2017	**11,07,20,000**	**55,36.00**

Pursuant to the approval of the Shareholders through postal ballot and e-voting on July 7, 2016 the Company on July 22, 2016 issued and allotted 5,53,60,000 Ordinary Equity Shares of ₹ 5/- each as fully paid-up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 5/- each for each Ordinary Equity Share of ₹ 5/- each held on the Record Date i.e. July 15, 2016. Consequent to the above the Earnings per share (Basic and Diluted) have been adjusted for all the periods presented.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(d) Rights and restrictions attached to the shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹ 5/- each. Each shareholder is eligible for one vote per share held. The shareholders have rights in proportion to their shareholding for dividend as well as for assets in case of liquidation.

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
19	**OTHER EQUITY**			
19(a)	**RESERVES AND SURPLUS**			
	Securities Premium Reserve	**27,90.82**	34,82.82	34,82.82
	General Reserve	**394,65.54**	409,36.86	401,15.91
	Retained Earnings	**306,13.74**	196,75.82	192,72.59
		728,70.10	640,95.50	628,71.32

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)
i)	**SECURITIES PREMIUM RESERVE**		
	Opening Balance	**34,82.82**	34,82.82
	Issue of Bonus Shares from Securities Premium Reserve	**(6,92.00)**	—
		27,90.82	34,82.82
ii)	**GENERAL RESERVE**		
	Opening Balance	**409,36.86**	401,15.91
	Add : Transfer from Surplus in the Statement of Profit and Loss	**6,04.68**	8,20.95
	Less:Utilised during the year		
	Issue of Bonus Shares from General Reserve	**(20,76.00)**	—
		394,65.54	409,36.86
iii)	**RETAINED EARNINGS**		
	Opening Balance	**196,75.83**	192,72.59
	Net profit for the period	**116,00.98**	102,14.12
	Items of other comprehensive income recognized directly in retained earnings		
	Remeasurement of post employment benefit obligation (net of tax)	**(58.39)**	(3,27.87)
	<u>Appropriations</u>		
	General Reserve	**(6,04.68)**	(8,20.95)
	Dividend 2014-15 [Dividend per share ₹ 6.50/- (Previous Year ₹6.50/-)]	**—**	(35,98.40)
	Dividend Distribution Tax 2014-15	**—**	(7,32.63)
	Dividend 2015-16 [Dividend per share ₹ 6.50/-]	**—**	(35,98.40)
	Dividend Distribution Tax 2015-16	**—**	(7,32.63)
		306,13.74	196,75.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Lakhs)

19(b) OTHER RESERVES

	FVOCI Equity Investment Reserve	Employee Stock Option Reserve	Revaluation Reserve	Total
As at April 1, 2015	49,55.95	86.23	3,35.34	53,77.52
Equity instruments at fair value	38,24.80	—	—	38,24.80
Share based payments	—	79.65	—	79.65
As at March 31, 2016	87,80.75	1,65.88	3,35.34	92,81.97
Equity instruments at fair value	—	—	—	10,08.42
Share based payments	10,08.42	95.70	—	95.70
As at March 31, 2017	**97,89.17**	**2,61.58**	**3,35.34**	**103,86.09**

Nature and purpose of reserves

(i) Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(ii) FVOCI - Equity Investment Reserve

The Company has elected to recognize changes in the Fair Value of certain Equity investments in Other Comprehensive Income. These changes are accumalated within the FVOCI - Equity Investments Reserve within Equity. The Company transfers the amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

(iii) Employee Stock Option Reserve

The Employee Stock Option Reserve is used to recognize the grant date fair value of options issued under group (Compagnie de Saint-Gobain) share based payment arrangement to certain employees of the Company under employee stock option plans.

(iv) Revaluation Reserve

Revaluation Reserve was created under the erstwhile Indian GAAP to recognize the gain due to increase in value of certain Tangible assets as on June 30, 1988.

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
20	**NON-CURRENT LIABILTIES - PROVISIONS**			
	Compensated Absence (Refer Note 27.1)	**17,28.13**	10,48.25	10,70.79
21	**DEFERRED TAX LIABILITIES (NET)**			
	The balance comprises temporary differences attributable to:			
	Depreciation	**35,21.00**	33,32.77	31,29.70
	Provision for employee benefits	**(1,72.74)**	(1,25.11)	(1,02.85)
	Financial assets at FVOCI	**5,68.73**	5,26.46	(1,64.41)
	Others	**(11,22.45)**	(9,02.18)	(8,13.54)
		27,94.54	28,31.94	20,48.90

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Movement in Deferred Tax Liabilities

(₹ Lakhs)

	Depreciation	Provision for employee benefits	Financial Assets at FVOCI	Others	Total
At April 1, 2015	31,29.70	(1,02.85)	(1,64.41)	(8,13.54)	20,48.90
(charged)/credited:					
- to profit and loss	2,03.07	(22.26)	—	(88.64)	92.17
- to other comprehensive income	—	—	6,90.87	—	6,90.87
At March 31, 2016	33,32.77	(1,25.11)	5,26.46	(9,02.18)	28,31.94
(charged)/credited:					
- to profit and loss	1,88.23	(47.63)	(4.32)	(1,89.37)	(53.09)
- to other comprehensive income	—	—	46.59	(30.90)	15.69
At March 31, 2017	**35,21.00**	**(1,72.74)**	**5,68.73**	**(11,22.45)**	**27,94.54**

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
22	**NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES**			
	Deferred Income Liability	**1,98.24**	2,15.28	2,56.90
	Other Liabilties	**—**	13.38	13.38
		1,98.24	2,28.66	2,70.28
23	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**			
	Unsecured			
	Loans repayable on demand			
	From HDFC Bank Ltd	**—**	—	2,26.55
	(Repayment to be made in a year with interest rate of 10% p.a. as per the terms agreed upon between the Company and the Bank)			
	From Deustche Bank	**2,72.07**	—	—
	(Repayment to be made in a year with interest rate of 8.10% p.a. as per the terms agreed upon between the Company and the Bank)			
	Overdraft from Deustche Bank	**—**	2,99.61	—
	(At an Interest rate of 9.15% p.a.)			
		2,72.07	2,99.61	2,26.55
24	**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**			
	Total outstanding due to Micro and Small Enterprises (Refer Note 24.1)	**4.09**	—	6.27
	Total outstanding due to creditors other than Micro and Small Enterprises	**47,12.09**	62,43.53	68,99.08
	Total outstanding due to Related Parties (Refer Note 54)	**28,30.52**	21,59.90	16,54.32
		75,46.70	84,03.43	85,59.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24.1 Due to Micro and Small Enterprises

Micro and small enterprises as defined under the Micro Small and Medium Enterprises Development Act 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under:

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
	Principal amount due and remaining unpaid	**4.09**	—	6.27
	Interest due on above and the unpaid interest	**0.61**	—	0.03
	Interest paid	**—**	—	—
	Payment made beyond the appointed day during the year	**1,75.33**	1,40.69	69.97
	Interest due and payable for the period of delay	**2.18**	2.07	1.11
	Interest accrued and remaining unpaid	**—**	—	2.93
	Amount of further interest remaining due and payable in succeeding years	**—**	—	2.93
25	**CURRENT - OTHER FINANCIAL LIABILITIES**			
	Trade / Security Deposits	**2,31.44**	2,20.17	1,98.30
	Unclaimed Dividend *	**96.78**	1,38.96	85.82
	Gratuity Obligation	**—**	5,25.90	69.14
	Commission due to directors	**2,24.80**	2,10.27	1,98.92
	Other Liabilities	**133,13.70**	123,34.98	84,24.78
		138,66.72	134,30.28	89,76.96
	* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.			
26	**OTHER CURRENT LIABILITIES**			
	Statutory Liabilities	**21,53.25**	19,27.57	16,89.21
	Deferred Income Liability	**47.58**	56.83	56.35
	Other Liabilities	**6,42.98**	12,66.46	12,90.33
		28,43.81	32,50.86	30,35.89
27	**CURRENT LIABILITIES - PROVISIONS**			
	Compensated Absence (Refer Note 27.1)	**5,67.58**	4,22.78	4,39.29
27.1	**Details of Provision for Compensated Absence**			
	Opening Balance - Long Term	**10,48.24**	10,70.79	10,96.90
	Opening Balance - Short Term	**4,22.78**	4,39.29	3,61.72
	Provision made during the year	**9,93.16**	1,92.19	2,18.46
	Utilisation during the year	**(1,69.01)**	(2,31.25)	(1,67.00)
	Closing Balance - Long Term	**17,28.13**	10,48.24	10,70.79
	Closing Balance - Short Term	**5,67.58**	4,22.78	4,39.29
28	**CURRENT TAX LIABILITIES**			
	Income Tax (Net of advance tax)	**3,22.06**	2,66.02	—

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
29	**REVENUE FROM OPERATIONS**		
	Sale of products (including excise duty) (Refer Note 29.1)	**1,259,42.92**	1,154,28.22
	Service Income	**69,16.91**	55,17.10
	Other operating revenue	**8,27.00**	6,63.15
		1,336,86.83	1,216,08.47
29.1	**Sale of products (Gross)**		
	Abrasives	**89,836.00**	810,68.05
	Ceramics & Plastics	**31,863.00**	304,84.39
	Others	**42,43.92**	38,75.78
		125,942.92	1,154,28.22
	The sales value mentioned above includes sale of trading goods of ₹112,35.84 lakhs (Previous year ₹ 131,27.62 lakhs)		
29.2	**Earnings in Foreign Exchange**		
(i)	Exports of goods on FOB Basis	**123,81.44**	130,72.11
(ii)	Freight on Exports	**98.47**	86.55
(iii)	Commission (Refer Note 30)	**39.97**	19.68
(iv)	Export of services	**67,13.58**	50,44.09
(v)	Other Income (Refer Note 30)	**2,95.59**	2,97.06
30	**OTHER INCOME**		
	Interest income	**99.11**	1,17.01
	Dividend income	**0.20**	—
	Profit on Sale of Investments	**7,96.33**	6,47.46
	Interest income from financial asset at amortized cost	**20.20**	12.77
	Unwinding of discount on security deposits	**20.22**	14.17
	Fair value gain on financial instruments at fair value through profit or loss	**1,85.24**	90.79
	Royalty Income	**2,00.90**	1,97.40
	Other Non-operating income *	**19,72.16**	13,79.02
		32,94.36	24,58.62
	* Includes Earning in Foreign Exchange for commission and other income		
31	**COST OF MATERIALS CONSUMED** (Refer Notes 31.1 & 31.2)		
	Opening Stock of		
	Raw Materials	**78,69.67**	78,70.96
	Raw Materials in Transit	**20,56.09**	12,48.47
		99,25.76	91,19.43
	Add : Purchases	**461,61.49**	452,18.58
	Less: Closing Stock of		
	Raw Materials	**(69,58.71)**	(78,69.67)
	Raw Materials in Transit	**(18,04.54)**	(20,56.09)
		(87,63.25)	(99,25.76)
		473,24.00	444,12.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		For the Year Ended March 31, 2017		For the Year Ended March 31, 2016	
		%	(₹ Lakhs)	%	(₹ Lakhs)
31.1	**Cost of Materials Consumed***				
(i)	Imported Raw Materials	**40.40**	**199,63.09**	39.07	181,18.36
(ii)	Indigenous Raw Materials	**59.60**	**294,52.43**	60.93	282,50.10
		100.00	**494,15.52**	**100.00**	**463,68.46**

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
31.2	**Cost of Materials Consumed ***		
(i)	Abrasive Grains	**110,42.17**	135,71.91
(ii)	Carbon Materials	**1,78.21**	2,89.40
(iii)	Others	**381,95.14**	325,07.15
		494,15.52	463,68.46

* Materials consumed include captive consumption.

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
32	**PURCHASE OF STOCK IN TRADE**		
	Abrasives	**49,77.36**	37,42.43
	Ceramics & Plastics	**20,02.48**	20,21.48
	Others	**29,88.22**	28,53.28
		99,68.16	86,17.19

33 CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN -TRADE AND WORK-IN-PROGRESS

	(₹ Lakhs)	For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
Opening stock of			
Finished Goods	**66,28.67**		62,38.58
Stock-in-Trade	**19,29.19**		14,33.68
Work-In-Progess	**54,07.77**		49,92.19
		139,65.63	126,64.45
Closing Balance			
Finished Goods	**65,95.61**		66,28.67
Stock-in-Trade	**22,21.33**		19,29.19
Work-In-Progess	**50,28.68**		54,07.77
		138,45.62	139,65.63
		1,20.01	(13,01.18)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
34	**EMPLOYEE BENEFIT EXPENSE**		
	Salaries Wages Bonus and Gratuity (Refer Note 34.1)	**142,71.40**	125,23.02
	Share Based Payments	**95.70**	79.65
	Contribution to provident and other funds	**8,26.82**	6,66.49
	Staff welfare	**16,23.21**	13,57.29
		168,17.13	146,26.45
34.1	**Disclosure as required under Ind AS 19 - Employee Benefits**		
	I. Defined Contribution Plans:		
	Contribution to Defined Contribution Plans recognized as expense for the year are as under:		
	Employer's Contribution to Provident Fund	**5,23.97**	3,76.17
	Employer's Contribution to Superannuation Fund	**1,09.16**	97.52

II. Defined Benefit Plans:

Contribution to Gratuity Fund

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on superannuation, death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2017:

	For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	**43,53.45**	36,21.62
Interest Cost	**3,40.01**	2,89.73
Current service cost	**3,20.66**	2,59.36
Past service cost	—	—
Benefits paid	**(3,15.25)**	(3,31.96)
Remeasurements		
Actuarial changes arising from changes in demographic assumptions	**—**	50.12
Actuarial changes arising from changes in financial assumptions	**1,61.15**	2,86.58
Actuarial changes arising from experience assumptions	**(24.39)**	1,78.00
Changes in asset ceiling excluding amounts included in interest expense	**—**	—
Present Value of defined benefit obligation at the end of the year	**48,35.63**	43,53.45

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
ii)	**Change in fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	**38,27.56**	35,52.48
	Interest Income	**2,98.93**	2,84.20
	Contributions paid by the employer	**9,97.83**	3,09.53
	Benefits paid from the fund	**(3,15.25)**	(3,31.95)
	Remeasurements		
	Return on plan assets excluding amounts included in interest expense/(income)	**47.16**	13.30
	Actuarial changes arising from experience assumptions	**—**	—
	Fair Value of plan assets at the end of the year	**48,56.23**	38,27.56
iii)	**Net asset / (liability) recognized in the Balance Sheet**		
	Present Value of defined benefit obligation at the end of the year	**(48,35.63)**	(43,53.45)
	Fair Value of plan assets at the end of the year	**48,56.23**	38,27.56
	Amount recognized in the balance sheet	**20.60**	(5,25.89)
	Net Asset / (Liability) recognized - current	**20.60**	(5,25.89)
	Net Liability - non current	**—**	—
iv)	**Expense recognized in the statement of profit and loss for the year**		
	Current service cost	**3,20.66**	2,59.36
	Interest cost on defined benefit obligation	**41.07**	5.00
	Total expenses included in employee benefit expenses	**3,61.73**	2,64.36
v)	**Recognized in Other Comprehensive Income for the year**		
	Actuarial changes arising from changes in demographic changes	**—**	50.12
	Actuarial changes arising from changes in financial assumptions	**1,61.15**	2,86.58
	Actuarial changes arising from experience assumptions	**(24.39)**	1,78.00
	Actuarial Losses on Obligation for the period	**1,36.76**	5,14.70
	Return on plan assets excluding amounts included in interest income	**(47.16)**	(13.30)
	Recognized in other comprehensive income	**89.60**	5,01.40
vi)	**Actuarial Assumptions**		
	Expected return on plan assets	**7.26%**	7.81%
	Rate of Discounting	**7.26%**	7.81%
	Rate of Salary Increase	**9.00%**	9.00%
	Rate of Employee Turnover	**5.00%**	5.00%
	Mortality Rate During Employment	**Indian Assured Lives Mortality (2006-08)**	**Indian Assured Lives Mortality (2006-08)**
	Mortality Rate After Employment	**N.A.**	N.A.
vii)	**Sensitivity Analysis**		
	Projected Benefit Obligation on Current Assumptions	**48,35.63**	43,53.45
	Delta Effect of +0.5% Change in Rate of Discounting	**(1,46.96)**	(1,25.53)
	Delta Effect of -0.5% Change in Rate of Discounting	**1,56.74**	1,33.67
	Delta Effect of +0.5% Change in Rate of Salary Increase	**1,53.43**	1,31.54
	Delta Effect of -0.5% Change in Rate of Salary Increase	**(1,45.34)**	(1,24.76)
	Delta Effect of +0.5% Change in Rate of Employee Turnover	**(19.07)**	(12.12)
	Delta Effect of -0.5% Change in Rate of Employee Turnover	**19.94**	12.60
	Methodology Adopted for Asset Liability Management (ALM)	**Projected Unit Credit Method**	Projected Unit Credit Method

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Usefulness and Methodology adopted for Sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count.This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

viii) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 10 year The expected maturity analysis of gratuity benefits is as follows:

Projected Benefits Payable in Future Years From the Date of Reporting

	For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
1st Following Year	**8,42.28**	8,75.82
2nd Following Year	**4,10.97**	4,41.09
3rd Following Year	**3,79.16**	2,52.97
4th Following Year	**5,32.45**	3,46.97
5th Following Year	**3,24.65**	4,80.33
Sum of Years 6 To 10	**19,99.17**	17,08.75

ix) Risk exposure:

This does not apply to the Company since our investment is in traditional plan of LIC for which the underlying assets are not known to the policy holders.

			For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
35	**FINANCE COSTS**			
	Interest Expense		**69.39**	63.98
	Interest Cost on defined benefit obligation		**41.07**	5.00
			1,10.46	68.98
36	**DEPRECIATION AND AMORTISATION EXPENSE**			
	Depreciation of Property Plant and Equipment		**38,29.17**	35,16.68
	Amortisation of Intangible Assets		**1,53.75**	1,68.25
			39,82.92	36,84.93
37	**OTHER EXPENSES**			
	Consumption of Stores and Spares (Refer Note 37.1)		**28,12.72**	25,94.69
	Processing Charges		**26,99.37**	25,38.17
	Power & Fuel		**42,78.04**	50,18.97
	Freight Octroi and Packing Expenses		**75,52.36**	66,84.88
	Rent / Lease payment		**12,14.23**	7,16.08
	Repairs & Maintenance			
	Buliding	**60.56**		65.26
	Machinery	**3,26.63**		3,61.46
	Others	**3,33.01**		3,56.21
			7,20.20	7,82.93
	Insurance		**1,53.18**	1,67.83
	Rates and Taxes		**4,56.55**	2,71.69
	Travelling & Conveyance		**17,43.21**	17,38.61

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
Commission	**1,17.33**	5,71.44
Royalties	**21,37.78**	15,18.77
Loss on assets discarded /sold (net)	**15.30**	91.00
External Service charges	**39,81.74**	32,76.45
Bad debts & Advances written off	**12.20**	38.78
Provision for Doubtful Debts & Advances	**19.67**	86.11
Miscellaneous expenses (Refer Note 37.2 & 37.3)	**34,26.15**	33,44.21
	313,40.03	294,40.61

		For the year ended March 31, 2017		For the year ended March 31, 2016	
		%	**(₹ Lakhs)**	%	(₹ Lakhs)
37.1	**Value of Stores & Spares Consumed**				
(i)	Imported Stores & Spares	**3.8**	**1,07.44**	6.8	1,76.44
(ii)	Indigenous Stores & Spares	**96.2**	**27,05.28**	93.2	24,18.25
		100	**28,12.72**	100	25,94.69

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
37.2	**Miscellaneous expenses include**		
	Amounts paid to Auditors:		
(i)	Audit Fees	17.00	17.00
(ii)	Audit under other Statutes	4.00	2.00
(iii)	Tax representation before Authorities	2.11	0.10
(iv)	Certification	15.29	8.17
(v)	Reimbursement of expenses	0.75	0.71

37.3 Corporate social responsibility expenditure

(a) Amount prescribed under the Companies Act 2013 to be spent during the year on CSR activities is ₹ 2,81.19 Lakhs

(b) The contribution during the year to Saint-Gobain India Foundation (Related party as per Ind AS 24) is ₹ 78.97 Lakhs which is spent on purposes other than Construction / acquisition of any assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
38	**TAX EXPENSE**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	**57,26.59**	53,87.73
		57,26.59	53,87.73
	Deferred tax		
	Decrease / (increase) in deferred tax assets	**(2,41.32)**	(2,03.07)
	(Decrease) / increase in deferred tax liabilities	**1,88.23**	1,10.90
		(53.09)	(92.17)
		56,73.50	52,95.56
	(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
	Profit before income tax expense	**172,74.48**	155,09.68
	Tax at the Indian tax rate of 34.61% (2015-2016 – 34.61%)	**59,78.35**	53,67.59
	Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
	Corporate social responsibility expenditure(net of 80G benefit)	**(13.67)**	(16.08)
	Deduction under section 32AC for capital expenditure	**(1,29.77)**	—
	Disallowance under section 43B for non payment of indirect taxes within due date	**—**	1,84.79
	Disallowance under section 14A relating to expenditure on exempt income	**0.13**	0.13
	Interest income from interest free bond exempt under section 10(34)	**(2.10)**	(2.10)
	Other items	**(1,59.44)**	(2,38.77)
	Income Tax Expense	**56,73.50**	52,95.56
39	**EARNINGS PER SHARE**		
	(a) Basic earnings per share		
	Basic earnings per share attributable to the equity holders of the Company (Based on Enhanced Capital)	**10.48**	9.23
	(b) Diluted earnings per share		
	Diluted earnings per share attributable to the equity holders of the Company (Based on Enhanced Capital)	**10.48**	9.23
	(c) Reconciliations of earnings used in calculating earnings per share		
	Basic earnings per share	**10.48**	9.23
	Profit attributable to equity holders of the company used in calculating basic earnings per share	**116,00.98**	102,14.12
	Diluted earnings per share	**10.48**	9.23
	Profit attributable to equity holders of the company used in calculating diluted earning per share	**116,00.98**	102,14.12
	(d) Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share		
	Adjustments for calculation of diluted earnings per share	**11,07,20,000**	11,07,20,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

40 FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2017 (₹ Lakhs)			As at March 31, 2016 (₹ Lakhs)			As at April 1, 2015 (₹ Lakhs)		
	FVTPL	**FVOCI**	**Amortized cost**	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Financial assets									
Investments									
- Equity instruments	**—**	**144,75.17**	**—**	—	134,20.17	—	—	82,32.17	—
- Mutual funds	**220,58.59**	**—**	**—**	99,65.19	—	—	92,49.41	—	—
- Government Securities	**—**	**—**	**74.17**	—	—	74.17	—	—	74.17
Trade receivables	**—**	**—**	**123,41.80**	—	—	126,36.95	—	—	108,48.16
Loan to directors	**—**	**—**	**2,21.43**	—	—	1,02.26	—	—	82.23
Loan to employees	**—**	**—**	**2,08.79**	—	—	2,14.84	—	—	2,40.76
Cash and cash equivalents	**—**	**—**	**20,06.90**	—	—	16,73.62	—	—	21,44.87
Bank Balances	**—**	**—**	**1,79.73**	—	—	7,48.84	—	—	1,50.28
Security deposits	**—**	**—**	**8,39.63**	—	—	547.00	—	—	470.36
Employee Advances	**—**	**—**	**1,66.04**	—	—	1,83.59	—	—	1,56.53
Foreign Exchange Forward Contracts	**3,02.57**	**—**	**—**	—	—	—	4,13.86	—	—
Other receivables (Unsecured)	**—**	**—**	**10,73.87**	—	—	18,64.02	—	—	8,96.51
Total Financial Assets	**223,61.16**	**144,75.17**	**171,12.36**	99,65.19	134,20.17	180,45.29	96,63.27	82,32.17	150,63.87
Financial liabilities									
Trade / Security Deposits	**—**	**—**	**2,31.44**	—	—	2,20.17	—	—	1,98.30
Foreign Exchange Forward Contracts	**—**	**—**	**—**	17.21	—	—	—	—	—
Unclaimed Dividend	**—**	**—**	**96.78**	—	—	1,38.96	—	—	85.82
Borrowings	**—**	**—**	**2,72.07**	—	—	2,99.61	—	—	2,26.55
Trade payables	**—**	**—**	**75,46.70**	—	—	84,03.43	—	—	85,59.68
Capital creditors	**—**	**—**	**8,09.62**	—	—	1,63.73	—	—	75.02
Other financial liabilities	**—**	**—**	**127,29.32**	—	—	128,90.21	—	—	86,17.82
Total Financial Liabilities	**—**	**—**	**216,85.93**	17.21	—	221,16.11	—	—	177,63.18

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

(₹ Lakhs)

As at March 31, 2017	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Financial Investments at FVTPL					
Mutual Funds	12	220,58.59	—	—	220,58.59
Financial Investments at FVOCI					
Unquoted Equity Investments	5	—	—	144,75.17	144,75.17
Derivatives not designated as hedges					
Foreign Exchange Forward Contracts	8	—	3,02.57	—	3,02.57
Total Financial Assets		**220,58.59**	**3,02.57**	**144,75.17**	**368,36.33**
Financial Liabilities					
Total Financial Liabilities		—	—	—	—

Assets and Liabilities which are measured at amortized cost for which fair values are disclosed

As at March 31, 2017	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Investments					
Government securities	5	83.37	—	—	83.37
Loans					
Loans to employees	7,14	—	—	2,10.66	2,10.66
Loan to directors	7,14	—	—	2,33.48	2,33.48
Security deposits	8	—	—	8,57.85	8,57.85
Total Financial Assets		**83.37**	**—**	**13,01.98**	**13,85.35**
Financial Liabilities					
Total Financial Liabilities		**—**	**—**	**—**	**—**

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Financial Investments at FVTPL					
Mutual Funds	12	99,65.19	—	—	99,65.19
Financial Investments at FVOCI					
Unquoted Equity Investments	5	—	—	134,20.17	134,20.17
Total Financial Assets		**99,65.19**	**—**	**134,20.17**	**233,85.36**
Financial Liabilities					
Derivatives not designated as hedges					
Foreign Exchange Forward Contracts	25	—	17.21	—	17.21
Total Financial Liabilities		**—**	**17.21**	**—**	**17.21**

Assets and Liabilities which are measured at amortized cost for which fair values are disclosed

As at March 31, 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Investments					
Government securities		82.17	—	—	82.17
Loans					
Loans to employees	7,14	—	—	1,96.08	1,96.08
Loan to directors	7,14	—	—	1,06.04	1,06.04
Security deposits	8	—	—	5,46.77	5,46.77
Total Financial Assets		**82.17**	**—**	**8,48.88**	**9,31.05**
Financial Liabilities					
Total Financial Liabilities		—	—	—	—

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

(₹ Lakhs)

As at April 1, 2015	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Financial Investments at FVTPL					
Mutual Funds	12	92,49.41	—	—	92,49.41
Financial Investments at FVOCI					
Unquoted Equity Investments	5	—	—	82,32.17	82,32.17
Derivatives not designated as hedges					
Foreign Exchange Forward Contracts	8	—	4,13.86	—	4,13.86
Total Financial Assets		**92,49.41**	**4,13.86**	**82,32.17**	**178,95.44**
Financial Liabilities					
Total Financial Liabilities		**—**	**—**	**—**	**—**

Assets and Liabilities which are measured at amortized cost for which fair values are disclosed

As at April 1, 2015	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Investments					
Government securities		81.43	—	—	81.43
Loans					
Loans to employees	7,14	—	—	2,40.76	2,40.76
Loan to directors	7,14	—	—	82.23	82.23
Security deposits	8	—	—	4,70.36	4,70.36
Total Financial Assets		**81.43**	**—**	**7,93.35**	**8,74.78**
Financial Liabilities					
Total Financial Liabilities		**—**	**—**	**—**	**—**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the balance sheet date
- the fair value of employee stock option plans are determined using Black and Scholes valuation model
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table represents the changes in level 3 items for the period ended March 31, 2017 & March 31, 2016.

	Unquoted Equity Shares (₹ Lakhs)
As on April 1, 2015	82,32.17
Acquisitions	5,00.00
Gains / (Losses) recognized in other comprehensive income	46,88.00
As on March 31, 2016	134,20.17
Acquisitions	—
Gains / (Losses) recognized in other comprehensive income	10,55.00
As on March 31, 2017	**144,75.17**

(iv) Valuation inputs and relationships to fair value

Particulars	**Fair value as at (₹ Lakhs)**			**Significant Observable Inputs**	**Probable - weighted range**			**Sensitivity**
	March 31, 2017	March 31, 2016	April 1, 2015		**March 31, 2017**	March 31, 2016	April 1, 2015	
				Earnings Growth Rate	**5.00%**	5.00%	5.00%	2017: Increased earnings growth factor(+50 bps) and lower discount rate (-50bps) would increase FV by ₹ 22,26.63 Lakhs; lower growth factor (-50bps) and higher discount rate (+50bps) would decrease FV by ₹ 17,02.72 Lakhs
Unquoted Equity Shares	**144,75.17**	134,20.17	82,32.17					2016: Increased earnings growth factor(+50 bps) and lower discount rate (-50bps) would increase FV by ₹ 21,99.70 Lakhs; lower growth factor (-50bps) and higher discount rate (+50bps) would decrease FV by ₹ 16,56.57 Lakhs
				Risk adjusted discount rate	**12.50%**	12.10%	12.10%	2015: Increased earnings growth factor(+50 bps) and lower discount rate (-50bps) would increase FV by ₹ 14,26.94 Lakhs; lower growth factor (-50bps) and higher discount rate (+50bps) would decrease FV by ₹ 10,16.06 Lakhs

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(v) Valuation processes

The Company has outsourced the valuation process of unquoted equity instruments for financial reporting purposes.

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the Chief Financial Officer (CFO), Audit Committee (AC) and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

(vi) Fair value of Financial Assets and Liabilities measured at amortized cost

	As at March 31, 2017 (₹ Lakhs)		As at March 31, 2016 (₹ Lakhs)		As at April 1, 2015 (₹ Lakhs)	
	Carrying amount	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Investment in Government securities	**74.17**	**83.37**	74.17	82.17	74.17	81.43
Loans to employees	**2,08.79**	**2,10.66**	2,14.84	1,96.08	2,40.76	2,40.76
Loan to directors	**2,21.43**	**2,33.48**	1,02.26	1,06.04	82.23	82.23
Security deposits	**8,39.63**	**8,57.85**	5,47.00	5,46.77	4,70.36	4,70.36
Total Financial Assets	**13,44.02**	**13,85.35**	**9,38.27**	**9,31.05**	**8,67.52**	**8,74.78**

The carrying amounts of trade receivables, electricity deposit,employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, borrowings, capital creditors and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

41 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's risk management is carried out by a central Treasury department as per the policies of the Company. The Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market delears, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(i) Credit risk management

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

We have evaluated percentage of allowance for doubtful debts with the trade receviables over the years:

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Trade Receivables (₹ Lakhs)	**123,41.80**	126,36.95	108,48.16
Allowance for doubtful debts (₹ Lakhs)	**3,87.92**	3,50.91	2,64.79
Percentage	**3.14%**	2.78%	2.44%

(ii) Reconciliation of loss allowance provision – Trade receivables

(₹ Lakhs)

Loss allowance on April 1, 2015	**2,64.79**
Changes in loss allowance	86.12
Loss allowance on March 31, 2016	**3,50.91**
Changes in loss allowance	37.01
Loss allowance on March 31, 2017	**3,87.92**

(B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company ensures sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ Lakhs)

	As at March 31, 2017	As at March 31, 2016*	As at April 1, 2015
Floating rate			
- Expiring beyond one year (bank loans and overdrafts)	**58,40.00**	61,50.00	62,80.00

* The undrawn bank overdraft value is taken based on the actual overdraft value as per the Bank book i.e. ₹ 2,99.61 lakhs - which includes cheques issued but not presented. The Overdraft as per bank statement is ₹ 1,60 lakhs.

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

(ii) Maturities of financial liabilities

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Contractual maturities of financial liabilities

(₹ Lakhs)

	Less than 3 months	3 months to 6 months	6 months to 1 year	Beyond 1 year	Total
As at March 31, 2017					
Non-derivatives					
Borrowings	2,72.07	—	—	—	2,72.07
Trade payables	75,46.70	—	—	—	75,46.70
Other financial liabilities	138,66.72	—	—	—	138,66.72
Total Non-derivative liabilities	**216,85.49**	**—**	**—**	**—**	**216,85.49**
As at March 31, 2016					
Non-derivatives					
Borrowings	2,99.61	—	—	—	2,99.61
Trade payables	84,03.43	—	—	—	84,03.43
Foreign Exchange Forward Contracts	81.43	(57.18)	(7.04)	—	17.21
Other financial liabilities	134,13.07	—	—	—	134,13.07
Total Non-derivative liabilities	**221,97.54**	**(57.18)**	**(7.04)**	**—**	**221,33.32**
As at April 1, 2015					
Non-derivatives					
Borrowings	—	2,26.55	—	—	2,26.55
Trade payables	85,59.68	—	—	—	85,59.68
Other financial liabilities	89,76.96	—	—	—	89,76.96
Total Non-derivative liabilities	**175,36.64**	**2,26.55**	**—**	**—**	**177,63.19**

(C) Market risk

(i) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR, USD, GBP, AUD and JPY. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The risk is measured through a forecast of foreign currency for the Company's operations. The Company uses foreign exchange forward contracts to manage its exposure in foreign currency risk.

The Companys exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(₹ Lakhs)

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
Currency	**Trade receivable**	**Hedges available**	**Net exposure to foreign currency risk**	Trade receivable	Hedges available	Net exposure to foreign currency risk	Trade receivable	Hedges available	Net exposure to foreign currency risk
AUD	**39.40**	**24.44**	**14.97**	15.50	—	15.50	22.14	19.02	3.12
EUR	**10,60.17**	**10,60.17**	**—**	7,50.54	3,79.27	3,71.28	8,84.68	8,84.68	—
GBP	**—**	**—**	**—**	—	—	—	49.06	24.53	24.53
USD	**17,68.19**	**17,68.19**	**—**	21,29.11	21,29.11	—	16,45.36	16,45.36	—

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Currency	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Trade payable	**Hedges available**	**Net exposure to foreign currency risk**	Trade payable	Hedges available	Net exposure to foreign currency risk	Trade payable	Hedges available	Net exposure to foreign currency risk
CNH	**82.43**	**82.43**	**—**	—	—	—	—	—	—
EUR	**9,11.31**	**9,11.31**	**—**	8,77.52	8,77.52	—	7,60.26	7,29.75	30.51
GBP	**34.38**	**34.38**	**—**	25.37	—	25.37	51.36	20.36	31.00
JPY	**41.69**	**41.69**	**—**	57.34	—	57.34	1,02.43	69.32	33.11
SEK	**3.72**	**3.72**	**—**	—	—	—	—	—	—
USD	**29,58.68**	**29,58.68**	**—**	28,55.95	28,55.95	—	30,61.18	30,61.18	—

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.

(₹ Lakhs)

	Impact on profit after tax	
	March 31, 2017	March 31, 2016
AUD sensitivity		
INR/AUD increases by 5%	**0.49**	0.51
INR/AUD decreases by 5%	**(0.49)**	(0.51)
GBP sensitivity		
INR/GBP increases by 5%	**—**	0.83
INR/GBP decreases by 5%	**(—)**	(0.83)
JPY sensitivity		
INR/JPY increases by 5%	**—**	1.87
INR/JPY decreases by 5%	**(—)**	(1.87)
EUR sensitivity		
INR/EUR increases by 5%	**—**	12.14
INR/EUR decreases by 5%	**(—)**	(12.14)

42 CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Currently, there are negligible borrowings and operations are being funded through internal accruals.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Dividends

	March 31, 2017	March 31, 2016
		(₹ Lakhs)
(i) Equity shares		
Dividend for the year ended March 31, 2015 of ₹ 6.50/- per fully paid share	—	35,98.40
Dividend for the year ended March 31, 2016 of ₹ 6.50/- per fully paid share	—	35,98.40

(ii) Dividends not recognized at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹ 4/- per fully paid equity share (March 31, 2016 – ₹ 6.50/-). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
43	**CONTINGENT LIABILITIES AND CONTINGENT ASSETS**			
(i)	**Contingent liabilities**			
(a)	Excise & Custom Duty demands / show cause notices pending with the appropriate authorities and disputed by the Company	**6,33.09**	8,32.56	6,83.97
(b)	Sales Tax demands pending with the Commissionerate/ High Court and disputed by the Company	**—**	2,80.25	2,81.87
(c)	Claims against the Company under the Labour Laws for disputed cases	**1,01.49**	1,01.16	1,14.00
(d)	Guarantees given by Banks, of which ₹ 7,23.55 Lakhs (Previous year - ₹ 7,48.73 Lakhs) are counter guaranteed by the Company	**7,23.55**	7,48.73	6,61.73
(e)	Guarantees given on behalf of Subsidiary Company against loan taken by Subsidiary	**7,34.57**	7,34.57	9,44.33
(f)	Non-Agricultural Land Cess	**37.79**	37.79	37.79
(g)	Other Claims against the Company not acknowledged as debts	**1,79.33**	2,01.30	1,91.86
(h)	Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court	**32,22.37**	31,24.00	30,06.10
(i)	Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)	**10,15.45**	9,89.00	9,25.09
(j)	Demand raised by A.P Transco for fuel surcharge adjustment for Financial years 2008-09 & 2009-10 disputed by the Company & subjudice in Honourable Supreme Court	**2,64.00**	2,59.80	2,59.80
(k)	Income tax liability on account of disputed disallowances	**1,65.32**	1,65.32	1,65.32
(ii)	**Contingent assets**	**—**	—	—

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
44 COMMITMENTS			
(i) Capital commitments			
Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:			
Property, plant and equipment	**1,80.93**	2,79.29	2,17.30
(ii) Non-cancellable operating leases			
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	**8,95.11**	4,68.29	4,84.39
Later than one year but not later than five years	**30,35.90**	18,57.54	17,62.17
Later than five years	**1,58.86**	4,56.06	9,26.37
Commitments for minimum lease receipts in relation to non-cancellable operating leases are receivable as follows:			
Within one year	**1,52.57**	4,04.72	4,77.87
Later than one year but not later than five years	**—**	—	—
Later than five years	**—**	—	—
Rental expense relating to operating leases			
Minimum lease payments	**12,14.23**	7,16.08	6,92.99
Total rental expense relating to operating leases	**12,14.23**	7,16.08	6,92.99

45 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividend of ₹ 4 per equity share of ₹ 5 each, has been recommended by the Board of Directors, in the Board meeting held on May 23, 2017, which is subject to the approval of shareholders at the ensuing Annual General Meeting.

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
46 VALUE OF IMPORTS ON CIF BASIS			
(i) Raw Materials & Trading Goods	**349,03.84**	325,14.09	280,65.64
(ii) Stores & Spare Parts	**2,53.46**	2,97.65	4,61.30
(iii) Capital Goods	**5,27.21**	3,05.05	5,39.79
(iv) Others	**2,72.06**	4,43.82	20,13.40

47 Exchange difference arising on foreign currency transactions amounting to net gain of ₹ 8,85.65 Lakhs (Previous Year - ₹ 5,94.77 Lakhs) has been accounted under respective heads.

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
48 EXPENDITURE IN FOREIGN CURRENCY			
(i) Export Sales Commission	**89.48**	99.15	98.16
(ii) Foreign Travel	**3,29.65**	1,82.25	77.25
(iii) Royalties	**21,37.78**	15,03.56	9,31.33
(iv) Others	**1,49.60**	2,07.90	2,12.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
49 AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF			
Dividend (₹ Lakhs)	—	18,46.91	18,46.91
Number of Non-Resident Shareholders	—	2	2
Number of Shares held	—	2,84,14,000	2,84,14,000
Year to which Dividend relates	—	2014-15	2013-14
Interim Dividend (₹ Lakhs)	—	18,46.91	—
Number of Non-Resident Shareholders	—	2	—
Number of Shares held	—	2,84,14,000	—
Year to which Dividend relates	—	2015-16	—

50 The Company uses forward contracts to hedge its risk associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The Company does not enter into forward exchange contracts which are intended for speculative purposes.

The following are the outstanding forward contracts as at March 31, 2017:

Currency	No. of Contracts	Value (Lakhs)	Equivalent (Lakhs)
USD	**48** (28)	**1,97.58** (1,09.24)	**128,16.15** (72,42.61)
EURO	**64** (14)	**1,00.61** (22.59)	**69,72.59** (17,00.74)
GBP	**1** —	**0.44** —	**35.82** —
JPY	**4** —	**1,45.00** —	**84.10** —
AUD	**4** —	**0.49** —	**24.44** —
CNH	**3** —	**10.60** —	**1,00.07** —
SEK	**1** —	**0.51** —	**3.72** —

Previous year's figures are in brackets.

The Indian Rupee equivalent is arrived at by converting the forward contracts at the spot rate as at March 31, 2017. Foreign currency exposure (net) not hedged by forward contracts as at March 31, 2017 is ₹ 14.97 Lakhs (Previous Year - ₹ 4,68.00 Lakhs).

Currency	**Year ending March 31, 2017**		Year ending March 31, 2016	
	Value in Lakhs	**Equivalent (₹ Lakhs)**	Value in Lakhs	Equivalent (₹ Lakhs)
USD	—	—	—	—
EURO	—	—	5.00	3,71.28
JPY	—	—	96.14	57.34
AUD	**0.30**	**14.97**	0.31	15.50
CAD	—	—	—	—
GBP	—	—	0.27	25.37
SEK	—	—	—	—
Total		**14.97**	-	4,68.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

51 The segment information is presented under the Notes forming part of the Consolidated Financial Statements as required under the Ind AS - 108 on "Operating Segment".

52 SHARE BASED PAYMENTS

(a) Performance Share Plan

Certain employees of the Company in India are allotted Performance shares of the Ultimate Holding Company. These plans are subject to eligibility criteria based on the employee's period of service (service conditions) with the Group as well as performance criteria (performance conditions). The Ultimate Holding Company does not charge any cost for this benefit, the cost of this benefit has been arrived at using Black and Scholes method.

i) Summary of Share options granted under plan

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Average exercise price per share option	**Number of share options**	Average exercise price per share option	Number of share options	Average exercise price per share option	Number of share options
Opening balance	**—**	**28,650**	—	20,890	—	20,890
Granted during the year	**—**	**10,160**	—	7,760	—	—
Exercised during the year	**—**	**(5,216)**	—	—	—	—
Forfeited during the year	**—**	**(2,434)**	—	—	—	—
Total	**—**	**31,160**	—	28,650	—	20,890

(b) Expense arising from share based payment transaction

(₹ Lakhs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Performance Share Plan	**95.70**	79.65

53 DISCLOSURE ON SPECIFIED BANK NOTES

In accordance with MCA notification G.S.R. 308(E) dated March 31, 2017, the details of Specified Bank Notes (SBN's) & Other denomination notes, transacted during the period from November 8, 2016 to December 30, 2016 is given below:

(in ₹)

Particulars	**SBNs***	**Other Denomination Notes**	**Total**
Closing Cash in Hand as on November 8, 2016	84,500.00	50,995.00	135,495.00
(+) Permitted Receipts	—	1,210,250.00	1,210,250.00
(-) Permitted Payments	—	(1,185,627.00)	(1,185,627.00)
(-) Amounts deposited in Banks	(84,500.00)	—	(84,500.00)
Closing Cash in Hand as on December 30, 2016	—	75,618.00	75,618.00

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

54 RELATED PARTY TRANSACTIONS

1. Relationships

(i) HOLDING COMPANY

Compagnie de Saint-Gobain

(ii) FELLOW SUBSIDIARIES

Saint-Gobain Abrasives Inc; USA
Societe de Participations Financieres et Industrielles
ABC Superabrasives, USA
Certainteed Corporation, USA
L.M.Van Moppes Diamond Tools India Pvt. Ltd.
Norton Abrasives Pty. Ltd.
PT Saint-Gobain Norton Hamplas, Indonesia
PT Saint-Gobain Winter Diamas, Indonesia
PT Saint-Gobain Abrasives Indonesia
Placopatre SA, France
Point.P Development, France
Saint-Gobain Ceramics & Plastics Inc., USA
Saint-Gobain Abrasives, Poland
Saint-Gobain Ceramiques Informatique Et Organisation, France
Saint-Gobain DSI Groupe
Saint-Gobain IndustrieKeramik Rodental GmbH, Germany
Saint-Gobain Abrasifs, Dubai
Saint-Gobain Abrasifs, Morocco
Saint-Gobain Abrasifs, France
Saint-Gobain Abrasifs UAE
Saint-Gobain Abrasive International Trading (Shanghai)
Saint-Gobain Abrasives Pty. Ltd, Australia
Saint-Gobain Abrasives (Pty) Ltd., South Africa
Saint-Gobain Abrasives (Sea) Pte. Ltd.
Saint-Gobain Abrasives (Shanghai) Co Ltd., Shanghai
Saint-Gobain Abrasives (Suzhou) Co. Ltd.
Saint-Gobain Abrasives BV., Netherlands
Saint-Gobain Abrasives GmbH (CORA)
Saint-Gobain Abrasives GmbH, Gerolzhofen., Germany
Saint-Gobain Abrasives International Trading (HK) Ltd.
Saint-Gobain Abrasives Inc, Worcester USA
Saint-Gobain Abrasives, Korea
Societe Europeenne des Produits Refractaires, France
Saint-Gobain Isover GHAG, Germany
Saint-Gobain ICASA S.A., Spain
Saint-Gobain Industrial Ceramics Pty Ltd.
Saint-Gobain Industrial Ceramics, UK
Saint-Gobain IndustrieKeramik Dusseldorf GmbH, Germany
Saint-Gobain Materials Ceramicos Ltda., Brazil
Saint-Gobain Materials Ceramicos, Venezuela
Saint-Gobain Materiaux Ceramics, Belgium
Saint-Gobain PAM, France
Saint-Gobain Performance Plastics, USA
Saint-Gobain PPL Shanghai, China
Saint-Gobain PPL Korean Co, Ltd, South Korea
Saint-Gobain Produtos Industriais E Para Construcao Ltd.
Saint-Gobain Sekurit India Ltd
Saint-Gobain Sekurit, Thailand
Saint-Gobain Sekurit, France
Saint-Gobain Tech Fab Hongfa (Changzhou) Ltd.
Saint-Gobain Technical Fabrics, S.A.
Saint-Gobain Universal Superabrasives, Inc.
Saint-Gobain Vibros S.A.
SG Isover, France
Saint-Gobain Advanced Ceramics (Shanghai) Co Ltd
Saint-Gobain Materiaux Ceramiques Benelux SA
Saint-Gobain Performance Plastics - Bristol
Saint-Gobain Performance Plastics Corby, UK
Saint-Gobain Performance Plastics KK, Japan
Saint-Gobain Performance Plastics, Les Macon, France
Saint-Gobain Performance Plastics Pampus GmbH
Saint-Gobain Performance Plastics Verneret, France
Saint-Gobain Performance Plastics, Chaineux, Belgium
Saint-Gobain Performance Plastics, Ireland

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Saint-Gobain Abrasives Ltd -Stafford-UK
Saint-Gobain Abrasives Ltd., New Zealand
Saint-Gobain Abrasives Ltda., Brazil
Saint-Gobain Abrasives Ltda., Portugal
Saint-Gobain Abrasives Singapore (PTE) Ltd.
Saint-Gobain HPM Polska Sp.zo.o, Poland
Saint-Gobain Abrasives; Thailand
Saint-Gobain Abrasives, Indonesia
Saint-Gobain Abrasives Netherlands B.V.
Saint-Gobain Abrasivi S.P.A., Italy
Saint-Gobain Abrasivos SA, Argentina
Saint-Gobain Achats, France
Saint-Gobain Adfors, France
Saint-Gobain Advanced Ceramics, Niagara
Saint-Gobain Advanced Materials (M) SDN BHD
Saint-Gobain Advanced Materials (Taiwan) Co. Ltd.
Saint-Gobain Building Distribution Deutschland GmbH, Germany
Saint-Gobain Building Distribution, UK
Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd., China
Saint-Gobain Ceramic Materials,Inc, Canada
Saint-Gobain Ceramic Materials A/S, Norway
SG, Isover AB, Sweden
Saint-Gobain Construction Products, SA
Saint-Gobain Ceramics & Plastics,Brazil
Saint-Gobain Diamantwerkzeuge GmbH & Co.,Germany
Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda
Thai Gypsum Products Plc, Thailand
Saint-Gobain Gelva, BV
Saint-Gobain Glass Egypt
Saint-Gobain India Pvt Ltd
Saint-Gobain Performance Plastics, Kontich, Belgium
Saint-Gobain Performance Plastics, Rencol., UK
Saint-Gobain Performance Plastics, Taiwan
Saint-Gobain Performance Plastics, Gembloux, Belgium
Saint-Gobain Research India Ltd.
Saint-Gobain Technical Fabrics (Changzhou) Co. Ltd.
Saint-Gobain Weber Netservices
Saint-Gobain Zipro
Universal Superabrasives, USA
SAP Competence Center Verallia
Saint-Gobain Centre De Recherches Et Detudes, European
Saint-Gobain Construction Products, Belgium
SG Distribution Nordic AB, Sweden
Lapeyre, France
Saint-Gobain Ceramics Inc, USA
Saint-Gobain India Foundation
Saint-Gobain Vietnam Ltd.
Saint-Gobain Corporation
Saint-Gobain Tech Services-Central Europe
Saint-Gobain Tech Services-France
Saint-Gobain Technology SC
Saint-Gobain Technology Services - UK
Saint-Gobain Technology-NA
Saint-Gobain Glass France
Dahl Sverige AB
Saint-Gobain Colombia S.A.S
Saint-Gobain Inovatif Malzemeler
Savoie Refractaires

(iii) SUBSIDIARY COMPANY
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

(iv) KEY MANAGEMENT PERSONNEL
Anand Mahajan - Managing Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(v) (a) Parent entities

The Group is controlled by following entity:

Name of entity	Type	Place of business	Ownership interest held by the Group		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Compagnie de Saint-Gobain	Ultimate Holding Co*	Le Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	**51.6%**	51.6%	51.6%
* The Ultimate Holding Company ("Saint-Gobain") holds shares in the Company through the following subsidiaries					
Saint-Gobain Abrasives Inc; USA	Fellow Subsidiary	1 New Bond Street, P.O Box 15008 Worcester MA 01615 USA	**26.8%**	26.8%	26.8%
Societe de Participations Financieres et Industrielles	Fellow Subsidiary	Le Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	**24.5%**	24.5%	24.5%
Saint-Gobain India Pvt Ltd	Fellow Subsidiary	Sigapi Aachi Building, Floor No 7, 18/3 Rikmini Lakmipathy Road, Egmore Chennai TN India 600008	**0.3%**	0.3%	0.3%

(b) Subsidiary

Name of entity		Place of business	Ownership interest held by the Company		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	Subsidiary	L-14 Pasakha Industrial Estate, PO Box 275, Pasakha Bhutan	**70%**	70%	70%

(c) Key management personnel compensation

Anand Mahajan - Managing Director

(₹ Lakhs)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Short-term employee benefits	**3,36.47**	3,66.66
Post-employment benefits	**18.15**	16.78
Long-term employee benefits	**—**	—
Termination benefits	**35.28**	32.63
Total compensation	**3,89.90**	4,16.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(d) Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business:

(i) Details relating to parties referred to in items 1(i) (ii) and (iii) above:

(₹ Lakhs)

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Subsidiary Company	
		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
1	Sales	—	—	**33,22.04**	38,96.51	—	—
2	Agency Commission received	—	—	**32.51**	19.68	—	—
3	Service Income	**1,31.77**	83.30	**66,10.49**	51,39.42	**30.00**	30.00
4	Other Income	**58.50**	58.50	**3,51.31**	4,21.04	**2,08.24**	2,05.27
5	Purchase of Goods	—	—	**152,04.17**	121,95.30	**43,66.62**	43,69.54
6	Expenses charged to other companies	**13.30**	43.80	**14,07.69**	35,43.72	**14.99**	18.61
7	Expenses charged by other companies	**60.95**	2,29.89	**7,40.83**	1,02.74	—	—
8	Royalty Paid	—	—	**21,37.78**	15,03.56	—	—
9	Other Expenses	—	—	**18.00**	18.00	—	—
10	Dividend Paid	—	—	—	37,13.32	—	—
11	Donation Paid	—	—	**78.97**	70.86	—	—
12	Outstanding Receivables (net of payables) *	**1,40.83**	73.79	**1,35.50**	18,47.04	**21.03**	42.46
13	Other Liabilities	—	—	**(21,25.97)**	(16,57.39)	—	—
14	Outstanding Deposits *	—	—	**39.00**	39.00	—	—
15	Investments made	—	—	—	5,00.00	—	—
16	Bonus share issued (No. of shares)	—		**2,85,64,000**		—	—

* Closing Balance

(ii) Details relating to persons referred to in item 1(iv) above:

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Remuneration (₹ Lakhs)	**2,20.15**	4,16.07
Commission Payable (₹ Lakhs)	**1,69.76**	1,51.89
Outstanding Loan (₹ Lakhs)	**2,50.00**	1,10.00
Bonus share issued (No. of shares)	**4,98,422**	0.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Significant transactions with related parties:

(₹ Lakhs)

Sr. No.	Nature of Transactions	Name of the Companies	For the Year ended March 31, 2017	For the Year ended March 31, 2016
1	Sales	Saint-Gobain HPM Polska Sp.zo.o	**4,41.08**	4,28.93
		Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda	**8,70.07**	10,63.38
		Saint-Gobain India Pvt. Ltd.	**3,91.44**	—
2	Agency Commission received	Saint-Gobain Adfors, France	**32.51**	19.68
3	Service Income	Compagnie de Saint-Gobain (Liaison Office)*	—	83.30
		Saint-Gobain DSI Groupe	**15,84.53**	11,93.99
		Saint-Gobain Ceramiques Informatique Et Organisation	**19,79.46**	12,78.50
		Saint-Gobain Weber Netservices	**12,12.05**	7,85.45
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.*	—	30.00
4	Other Income	Compagnie de Saint-Gobain (Liaison Office)*	—	58.50
		Saint-Gobain India Pvt. Ltd.	**2,29.66**	3,01.17
		Saint-Gobain Achats, France	**63.67**	61.24
		Certainteed Corporation*	—	33.58
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	**2,08.24**	2,05.27
5	Purchase of Goods	Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	**43,66.62**	43,69.54
		Saint-Gobain Materials Ceramicos Ltd. Brazil*	—	17,40.58
		SG Performance Plastic Corporation, USA	**21,62.77**	20,83.04
6	Expenses charged to	Saint-Gobain India Pvt. Ltd.	**9,74.41**	14,69.08
	other companies	Compagnie de Saint-Gobain (Liaison Office)*	—	43.80
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.*	—	18.61
		Saint-Gobain Ceramiques Informatique Et Organisation*	—	13,57.42
7	Expenses charged by	Compagnie de Saint-Gobain (Liaison Office)*	—	2,29.89
	other companies	Saint-Gobain India Pvt. Ltd.	**6,79.48**	46.35
		Saint-Gobain Ceramiques Informatique Et Organisation*	—	38.69
		SG Performance Plastics Pampus GmbH*	—	17.71
8	Royalty Paid	Saint-Gobain Abrasives Inc., USA	**15,99.21**	11,15.31
		Saint-Gobain Ceramic Materials AS	**2,31.97**	1,93.94
9	Other Expenses	Saint-Gobain Abrasifs, France	**18.00**	18.00
10	Dividend Paid	Saint-Gobain Abrasives Inc., USA*	—	19,26.31
		Societe de Participations Financieres et Industrielles *	—	17,67.51
11	Donation Paid	Saint-Gobain India Foundation	**78.97**	70.86
12	Investment Made	Saint-Gobain India Pvt. Ltd.*	—	5,00.00
13	Bonus shares issued	Saint-Gobain India Pvt. Ltd.	**1,50,000**	—
	(No. of Shares)	Saint-Gobain Abrasives Inc., USA	**1,48,17,760**	—
		Spafi-Societe De Participations Financieres Et Industrielles	**1,35,96,240**	—

*Current year transactions are not significant in nature.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(e) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Trade Payables	**As at March 31, 2017 (₹ Lakhs)**	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
Certainteed Corporation	**(87.00)**	(1,47.35)	(1,29.90)
Pt Saint-Gobain Winter Diamas	**(7.41)**	0.00	(17.61)
Saint-Gobain Diamantwerkzeuge GmbH & Co	**(75.84)**	(57.61)	—
Saint-Gobain Abrasives (Shanghai) Co.Ltd	**(29.76)**	(8.43)	(6.55)
Saint-Gobain Abrasives B.V.	**(42.26)**	(4.04)	—
Saint-Gobain Abrasives GmbH	**(52.25)**	(12.57)	(14.51)
Saint-Gobain Abrasives Inc.	**(2,01.33)**	(2,46.70)	(2,20.02)
Saint-Gobain Abrasives Ltd -Stafford-UK	**(0.90)**	—	—
Saint-Gobain Abrasives P. A.(AMI)	**(17.81)**	—	—
Saint-Gobain Abrasives S.A	**(70.81)**	—	—
Saint-Gobain Abrasivi S.P.A.(Micromold)	**(19.66)**	—	—
Saint-Gobain Abrasivos Ltda-Brazil	**(1,99.93)**	(3,02.30)	—
Saint-Gobain Abrasivos S.A.	**(24.61)**	—	—
Saint-Gobain Adfors CZ	**(0.38)**	—	—
Saint-Gobain Advanced Ceramics	**—**	(3.29)	—
Saint-Gobain C.R.E.E	**(3.39)**	—	—
Saint-Gobain Ceramic Materials USA	**(1,89.19)**	—	—
Saint-Gobain Ceramic Materials (Zhengz) Co	**(93.49)**	—	—
Saint-Gobain Ceramics & Plastics, Inc.	**(3.62)**	(7.69)	(2.82)
Saint-Gobain Ceramiques Informatique Et Organisation, France	**(4.34)**	—	—
Saint-Gobain Do Brasil Produtos	**(13.38)**	—	—
Saint-Gobain Hpm Polaska SP.Z.OO	**(1,28.32)**	(53.83)	—
Saint-Gobain India Pvt Ltd	**(22.87)**	—	(3.77)
Saint-Gobain K.K. Performance Plastics	**(97.70)**	(1,42.43)	(97.24)
Saint-Gobain Materiaux Ceramiques	**(25.58)**	—	—
Saint-Gobain Performance Plastic USA	**(98.58)**	(1,07.41)	—
Saint -Gobain PPL GmbH	**(0.62)**	—	—
Saint-Gobain Sekurit(Thailand) Co., Ltd	**—**	(0.96)	(6.15)
Saint-Gobain Technical Fabrics, S.A. De	**(53.26)**	(94.15)	—
Saint-Gobain Zirpro (Handan) Co., Ltd	**(0.40)**	—	—
Saint-Gobain PPL Korean Co, Ltd, South Korea	**(32.80)**	(26.42)	—
Saint-Gobain PPL Shanghai, China	**(76.07)**	(25.89)	(1,50.60)
Savoie Refractories - SG France	**(0.80)**	—	—
SG Performance Plastics Pampus Gmbh	**(53.69)**	(50.08)	(31.14)
SG Performance Plastics UK	**(10.42)**	(21.89)	(49.58)
SG Performance Plastics USA	**(4,77.80)**	(4,46.88)	(2,55.09)
SG Performance Plastics, Ireland	**(6.04)**	—	—
SG Performance Plastics, Les Macon, France	**(4.65)**	(35.36)	(6.49)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Trade Payables	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
SG Performance Plastics, Taiwan	**(3.57)**	(2.52)	(7.17)
SG Performance Plastics, Kontich, Belgium	**(17.67)**	(56.74)	(3.86)
St-Gobain Abrasivos (Suzhou) Co Ltd,	**(92.40)**	(51.67)	(1,16.65)
Thai Gypsum Products Plc, Thailand	**(2.84)**	(1.25)	—
Saint-Gobain Colombia S.A.S	**(1.16)**	—	—
SGPPL-Isofluor GmbH	—	—	(0.82)
Compagnie De Saint-Gobain	—	—	(18.13)
Saint-Gobain Diamantwerkzeuge GmbH & Co	—	—	(1,42.17)
Saint-Gobain Abrasives B.V.	—	—	(19.11)
Saint-Gobain Abrasivos Ltda-Brazil	—	—	(1,45.84)
Saint-Gobain Formula Thai Gypsum Product	—	—	(1.19)
Saint-Gobain Hpm Polaska Sp.z.oo	—	—	(54.05)
Saint-Gobain Materiaux Ceramique	—	—	(22.37)
Saint-Gobain PPL Corporation Mexico	—	—	(40.86)
Saint-Gobain Abrasives, Inc	—	—	(34.42)
Savoie Refractaires	—	(11.19)	(11.19)
SG Performance Plastics Korea Co Ltd,	—	—	(45.03)
Subsidiary:			
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	**(4,85.93)**	(2,41.26)	—
Total Payables to Related Parties	**(28,30.52)**	**(21,59.90)**	**(16,54.32)**

Trade Receivables	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
Certainteed Corp USA	**23.91**	18.19	—
Compagnie De Saint-Gobain	**1,40.83**	73.79	—
Dahl Sverige	**5.25**	19.35	12.62
Lapeyre Services	**1,06.77**	68.13	92.95
Pt. Saint-Gobain Abrasives Diamas	**10.31**	9.95	6.16
Saint-Gobain (SEA) Pte. Ltd	**17.45**	55.91	44.10
Saint-Gobain Abrasifs	**0.10**	0.27	2.47
Saint-Gobain Abrasives (Australia) Pty. Ltd.	**49.33**	69.56	79.85
Saint-Gobain Abrasives (NZ) Ltd.	**6.34**	7.49	7.91
Saint-Gobain Abrasives (Pty) Ltd.	**4.41**	1.53	7.61
Saint-Gobain Abrasives (Shanghai) Co. Ltd.	**11.87**	2.26	6.44
Saint-Gobain Abrasives (Singapore) Pte Ltd	**4.71**	—	—
Saint-Gobain Abrasives (Suzhou) Co Ltd	**3.45**	4.85	5.03
Saint-Gobain Abrasives (Thailand) Ltd	**18.66**	9.72	24.50
Saint-Gobain Abrasives BV (Netherland)	**19.82**	41.00	19.45
Saint-Gobain Abrasives GmbH	**0.71**	1.01	0.72

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Trade Receivables	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
Saint-Gobain Abrasives Ltd -Stafford-UK	**0.58**	0.65	0.43
Saint-Gobain Abrasives SEA	**11.79**	11.79	12.56
Saint-Gobain Abrasives, Inc - USA	**2,03.58**	1,27.77	88.64
Saint-Gobain Abrasivi S.P.A	**4.30**	0.99	1.37
Saint-Gobain Abrasivos Ltda	**—**	19.27	34.10
Saint-Gobain Abrasivos SA	**7.69**	1,06.55	1.23
Saint-Gobain Achats	**32.89**	20.83	42.06
Saint-Gobain Adfors	**38.55**	6.04	26.00
Saint-Gobain Advanced Ceramics (Shanghai) Co Ltd.,	**1.15**	1.56	1.00
Saint-Gobain Building Distribution	**1,14.82**	1,19.75	1,00.67
Saint-Gobain Ceramic Materials	**10.64**	1,05.86	28.83
Saint-Gobain Ceramiques Informatique Et Organisation, France	**1,89.52**	1,71.25	93.47
Saint-Gobain Colombia S.a.s	**—**	1,25.73	25.66
Saint-Gobain Corporation	**27.52**	20.89	0.04
Saint-Gobain Diamantwerkzeuge GmbH & Co.	**6.81**	2.48	0.37
Saint-Gobain Distribution Batiment France S.a.s	**89.89**	—	—
Saint-Gobain Do Brasil Produtos Ind. E Para Construcao Ltd	**1,13.71**	1,93.33	2,66.07
Saint-Gobain DSI Groupe	**2,95.44**	2,06.62	1,65.18
Saint-Gobain Glass, France	**18.82**	20.90	10.71
Saint-Gobain Hpm Polska Sp.zo.o	**98.34**	1,26.72	6.66
Saint-Gobain India Pvt Ltd	**3,85.56**	15,31.98	7,33.08
Saint-Gobain Industrial Ceramics	**49.65**	14.68	—
Saint-Gobain IndustrieKeramik	**17.67**	8.54	—
Saint-Gobain Inovatif Malzemeler	**—**	24.10	24.10
Saint-Gobain Isover	**2,13.79**	—	—
Saint-Gobain Nordic A/S	**11.99**	—	—
Saint-Gobain Pam	**6.08**	49.06	0.02
Saint-Gobain Performance Plastic Pampus	**20.00**	27.80	37.34
Saint-Gobain Research India Pvt. Ltd	**11.46**	12.00	7.76
Saint-Gobain Sekurit (Thailand) Co. Ltd.	**0.89**	—	—
Saint-Gobain Services Construction Products GmbH	**25.22**	—	—
Saint-Gobain Vietnam Ltd.	**2.00**	1.25	—
Saint-Gobainabrasives (Singapore) Pte Ltd	**—**	4.71	0.28
Saint-Gobain Tech Services-Central Europe	**18.98**	32.12	—
Saint-Gobain Tech Services-France	**27.93**	—	—
Saint-Gobain Technology Services - UK	**32.61**	57.32	—
Sap Competence Center Verallia	**—**	4.61	5.38
SEPR - France	**38.14**	—	—
SG Distribution Batiment (Point P)	**38.31**	1,04.35	90.10
SG Info Sys GmbH (SG Isover GHAG)	**6.65**	8.72	4.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Trade Receivables	**As at March 31, 2017 (₹ Lakhs)**	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
SG Isover (Weber Netservices)	**—**	1,77.20	96.04
SG Performance Plastics Shanghi	**9.99**	9.04	11.04
Saint-Gobain Abrasifs	**12.89**	—	—
Saint-Gobain Dsi Groupe	**0.10**		
Saint-Gobain Materiales Ceramicos	**1.06**		
Saint-Gobain Abrasives Pty. Ltd.	**—**	—	68.19
Saint-Gobain Hpm Polska Sp.z o.o.	**—**	—	1,21.45
Saint-Gobain Industrial Ceramics	**—**	—	22.46
Saint-Gobain Pipes (France)	**—**	—	29.39
Subsidiary			
Saint-Gobain Ceramic Material Bhutan Pvt. Ltd.	**5,06.95**	2,83.72	3,47.90
Total receivables from related parties	**31,27.87**	**41,23.20**	**28,13.49**
Trade receivables from related parties	**17,35.89**	22,39.24	12,04.09
Other receivables from related parties	**13,91.98**	18,83.96	16,09.40
	31,27.87	**41,23.20**	**28,13.49**
(f) Loans to/from related parties			
Loans to key management personnel			
Beginning of the year	**1,10.00**	90.00	1,20.00
Loans advanced	**2,00.00**	50.00	—
Loan repayments received	**(60.00)**	(30.00)	(30.00)
Interest charged	**6.60**	2.21	1.88
Interest received	**(6.60)**	(2.21)	(1.88)
End of the year	**2,50.00**	1,10.00	90.00

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognized in respect of impaired receivables due from related parties.

(f) Terms and conditions

(i) Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

(ii) The terms and conditions of the loans to Key Managerial Personnel are as per the policy of the Company.

(iii) All other transactions were made on normal commercial terms and conditions and at market rates. The average interest rate on the other loans during the year was 10% (March 31, 2016 – 10%).

(iv) All outstanding balances are unsecured and are repayable in cash.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

55 DISCLOSURE AS REQUIRED BY IND AS 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Transition to Ind AS

These are the Company's first Standalone Financial Statements prepared in accordance with Ind AS.

The accounting standards notified u/s 133 of the Companies Act, 2013 and the Accounting policies set out in note 1.2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied by the Company in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment (PPE) as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its PPE and intangible assets at their previous GAAP carrying value, except for the effect of Government Grants as per Ind AS 20, the value of PPE have been increased over deemed cost to that extent.

A.1.2 Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair Value through Other Comprehensive Income (FVOCI) on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

A.1.4 Investments in subsidiary

If a first time adopter measures investments in subsidiary, joint venture or associate at cost in accordance with Ind AS 27, Ind AS 101 allows the entity to measure such investments at one of the following amounts in its separate opening Ind AS Balance Sheet

(a) Cost determined in accordance with Ind AS 27; or (b) Deemed cost.

The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(ii) previous GAAP carrying amount at that date.

The above options can be selected each investment wise. Accordingly the Company has elected to measure investment in its subsidiary at their previous GAAP carrying value.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A.2 Ind AS Mandatory Exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;
- Investment in mutual funds carried at Fair Value through Profit and Loss (FVPL); and
- Impairment of financial assets based on expected credit loss model.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.4 Impairment of financial assets

Ind AS 101 provides that if at the date of transition the determination of increase in credit risk since initial recognition is difficult, loss allowance to be provided at an amount equal to lifetime expected credit losses at each reporting date until de-recognition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. Reconcliations between previous GAAP and Ind AS

The following tables represent the reconciliations of Balance Sheet, Total Equity, Total Comprehensive Income, and Cash Flows from previous GAAP to Ind AS

B.1 Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS as at April 1, 2015

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	12	323,36.86	3,13.25	326,50.11
Capital work in progress		6,68.54	—	6,68.54
Goodwill		48.80	—	48.80
Other intangible assets		2,89.43	—	2,89.43
Financial assets				
i. Investments	1	55,49.16	47,91.54	103,40.70
ii. Trade Receivables		—		
iii. Loans	10	2,46.44	(31.17)	2,15.27
iv. Other financial assets	9	2,88.63	(1,16.52)	1,72.11
Other non-current assets	9	849.53	91.94	9,41.47
TOTAL NON-CURRENT ASSETS		**402,77.39**	**50,49.04**	**453,26.43**
CURRENT ASSETS				
Inventories	5	212,83.77	12,91.88	225,75.65
Financial assets				
i. Trade receivables	5	125,71.28	(17,23.12)	108,48.16
ii. Cash and cash equivalents	1	111,60.78	2,33.50	113,94.28
iii. Bank balances other than (ii) above Loans		1,50.28	—	1,50.28
iv. Loans	10	1,07.82	(0.10)	1,07.72
v. Other financial assets	11	14,74.33	2,90.82	17,65.15
Current tax assets (Net)		1,28.97	—	1,28.97
Other current assets	5,9	32,83.65	64.88	33,48.53
TOTAL CURRENT ASSETS		**501,60.88**	**1,57.86**	**503,18.74**
TOTAL ASSETS		**904,38.27**	**52,06.90**	**956,45.17**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		27,68.00	—	27,68.00
Other Equity	15,16	589,34.07	93,14.77	682,48.84
TOTAL EQUITY		**617,02.07**	**93,14.77**	**710,16.84**
LIABILTIES				
NON-CURRENT LIABILITIES				
Provisions		10,70.79	—	10,70.79
Deferred tax liabilities (net)	14	21,45.92	(97.02)	20,48.90
Other non-current liabilities	12	13.38	2,56.90	2,70.28
TOTAL NON-CURRENT LIABILITIES		**32,30.09**	1,59.88	33,89.97

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
Borrowings				
i. Borrowings		2,26.55		2,26.55
ii. Trade payables		85,59.68		85,59.68
iii. Other financial liabilities		89,76.96		89,76.96
Other current liabilities	12	29,72.59	63.29	30,35.88
Provisions	3	47,70.32	(43,31.03)	4,39.29
Current tax liabilities		—	—	—
TOTAL CURRENT LIABILITIES		**255,06.10**	**(42,67.74)**	**212,38.36**
TOTAL LIABILITIES		**287,36.20**	**(41,07.87)**	**246,28.33**
TOTAL EQUITY AND LIABILITIES		**904,38.27**	**52,06.90**	**956,45.17**

** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note*

B.2 Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS as at March 31, 2016

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	12,13	313,85.53	5,45.89	319,31.42
Capital work in progress		13,01.61	—	13,01.61
Goodwill	13	16.34	32.46	48.80
Other intangible assets	13	2,30.05	20.44	2,50.49
Financial assets				
i. Investments	1	60,49.16	94,79.54	155,28.70
ii. Trade Receivables		—	—	—
iii. Loans	10	2,38.13	(17.91)	2,20.22
iv. Other financial assets	9	2,37.10	(73.72)	1,63.38
Other non-current assets	9	9,91.13	55.64	10,46.76
TOTAL NON-CURRENT ASSETS		**404,49.05**	**100,42.34**	**504,91.38**
CURRENT ASSETS				
Inventories	5	234,91.22	11,83.45	246,74.67
Financial assets				
i. Trade receivables	5	142,17.59	(15,80.64)	126,36.95
ii. Cash and cash equivalents	1	113,14.54	3,24.27	116,38.81
iii. Bank balances other than (ii) above Loans		7,48.84	—	7,48.84
iv. Loans	10	1,04.54	(7.66)	96.88
v. Other financial assets	11	24,31.23	—	24,31.23
Other current assets	5,9	35,41.20	67.34	36,08.54
TOTAL CURRENT ASSETS		**558,49.16**	**(13.24)**	**558,35.92**
TOTAL ASSETS		**962,98.21**	**100,29.09**	**1,063,27.30**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		27,68.00	—	27,68.00
Other Equity	15,16	644,19.68	89,57.79	733,77.47
TOTAL EQUITY		**671,87.68**	**89,57.79**	**761,45.47**
LIABILTIES				
NON-CURRENT LIABILITIES				
Provisions		10,48.25	—	10,48.25
Deferred tax liabilities (net)	14	20,56.18	7,75.76	28,31.94
Other non-current liabilities	12	13.38	2,15.28	2,28.66
TOTAL NON-CURRENT LIABILITIES		**31,17.81**	**9,91.04**	**41,08.85**
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
i. Borrowings		2,99.61	—	2,99.61
ii. Trade payables		84,03.43	—	84,03.43
iii. Other financial liabilities	11	134,13.07	17.21	134,30.28
Other current liabilities	12	31,87.81	63.05	32,50.86
Provisions		4,22.78	—	4,22.78
Current tax liabilities		2,66.02	—	2,66.02
TOTAL CURRENT LIABILITIES		**259,92.72**	**80.26**	**260,72.98**
TOTAL LIABILITIES		**291,10.53**	**10,71.30**	**301,81.83**
TOTAL EQUITY AND LIABILITIES		**962,98.21**	**100,29.09**	**1,063,27.30**

** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B.3 Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
CONTINUING OPERATIONS				
Revenue from operations	5,6,7	1,158,45.11	57,63.36	1,216,08.47
Other income	1,9,10,12	22,84.02	1,74.60	24,58.62
TOTAL INCOME		**1,181,29.13**	**59,37.96**	**1,240,67.09**
EXPENSES				
Cost of material consumed		444,12.25	—	444,12.25
Excise duty	6	—	90,08.18	90,08.18
Purchase of stock in trade		86,17.19	—	86,17.19
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	5	(14,09.61)	1,08.43	(13,01.18)
Employee benefit expense	4,8	150,53.76	(4,27.31)	146,26.45
Finance costs	4	63.98	5.00	68.98
Depreciation and amortisation expense	12,13	36,19.52	65.41	36,84.93
Other expenses	7,9,11	325,04.61	(30,64.01)	294,40.61
TOTAL EXPENSES		**1,028,61.70**	**56,95.71**	**1,085,57.41**
PROFIT BEFORE TAX		**152,67.43**	**2,42.25**	**155,09.68**
TAX EXPENSE	14	**51,15.45**	**1,80.11**	**52,95.56**
PROFIT FOR THE YEAR		**101,51.98**	**62.14**	**102,14.12**
OTHER COMPREHENSIVE INCOME	16	**—**	**35,76.09**	**35,76.09**
TOTAL COMPREHENSIVE INCOME		**101,51.98**	**36,38.23**	**137,90.21**

** The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B.4 Reconciliation of Total equity as at March 31, 2016 and April 1, 2015

(₹ Lakhs)

Particulars	Notes to First time adoption	As at March 31, 2016	As at April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		**671,87.68**	**617,02.07**
Adjustments			
Fair valuation of Financial Instruments	1	90,54.15	54,80.23
Proposed dividend and dividend distribution tax	3	0.00	43,31.03
Revaluation as per Prev. GAAP	13	3,35.34	0.00
Revenue impact	5	(346.49)	(38,3.49)
Impact of Deferred tax	14	(76.88)	(69.00)
Others		(8.33)	(44.00)
Total Adjustments		**89,57.79**	**93,14.77**
Total Equity as per Ind AS		**761,45.47**	**710,16.84**

B.5 Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(₹ Lakhs)

Particulars	Notes to First time adoption	For the Year ended March 31, 2016
Profit after tax as per previous GAAP		**101,51.98**
Adjustments		
(Increase)/Decrease in cost due to fair value accounting of group share based payments	8	(79.64)
Actuarial loss on Defined Benefit plans reclassified to Other Comprehensive Income	4	5,01.40
Additional depreciation on account of change in estimate and unwinding of goodwill amortisation and trademark	13	(9.35)
Revenue Impact	5	39.50
Fair value loss on financial instruments	1	(2,07.33)
Deferred tax impact of above adjustments	14	(1,82.44)
Total Adjustments		**62.14**
Profit after tax as per Ind AS		102,14.12
Other Comprehensive Income		35,76.09
Total Comprehensive Income as per Ind AS		**137,90.21**

B.6 Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(₹ Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating activities	129,29.55	1,94.22	131,23.77
Net cash flow from Investing activities	(35,77.39)	(98.45)	(36,75.84)
Net cash flow from Financing activities	(91,98.40)	(3,04.61)	(95,03.01)
Net increase/(decrease) in Cash and Cash Equivalents	**1,53.76**	—	**(55.08)**
Cash and Cash Equivalents as at April 1, 2015	111,60.78	2,33.50	113,94.28
Bank Overdraft as at March 31, 2016	—	—	(2,99.61)
Cash and Cash Equivalents as at March 31, 2016	**113,14.54**	**3,24.27**	**116,38.81**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C: Notes to First time adoption

1 Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit and loss for the year ended March 31, 2016. This increased the retained earnings by ₹ 3,24.27 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 2,33.50 Lakhs).

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognized in FVOCI – Equity investments reserve as at the date of transition and subsequently in the Other Comprehensive Income for the year ended March 31, 2016. This increased other reserves by ₹ 94,79.54 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 47,91.54 Lakhs).

Consequent to the above, the total equity as at March 31, 2016 increased by ₹ 98,04.10 Lakhs (April 1, 2015 - ₹ 50,25.02 Lakhs) and Profit and Other Comprehensive Income for the year ended March 31, 2016 increased by ₹ 90.79 Lakhs and ₹ 46,88.30 Lakhs, respectively.

2 Bank overdrafts

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by ₹ 2,99.61 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ Nil) and cash flows from financing activities for the year ended March 31, 2016 have also increased by ₹ 2,99.61 Lakhs to the effect of the movements in bank overdrafts.

3 Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ NIL as at March 31, 2016 (April 1, 2015 – ₹ 43,31.03 Lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

4 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in Other Comprehensive Income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 5,01.40 Lakhs. There is no impact on the total equity as at March 31, 2016. Also, the Interest cost on actuarial, amounting to ₹ 5.00 Lakhs has been regrouped from Employee benefit expenses to Finance cost.

5 Revenue Recongition

The Company was recognising revenue in accordance with the companies accounting policies, when the goods were despatched. The Company has evaluated the principles under Ind AS 18 and made necessary changes.

6 Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by ₹ 90,08.18 Lakhs. There is no impact on the total equity and profit.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7 Cash Discount

Under the previous GAAP, Cash Discount and Discounts related to Sales of ₹ 33,90.90 Lakhs was recognized as part of Other Expenses which have been adjusted against Revenue from operations, under Ind AS.As a result of this change, the Revenue for the year ended March 31, 2016 decreased by ₹ 33,90.90 Lakhs.

8 Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognized using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognized based on the fair value of the options as at the grant date. Consequently, the amount recognized in share compensation reserve increased by ₹ 1,65.88 Lakhs as at March 31, 2016 (April 1, 2015- ₹ 86.23 Lakhs). The profit for the year ended March 31, 2016 decreased by ₹ 79.65 Lakhs. There is no impact on total equity.

9 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as Deferred rent. Consequent to this change, the amount of security deposits decreased by ₹ 73.72 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ 1,16.52 Lakhs). The deferred rent increased by ₹ 73.72 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 1,16.52 Lakhs). Further, the Deferred rent asset is bifurcated between Current and Non-current amounting to ₹ 55.64 Lakhs and ₹ 18.08 Lakhs respectively (April 1, 2015 - ₹ 99.44 and ₹ 17.08 Lakhs respectively), based on Management's intention. The profit for the year and total equity as at March 31, 2016 decreased by ₹ 3.92 Lakhs due to amortisation of the deferred rent of ₹ 18.10 Lakhs which is partially off-set by the notional interest income of ₹ 14.17 Lakhs recognized on security deposits.

10 Fair valuation of loans to employee and Director

Under the previous GAAP, loans to employees at concessional rate (that are recoverable in cash as per the loan terms) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has fair valued these loans to employees and Director under Ind AS. Difference between the fair value and transaction value of the loans has been recognized as expenses in the Statement of Profit and Loss for the year. Consequent to this change, the amount of loans decreased by ₹ 25.57 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ 31.27 Lakhs). The profit for the year and total equity as at March 31, 2016 increased by ₹ 12.77 Lakhs due to notional interest income recognized on loan to employees and director.

11 Fair valuation of forward contracts

Under the previous GAAP, the Company applied the requirements of Accounting Standard 11-The effects of changes in foreign exchange rates to account for forward exchange contract for hedging foreign exchange risk related to recognized trade payables and trade receivables. At the inception of the contract, the forward premium was separated and amortized as expense over the tenure of the contract. The underlying trade payables, trade receivables and the forward contract were restated at the closing spot exchange rate.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognized in Statement of Profit and Loss. The change transaction resulted in a net loss of ₹ 3,07.90 Lakhs as at March 31, 2016 (Net gain as on April 1, 2015 - ₹ 2,90.82 Lakhs). Consequently, other financial liabilities as at March 31, 2016 has increased by ₹ 17.21 Lakhs (financial assets as at April 1, 2015 increased by ₹ 2,90.82 Lakhs).

12 Government Grant

Under the previous GAAP, the grant received from the Government can be deducted from the carrying amount of fixed asset. Under Ind AS 20, the Company shall recognise the asset related government grants outstanding on the transition date as deferred income with the corresponding adjustment made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact). The Company has imported capital goods under Export Promotion Capital Goods (EPCG) Scheme and has recognized the duty save on the same as deferred income with the corresponding impact in property, plant and equipment at the transition date amounting to ₹3,13.25 Lakhs. During the year 2015-16, the Company has additionally

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

imported capital goods under EPCG scheme and the duty saved recongnised on it is ₹ 15.73 lakhs. This deferred income has been bifurcated into Current and Non-current Asset amounting to ₹ 2,15.28 Lakhs and ₹ 56.83 Lakhs respectively (April 1, 2015 ₹ 2,56.90 Lakhs and ₹ 56.35 Lakhs respectively). The Company has charged the depreciation and amortisation of deferred income amounting to ₹56.87 Lakhs based on useful life of the asset imported under EPCG scheme. There is no impact on the total equity as at March 31, 2016.

13 Adjustment related to Property, Plant & Equipment

The Company has elected to measure all of its PPE at their previous GAAP carrying value, hence, the revaluation reserve adjusted in retained earnings as on March 31, 2016 has been capitalised to PPE. Consequent to this change, the PPE has increased by ₹ 2,73.79 Lakhs. The profit for the year has decreased by ₹ 61.71 lakhs, being reversal of the depreciation previously charged to Revaluation reserve.

Under the previous GAAP, Goodwill and Trademark were amortized over the useful life. However, as per Ind AS, the same will be tested for impairment annually or more frequently if the events or changes in circumstances indicate that it might be impaired. Consequent to this change, there is an increase in the Goodwill and Trademark by ₹ 32.46 Lakhs and ₹ 20.44 Lakhs respectively, with a subsequent increase in the profit for the year.

14 Deferred tax

Deferred tax have been recognized on the adjustments made on transition to Ind AS.

15 Retained Earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS adjustments.

16 Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expenes that are not recognized in Statement of Profit and Loss but are shown in the Statement of Profit and Loss as “Other Comprehensive Income”, includes remeasurement of Employee Benefit obligation and fair valuation of Equity Instruments through OCI and Income tax relating to these items. The concept did not exist under the previous GAAP.

56 Previous Year’s figures have been recast and rearranged wherever necessary.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the Year Ended March 31, 2017 (₹ Lakhs)	For the Year Ended March 31, 2016 (₹ Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	**172,74.48**	155,09.68
Adjustments for		
Depreciation expense	**38,29.17**	35,16.68
Amortisation expense	**1,53.75**	1,68.25
(Gain) / loss on disposal of property, plant and equipment	**15.30**	91.00
Profit on sale of investment	**(7,96.33)**	(6,47.46)
Unrealised gain on foreign exchange	**2,02.36**	(66.49)
Interest Income / Expenses	**11.35**	(48.03)
Change in operating assets and liabilities		
(Increase) / Decrease in trade receivables	**3,60.41**	(17,56.47)
(Increase) / Decrease in inventories	**11,30.43**	(20,99.02)
(Increase) / Decrease in other current financial assets	**42.18**	(53.14)
(Increase) / Decrease in other receivables	**(1,50.12)**	(11,48.27)
Increase / (Decrease) in trade payables	**(11,24.35)**	(1,22.07)
(Increase) / Decrease in other payables	**4,17.23**	1,77.62
Increase / Decrease in other financial liabilities	**(4,81.28)**	44,11.70
Cash generated from operations	**208,84.58**	**179,33.97**
Income taxes paid	**(56,70.55)**	(48,10.20)
Net cash inflow from operating activities	**152,14.03**	**131,23.77**
Cash flows from investing activities		
Payments for property, plant and equipment	**(39,91.21)**	(39,67.14)
(Increase) / decrease in loans	**(1,13.12)**	5.89
Sale of Investments	**7,96.33**	6,47.46
Proceeds from sale of property, plant and equipment	**14.71**	19.48
Purchase of investment	**—**	(5,00.00)
Dividend received	**(0.20)**	—
Interest received	**1,06.44**	1,18.47
Net cash outflow from investing activities	**(31,87.05)**	(36,75.84)
Cash flows from financing activities		
Margin Money deposits	**(7.71)**	(5,45.42)
Deposit matured	**5,45.42**	
Interest paid	**(1,10.46)**	(68.98)
Loan availed	**2,72.07**	—
Loan repaid	**—**	(2,26.55)
Dividend paid	**—**	(71,96.80)
Dividend distribution tax	**—**	(14,65.26)
Net cash inflow / (outflow) from financing activities	**6,99.32**	(95,03.01)
Net Increase / (Decrease) in cash and cash equivalents	**(127,26.29)**	55.08
Bank overdraft at the beginning of the year	**(2,99.61)**	—
Cash and cash equivalents at the beginning of the financial year	**116,38.81**	113,94.28
Bank Ovedraft at end of the year	**—**	(2,99.61)
Cash and cash equivalents at end of the year	**240,65.49**	116,38.81

The accompanying notes (1 to 56) are an integral part of the financial statements.

As per our Report of even date

For and on behalf of Board of Directors of Grindwell Norton Limited

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No. 107017

Mumbai: May 23, 2017

Pradip Shah	Chairman	DIN 00066242
Anand Mahajan	Managing Director	DIN 00066320
Deepak Chindarkar	Chief Financial Officer	
K. Visweswaran	Company Secretary	

Mumbai: May 23, 2017

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/Joint venture

Part "A"- Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs

1.	Name of the Subsidiary	:	Saint-Gobain Ceramic Materials Bhutan Pvt Ltd
2.	Reporting Period of the subsidiary concerned, if different from the holding company's reporting period	:	January - December 2016
3.	Reporting Currently and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	:	Nugultrum, Exchange rate 1:1
4.	Share Capital	:	28,99.42
5.	Reserves & Surplus	:	6,60.33
6.	Total Assets	:	55,76.94
7.	Total Liabilities	:	55,76.94
8.	Investments	:	NIL
9.	Turnover	:	69,28.27
10.	Profit before taxation	:	7,28.34
11.	Provision for taxation (incl Deferred Tax)	:	(2,18.60)
12.	Profit after taxation	:	5,09.74
13.	Proposed Dividend	:	Nil
14.	% of shareholding	:	70%

Note:

1.	Names of the subsidiaries which are yet to commence operations	:	Nil
2.	Names of the subsidiaries which have been liquidated or sold during the year	:	Nil

Part "B"- Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint ventures.

The Company does not have Associate or Joint venturers for which the details are to be given under Part B of this form.

For and on behalf of Board of Directors of
Grindwell Norton Limited

Pradip Shah	Chairman	DIN 00066242
Anand Mahajan	Managing Director	DIN 00066320
Deepak Chindarkar	Chief Financial Officer	
K. Visweswaran	Company Secretary	

Mumbai: May 23, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRINDWELL NORTON LIMITED.

Report on the Consolidated Indian Accounting Standard (Ind AS) Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **GRINDWELL NORTON LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (financial position), Consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows of the Group and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the consolidated audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Group as at March 31, 2017, and its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of a subsidiary (i.e. Saint-Gobain Ceramic Materials Bhutan Private Limited), whose financial statements reflect total assets of ₹ 20,57 Lakhs as at March 31, 2017, total revenues of ₹ 26,93 Lakhs and net cash flows amounting to ₹ 1,96 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that respective country. These financial statements are unaudited and the Company's management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in that respective country to accounting principles generally accepted in India. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited management certified financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1 The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, the said order specifically provides that it shall not apply to the auditor's report on the Consolidated Ind AS Financial Statements.

2. As required by Section 143 (3) of the Act, we report to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

   d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 44 to the Consolidated Ind AS Financial Statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. The Consolidated Ind AS Financials Statements have made requisite disclosure as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 by the Holding Company incorporated in India. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 54 to the Consolidated Ind AS Financial Statements.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No.: 107017

Mumbai : May 23, 2017.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Holding Company on the Consolidated Ind AS Financial Statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **GRINDWELL NORTON LIMITED** (hereinafter referred to as the Holding Company") as of that date. The Holding Company does not have subsidiary company, associate company and jointly controlled company, which are incorporated in India as on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No.: 107017

Mumbai : May 23, 2017.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

	Notes	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	**365,81.34**	347,47.84	359,97.56
Capital work in progress	3	**6,21.26**	13,58.11	6,73.24
Goodwill	4	**48.80**	48.80	48.80
Other intangible assets	4	**1,82.62**	2,50.49	2,89.43
Financial assets				
i. Investments	5	**145,49.34**	134,94.34	83,06.34
ii. Trade Receivables	6	**—**	—	—
iii. Loans	7	**3,26.71**	2,20.22	2,15.27
iv. Other financial assets	8	**4,17.86**	1,63.38	1,72.11
Other non-current assets	9	**7,84.66**	10,58.36	9,53.07
		535,12.59	513,41.54	466,55.82
CURRENT ASSETS				
Inventories	10	**245,58.41**	257,95.32	238,62.73
Financial assets				
i. Trade receivables	11	**127,39.43**	133,53.89	110,89.87
ii. Cash and cash equivalents	12	**240,67.64**	116,44.05	114,20.64
iii. Bank balances other than (ii) above	13	**1,83.49**	7,62.62	1,63.13
iv. Loans	14	**1,03.51**	96.88	1,07.72
v. Other financial assets	15	**15,96.27**	2159.37	15,05.19
Current tax assets (Net)	16	**—**	—	76.06
Other current assets	17	**42,28.43**	37,52.76	36,52.16
		674,77.18	575,64.89	518,77.50
TOTAL ASSETS		**1,209,89.77**	1,089,06.43	985,33.32
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	18	**55,36.00**	27,68.00	27,68.00
Other Equity	19	**837,65.89**	735,48.69	681,11.37
Non-Controlling Interest		**11,23.70**	9,74.74	8,59.40
		904,25.59	772,91.43	717,38.77
LIABILTIES				
NON-CURRENT LIABILITIES				
Financial liabilities				
i. Borrowings	20	**1,92.30**	2,78.24	6,38.23
Provisions	21	**17,28.13**	10,48.25	10,70.79
Deferred tax liabilities (Net)	22	**22,96.79**	25,05.39	17,57.90
Other non-current liabilities	23	**1,98.24**	2,28.66	2,70.28
		44,15.46	40,60.54	37,37.20
CURRENT LIABILITIES				
Financial liabilities				
i. Borrowings	24	**5,83.71**	12,38.54	13,61.49
ii. Trade payables	25	**75,14.70**	83,32.43	88,44.05
iii. Other financial liabilities	26	**141,22.27**	138,43.17	93,40.75
Other Current Liabilities	27	**29,09.56**	32,83.41	30,71.77
Provisions	28	**5,67.58**	4,22.78	4,39.29
Current tax liabilities (Net)	29	**4,50.90**	4,34.13	—
		261,48.72	275,54.46	230,57.35
TOTAL LIABILITIES		**305,64.18**	316,15.00	267,94.55
TOTAL EQUITY AND LIABILITIES		**1,209,89.77**	1,089,06.43	985,33.32
SIGNIFICANT ACCOUNTING POLICIES	1.3			

The accompanying notes (1 to 59) are an integral part of the financial statements.

As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No. 107017

Mumbai: May 23, 2017

For and on behalf of Board of Directors of
Grindwell Norton Limited

Pradip Shah	Chairman	DIN 00066242
Anand Mahajan	Managing Director	DIN 00066320
Deepak Chindarkar	Chief Financial Officer	
K. Visweswaran	Company Secretary	

Mumbai: May 23, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Notes	**For the Year ended March 31, 2017 (₹ Lakhs)**	For the Year ended March 31, 2016 (₹ Lakhs)
INCOME			
Revenue from operations	30	**1,363,79.88**	1,240,65.50
Other income	31	**30,85.11**	22,57.56
Total Income		**1,394,64.99**	1,263,23.06
EXPENSES			
Cost of materials consumed	32	**452,09.77**	420,64.46
Excise duty		**100,43.67**	90,08.18
Purchase of Stock-in-Trade	33	**99,68.16**	86,17.19
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	34	**1,66.47**	(12,58.39)
Employee benefit expense	35	**170,21.09**	148,33.25
Finance costs	36	**2,00.54**	2,41.54
Depreciation and amortisation expense	37	**42,24.54**	42,58.36
Other expenses	38	**346,59.21**	324,49.53
Total expenses		**1,214,93.45**	1,102,14.12
Profit before tax		**179,71.54**	161,08.94
Tax Expense	39		
Current tax		**60,97.08**	55,97.93
Deferred tax		**(2,15.50)**	(1,27.44)
		58,82.58	54,70.49
Profit for the year		**120,88.96**	106,38.45
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		**6.51**	(4,21.91)
Change in fair value of FVOCI equity instruments		**10,55.00**	46,88.00
Income tax relating to these items		**(10.69)**	(6,90.00)
Other Comprehensive Income for the Year		**10,50.82**	35,76.09
Total Comprehensive Income for the Year		**131,39.78**	142,14.54
Net Profit / (Loss) attributable to:			
- **Owners**		**119,39.48**	105,23.11
- **Non controlling interests**		**1,49.48**	1,15.34
Total comprehensive income attributable to:			
- **Owners**		**129,90.30**	140,99.20
- **Non controlling interests**		**1,49.48**	1,15.34
Earnings per share			
Basic earnings per share# (in ₹)	40	**10.92**	9.61
Diluted earnings per share# (in ₹)	40	**10.92**	9.61
Significant Accounting Policies	1.3		

Based on the enhanced capital

The accompanying notes (1 to 59) are an integral part of the financial statements.

As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No. 107017
Mumbai: May 23, 2017

For and on behalf of Board of Directors of
Grindwell Norton Limited

Pradip Shah	Chairman	DIN 00066242
Anand Mahajan	Managing Director	DIN 00066320
Deepak Chindarkar	Chief Financial Officer	
K. Visweswaran	Company Secretary	

Mumbai: May 23, 2017

STATEMENT OF CHANGES IN EQUITY

I) EQUITY SHARE CAPITAL

(₹ Lakhs)

	Notes	Amounts
Balance as at April 1, 2015		27,68.00
Changes in equity share capital during the year	18	—
Balance as at March 31, 2016		27,68.00
Changes in equity share capital during the year	18	27,68.00
Balance as at March 31, 2017		**55,36.00**

II) OTHER EQUITY

(₹ Lakhs)

	Notes	Reserves and Surplus				Other Reserves		
		Securities Premium Reserve	General Reserve	Retained Earnings	FVOCI Equity Investment Reserve	Revaluation Reserve	Stock Compensation Reserve	Total
Balance as at April 1, 2015		34,82.82	401,15.91	191,35.12	49,55.95	3,35.34	86.00	**681,11.14**
Profit for the period	19	—	—	105,23.11	—	—	—	106,02.75
Remeasurement of post employment benefit obligation, net of tax		—	—	(3,27.87)	—	—	—	(3,27.87)
Other comprehensive income	19	—	—	—	38,24.80	—	79.64	38,24.80
Total Comprehensive Income for the year		**34,82.82**	**401,15.91**	**293,30.35**	**87,80.75**	**3,35.34**	**1,65.64**	**822,10.81**
Transactions with Owners in their capacity as owners								
Dividend		—	—	(86,62.05)	—	—	—	(86,62.05)
General Reserve		—	8,20.95	(8,20.95)	—	—	—	—
								—
Balance as at March 31, 2016		34,82.82	409,36.86	198,47.35	87,80.75	3,35.34	1,65.88	**735,48.76**
Profit for the period	19	—	—	119,39.48	—	—	—	119,39.48
Remeasurement of post employment benefit obligation, net of tax	19	—	—	(58.39)	—	—	—	(58.39)
Other comprehensive income		—	—	—	10,08.41	—	95.70	11,04.11
Total Comprehensive Income for the year		(6,92.00)	(20,76.00)	—	—	—	—	(27,68.00)
Transactions with Owners in their capacity as owners								
Bonus issue		—	6,04.68	(6,04.68)	—	—	—	—
General Reserve		**27,90.82**	**394,65.54**	**311,23.76**	**97,89.16**	**3,35.34**	**2,61.34**	**837,65.96**
Balance as at March 31, 2017								

The accompanying notes (1 to 56) are an integral part of the financial statements.

As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No. 107017

Mumbai: May 23, 2017

For and on behalf of Board of Directors of
Grindwell Norton Limited

Pradip Shah — Chairman — DIN 00066242

Anand Mahajan — Managing Director — DIN 00066320

Deepak Chindarkar — Chief Financial Officer

K. Visweswaran — Company Secretary

Mumbai: May 23, 2017

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 1

1.1 CORPORATE INFORMATION

Grindwell Norton Ltd ("the Company") is a limited company incorporated on July 31, 1950 and domiciled in India. Its shares are publicly traded and has its registered office at 5th Level, Leela Business Park, Andheri Kurla Road, Marol, Andheri (East), Mumbai – 400059. The Group is one of the subsidiary of Compagnie de Saint-Gobain ("Saint-Gobain "), a transnational group with its headquarters in Paris. The Company's businesses are part of the High Performance Materials sector.

The Consolidated Financial Statements relate to Grindwell Norton Limited and its subsidiary company, Saint-Gobain Ceramic Materials Bhutan Private Limited, a company incorporated in Bhutan (jointly referred as "the Group")

In the Group, the businesses are divided into two major segments:

a. Abrasives

b. Ceramics and Plastics

The Consolidated financial statements for the year ended March 31, 2017 were authorised for issue in accordance with a resolution of the Board of Directors on May 23, 2017.

1.2 BASIS OF PREPARATION

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

The financial statements upto year ended March 31, 2016 were prepared in accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable.

These financial statements are the Group's first Ind AS financial statements and are covered by Ind AS 101- First time Adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the 'Previous GAAP' for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Group's financial position, financial performance and cash flows is provided in Note 55.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments – calculated using the Black and Scholes option pricing model.

(iii) Basis of Consolidation

The Consolidated Financial Statements relate to Grindwell Norton Limited and its subsidiary company, Saint-Gobain Ceramic Materials Bhutan Private Limited, a company incorporated in Bhutan in which the Company has 70% equity holding. The financial statements of the subsidiary company for the year ended March 31, 2017 have not been audited and have been considered in the Consolidated Financial Statements based on the unaudited financial statements certified by the Management. The Consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

(iv) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Ind AS - 110.

b) "Non-Controlling Interest" represents the amount of equity attributable to minority shareholders at the date on which investment in the subsidiary is made and its share of movements in the equity since that date. Non-Controlling interest's share of net profit/ loss for the year of the subsidiary is identified and adjusted against the profit after tax of the group.

c) Intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(v) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Group's functional currency.

1.3 SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

(i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost (except to the extent of any adjustment permissible under other accounting standard) of the property, plant and equipment.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. Depreciation on additions / deductions is calculated on pro rata basis from/upto the month of additions/deductions. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II of the Act:

(a) Servers & Networks are depreciated over 4 years.

(b) Specific Kilns are depreciated over 5 to 10 years based on the estimated useful life.

Leasehold improvements is depreciated over the lease period or over its useful life if less than the lease period.

B. Intangible assets

(i) Recognition and measurement

An Intangible asset is recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

The useful life of intangible assets are assessed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible asset other than Goodwill and Trade Marks is carried at its cost less any accumulated amortization and any accumulated impairment losses.

Goodwill and Trade Marks on acquisitions are included in intangible assets. Goodwill and Trade Marks is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances that indicate impairment, and is carried at cost less accumulated impairment losses.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Goodwill and Trade Marks are allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill and trademark arose.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

(ii) Amortization

Intangible assets other than Goodwill and Trademark are amortized on the Straight Line Method over the useful life, based on the economic benefits that would be derived, as per the estimates made by the Management:

i) Computer Software : 3 to 5 Years
ii) Other Intangibles : 10 Years

C. Impairment

(i) Financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, deposits, and bank balance.

(b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(ii) Non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units).

D. Inventories

Inventories are valued at lower of cost and net realisable value.

Raw materials, packing materials, trading items and stores & spare parts are valued at cost on weighted average basis. Cost includes direct expenses, freight, taxes & duties (where credit not availed).

Cost of finished goods and work-in-process includes material, direct labour, overheads, duties & taxes wherever applicable.

Slow-moving, non-moving & defective inventories are identified and wherever necessary, provision is made for such inventories.

E. Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories –

- Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss); and
- Those measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, in case of a financial asset not at fair value through profit and loss, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in Statement of Profit and Loss.

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

(b) Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/losses. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Fair value through profit and loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognized in profit and loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/losses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

A financial asset is derecognized only when

(a) The Group has transferred the rights to receive cash flows from the financial asset or

(b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

F. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

G. Financial Liabilities

Measurement

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

H. Foreign Currency Translation

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognized as income and expenses in the Statement of Profit and Loss, in the period in which they arise.

I. Forward Contracts

Forward Contracts are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value is routed through Statement of Profit and Loss.

J. Revenue Recognition

(i) Sale of Goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of the goods.

(ii) Service Income

Service Income is recognized when the service is rendered.

(iii) Dividend

Dividends are recognized in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(iv) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(v) Other Income

Export entitlements are recognized when the right to receive them as per terms of the entitlement is established in respect of exports made.

K. Employee Benefits

a) Short-term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

b) Post-employment Benefits

(i) Defined Contribution Plans

The Group's contributions paid / payable to provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and / or statutes and are recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts / appropriate authorities.

(ii) Defined Benefit Plans

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

(iii) Other Long-term Employee Benefit

Liability towards Long-term Compensated Absences are determined based on actuarial valuation by independent actuaries as at the date of the Balance Sheet using Projected Unit Credit method. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Statement of Profit and Loss of the year.

(iv) Terminal Benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.

c) Share Based Payment

Certain employees are given Performance shares of Ultimate Holding Company. The cost of Performance shares is calculated using the Black and Scholes option pricing model. The cost calculated using this method is recognized as an employee benefit expense over the vesting period of the Performance shares, which is four years, with a corresponding credit to Other Comprehensive Income.

L. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

M. Research & Development

Revenue expenditure on Research & Development is charged under respective heads of account. Capital expenditure on Research & Development is included as part of the relevant Fixed Assets.

N. Taxes on Income

Income Tax expense comprises of current and deferred tax. Income Tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

(i) Current Tax

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date

Current tax assets and liabilities are offset if, and only if, the Group:

a) has a legally enforceable right to set off the recognized amounts; and
b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

O. Provisions and Contingencies

(a) Provisions are recognized based on the best estimate of probable outflow of resources which would be required to settle obligations arising out of past events.

(b) Contingent liabilities not provided for as per (a) above are disclosed in notes forming part of the Financial Statements

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(c) Contingent Assets are disclosed, where the inflow of economic benefits is probable.

P. Earnings per share

(a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

Q. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Management Committee comprising of the Managing Director, the Chief Financial Officer and the Business Heads assesses the financial performance and position of the Group and makes strategic decisions.

R. Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected life of the related assets and presented within other income.

S. Leases

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases.

As a lessee

Payments made under operating leases (net of incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

The respective leased assets are included in the balance sheet based on their nature.

T. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2 USE OF JUDGMENTS, ESTIMATE AND ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the Management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the Management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful life of tangible assets

Useful life of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

c) Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

d) Discounting of financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

e) Fair valuation of employee share options

Fair valuation of the employee share options is based on the Black and Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

f) Measurement of Fair valuation of financial instruments

i. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

ii. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not possible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g) Impairment of financial assets

The impairment provisions of financial assets are based on the assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

h) Sales Incentive Schemes and Turnover Discounts

The provision for sales incentive schemes and turnover discounts are calculated based on terms of the relevant schemes and the estimate of likely sales eligible for such discounts and schemes.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT

(₹ Lakhs)

	Land - Freehold	Land - Leasehold	Buildings *	Leasehold Improvements	Plant & Machinery	Electrical installations & Equipments	Laboratory Equipments	Computers	Furniture & Fixtures	Office Equipments	Vehicles	Total	Capital work-in-progress
Gross carrying amount:													
Deemed cost as at April 1, 2015	19,01.35	78.41	124,82.17	5,43.96	197,00.40	50.12	34.30	2,63.71	6,10.65	2,12.97	1,19.52	359,97.56	6,73.24
Additions	—	—	3,54.97	0.41	20,26.22	30.81	51.95	2,78.65	55.19	90.58	62.09	29,50.87	37,36.94
Deductions	—	—	—	—	92.35	—	—	—	0.14	0.27	24.25	1,17.01	—
Transfers													30,80.18
As at March 31, 2016	**19,01.35**	**78.41**	**128,37.14**	**5,44.37**	**216,34.27**	**80.93**	**86.25**	**5,42.36**	**6,65.70**	**3,03.28**	**1,57.36**	**388,31.42**	**13,30.00**
Additions	—	—	9,99.16	4,65.23	35,43.74	1,93.10	27.18	3,08.74	2,17.39	1,54.47	58.73	59,67.74	53,44.86
Deductions	—	—	0.02	—	67.44	7.46	—	0.38	0.24	0.43	0.04	76.01	—
Transfers													60,53.60
As at March 31, 2017	**19,01.35**	**78.41**	**138,36.28**	**10,09.60**	**251,10.57**	**2,66.57**	**1,13.43**	**8,50.72**	**8,82.85**	**4,57.32**	**2,16.05**	**447,23.15**	**6,21.26**
Accumulated Depreciation:													
Depreciation for 2015-16	—	0.97	5,06.72	43.61	30,29.85	18.87	6.12	1,90.75	1,51.06	1,14.01	28.15	40,90.11	—
On sale	—	—	—	—	6.47	—	—	—	0.01	0.02	0.03	6.53	—
As at March 31, 2016	—	**0.97**	**5,06.72**	**43.61**	**30,23.38**	**18.87**	**6.12**	**1,90.75**	**1,51.05**	**1,13.99**	**28.12**	**40,83.58**	—
Depreciation for 2016-17	—	0.92	5,34.63	1,47.19	28,74.12	9.41	10.33	2,19.65	1,56.45	89.38	28.72	40,70.80	—
On sale	—	—	—	—	11.48	0.52	—	—	0.12	0.40	0.04	12.56	—
As at March 31, 2017	—	**1.89**	**10,41.35**	**1,90.80**	**58,86.02**	**27.76**	**16.45**	**410.40**	**3,07.37**	**2,02.97**	**56.80**	**81,41.82**	—
Net Carrying amount													
As at April 1, 2015	19,01.35	78.41	124,82.17	5,43.96	197,00.40	50.12	34.30	2,63.71	6,10.65	2,12.97	1,19.52	359,97.56	6,73.24
As at March 31, 2016	19,01.35	77.44	123,30.42	5,00.76	186,10.89	62.06	80.13	3,51.61	5,14.65	1,89.29	1,29.24	347,47.84	13,30.00
As at March 31, 2017	**19,01.35**	**76.52**	**127,94.91**	**8,18.80**	**192,24.55**	**2,38.81**	**96.98**	**4,40.33**	**5,75.48**	**2,54.35**	**1,59.25**	**365,81.34**	6,21.26

*** Includes an amount of ₹ 750/- (Previous Year - ₹ 750/-) representing the value of shares in a co-operative housing society.**

4 INTANGIBLE ASSETS

(₹ Lakhs)

	Computer Software	Trade Marks	Non Compete Fees & Marketing Network	Total	Goodwill
Gross carrying amount:					
Deemed cost as at 1st April 2015	1,47.59	23.97	1,17.87	2,89.43	48.80
Additions	1,29.31	—	—	1,29.31	—
Deductions	—	—	—	—	—
As at March 31, 2016	**2,76.90**	**23.97**	**1,17.87**	**4,18.74**	**48.80**
Additions	85.88	—	—	85.88	—
Deductions	—	—	—	—	—
As at March 31, 2017	**3,62.78**	**23.97**	**1,17.87**	**5,04.62**	**48.80**
Accumulated Amortization:					
Amortization for 2015-16	89.42	—	78.83	1,68.25	—
As at March 31, 2016	**89.42**	—	**78.83**	**1,68.25**	—
Amortization for 2016-17	1,14.71	—	39.04	1,53.75	—
As at March 31, 2017	2,04.13	—	1,17.87	3,22.00	—
Net Carrying amount					
As at April 1, 2015	1,47.59	23.97	1,17.87	2,89.43	48.80
As at March 31, 2016	2,76.90	23.97	39.04	2,50.49	48.80
As at March 31, 2017	**3,62.78**	**23.97**	—	**1,82.62**	**48.80**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
5	**NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**			
	Quoted Investments			
	Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)			
	John Oakey & Mohan Ltd.	**0.16**	0.16	0.16
	(1,900 equity shares of ₹ 10/- each fully paid up)			
	Investment in Government Securities (at Amortized Cost)			
	8.20% 10 Years NHAI Tax Free Bonds	**74.17**	74.17	74.17
	Unquoted Investments			
	Investment in Equity Instruments (at fair value through other comprehensive income)			
	Andhra Pradesh Gas Power Corporation Ltd.	**9,47.00**	10,94.00	11,75.00
	(21,86,880 equity shares of ₹ 10/- each fully paid up)			
	Shivalik Solid Waste Management Ltd.	**2.00**	2.00	2.00
	(20,000 equity shares of ₹ 10/- each fully paid up)			
	In Fellow Subsidiaries:			
	Saint-Gobain India Pvt. Ltd.	**117,56.00**	107,54.00	59,87.00
	(25,00,000 equity shares of ₹ 10/- each fully paid up)			
	Saint-Gobain Research India Pvt. Ltd.	**17,70.00**	15,70.00	10,68.00
	(40,25,853 equity shares of ₹ 10/- each fully paid up as at March 31, 2017 and March 31, 2016)			
	(27,87,924 equity shares of ₹ 10/- each fully paid up as at April 1, 2015)			
	Saint-Gobain India Foundation	**0.01**	0.01	0.01
	(100 equity shares of ₹ 10/- each fully paid up)			
		145,49.34	134,94.34	83,06.34
	Aggregate amount of quoted investments	**74.33**	74.33	74.33
	Aggregate amount of unquoted investments	**144,75.01**	134,20.01	82,32.01
6	**NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**			
	Unsecured and considered doubtful			
	Trade Receivables	**3,87.92**	3,50.91	2,64.79
	Less: Provision for Doubtful Debts	**(3,87.92)**	(3,50.91)	(2,64.79)
		—	—	—
7	**NON-CURRENT FINANCIAL ASSETS - LOANS**			
	Unsecured and considered good			
	Loan to Director	**1,73.60**	73.48	52.34
	Loan to Employees	**1,53.11**	1,46.74	1,62.93
		3,26.71	2,20.22	2,15.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
8	**NON-CURRENT - OTHER FINANCIAL ASSETS**			
	(Unsecured and considered good)			
	Bank Deposits	**10.78**	—	—
	(Deposit with maturity of more than 12 months)			
	Other Deposits	**4,07.08**	1,63.38	1,72.11
	(Unsecured and considered doubtful)			
	Advances recoverable in cash or in kind	**40.49**	40.49	40.49
	Less: Provision for doubtful advances	**(40.49)**	(40.49)	(40.49)
		4,17.86	1,63.38	1,72.11
9	**OTHER NON-CURRENT ASSETS**			
	Capital advances	**2,48.93**	5,50.20	2,53.91
	Deferred Rent Asset	**42.89**	55.64	99.44
	Prepaid expenses	**6.45**	6.57	10.57
	Deposits	**4,10.46**	4,07.23	5,79.19
	Other receivables	**75.93**	38.72	9.96
		7,84.66	10,58.36	9,53.07
10	**CURRENT ASSETS - INVENTORIES**			
	Raw Materials	**70,16.87**	81,22.14	82,69.51
	Raw Materials in Transit	**18,04.54**	20,56.09	12,48.47
	Work-in-Progress	**53,93.68**	58,24.91	54,34.22
	Finished Goods	**66,87.92**	67,15.30	63,43.11
	Stock in Trade	**22,21.33**	19,29.19	14,33.68
	Stores and Spares	**14,24.16**	11,45.24	11,31.27
	Loose Tools	**9.91**	2.45	2.47
		245,58.41	257,95.32	238,62.73
	Amounts recognized in Profit and Loss:			
	Obsolete stocks amount to ₹ 1,88 Lakhs (March 31, 2016 ₹ 3,92 Lakhs) are charged off in the Statement of Profit and Loss for financial year 2016-17.			
11	**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**			
	Unsecured and considered good			
	Trade Receivables	**115,10.49**	113,98.37	98,85.99
	Receivables from Related Parties (Refer Note 55)	**12,28.94**	19,55.52	12,03.89
		127,39.43	133,53.89	110,89.87
12	**CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**			
	Balances with Banks			
	- in Current Accounts	**5,72.73**	2,15.51	7,15.60
	- in Collection Accounts	**14,03.57**	14,27.20	14,08.46
	- in Deposit Accounts with maturity of less than 3 months	**—**	—	11.77
	Cash Balances	**32.75**	36.15	35.40
	Liquid Mutual Funds	**220,58.59**	99,65.19	92,49.41
		240,67.64	116,44.05	114,20.64

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
13	**CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**			
	Balances with Banks			
	- Deposits with maturity of more than 3 months but less than 12 months	**7.71**	5,45.42	—
	- Margin Money	**67.31**	67.31	67.31
	Earmarked Balances with Banks			
	Unpaid Dividend	**96.78**	1,38.96	85.82
	Gratuity Fund	**11.69**	10.93	10.00
		1,83.49	7,62.62	1,63.13
14	**CURRENT FINANCIAL ASSETS - LOANS**			
	Unsecured & considered good			
	Loan to Director	**47.83**	28.78	29.89
	Loan to Employees	**55.68**	68.10	77.83
		1,03.51	96.88	1,07.72
15	**CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS**			
	Employee Advances	**1,70.36**	1,83.59	1,55.53
	Gratuity	**20.60**	—	—
	Deposits	**4,41.99**	3,86.60	3,01.02
	Others	**9,63.32**	15,89.18	10,48.64
		15,96.27	21,59.37	15,05.19

15.1 The Company has not provided any loans and advances in the nature of loans to its Subsidiary during the year (Previous Year - ₹ Nil) and hence disclosure under regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, is not required.

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
16	**CURRENT TAX ASSET (NET)**			
	Advance tax (Net of Provision for Income Tax)	**—**	—	76.06
17	**OTHER CURRENT ASSETS**			
	Prepaid expenses	**1,73.86**	1,25.68	2,38.07
	Deferred Rent Assets	**10.55**	18.08	17.08
	Balances with Government Authorities	**26,69.03**	22,99.32	17,59.20
	Other Receivables	**13,74.99**	13,09.68	16,37.81
		42,28.43	37,52.76	36,52.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
18 EQUITY SHARE CAPITAL			
AUTHORISED			
11,20,00,000 Equity Shares of ₹ 5/- each (5,60,00,000 Equity Shares of ₹ 5/- each at March 31, 2016 and April 1, 2015)	**56,00.00**	28,00.00	28,00.00
ISSUED, SUBSCRIBED AND PAID UP			
11,07,20,000 Equity Shares of ₹ 5/- each fully paid-up (5,53,60,000 Equity Shares of ₹ 5/- each at March 31, 2016 and April 1, 2015)	**55,36.00**	27,68.00	27,68.00

(a) Shares of the company held by subsidiaries of ultimate holding company (Compagnie de Saint-Gobain) are as below:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Saint-Gobain Abrasives Inc.	**2,96,35,520**	**26.8%**	1,48,17,760	26.8%	1,48,17,760	26.8%
Societe de Participations Financieres et Industrielles	**2,71,92,480**	**24.5%**	1,35,96,240	24.5%	1,35,96,240	24.5%
Saint-Gobain India Private Limited	**3,00,000**	**0.3%**	1,50,000	0.3%	1,50,000	0.3%
	5,71,28,000	**51.6%**	2,85,64,000	51.6%	2,85,64,000	51.6%

(b) Shareholders holding more than 5% shares in the Company (in addition to those included in Note (a) above) is as below:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
SBI Mutual Fund	**55,39,439**	**5.0%**	19,03,438	3.4%	-	-

(c) Movement in Equity Share Capital:

Authorised share capital

(₹ Lakhs)

	Number of shares	Equity share capital (par value)
As at April 1, 2015	5,60,00,000	28,00.00
As at March 31, 2016	5,60,00,000	28,00.00
Increased during the year	5,60,00,000	28,00.00
As at March 31, 2017	**11,20,00,000**	**56,00.00**

Issued and Paid-up Share Capital

(₹ Lakhs)

	Number of shares	Equity share capital (par value)
As at April 1, 2015	5,53,60,000	27,68.00
Bonus shares issued	—	—
As at March 31, 2016	5,53,60,000	27,68.00
Bonus Shares issued	5,53,60,000	27,68.00
As at March 31, 2017	**11,07,20,000**	**55,36.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the approval of the Shareholders, through postal ballot and e-voting on July 7, 2016 the Company on July 22, 2016, issued and allotted 5,53,60,000 Ordinary Equity Shares of ₹ 5/- each, as fully paid-up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 5/- each for each Ordinary Equity Share of ₹ 5/- each held on the Record Date i.e. July 15, 2016. Consequent to the above, the Earnings per share (Basic and Diluted) have been adjusted for all the periods presented.

(d) Rights and restrictions attached to the shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹ 5/- each. Each shareholder is eligible for one vote per share held. The shareholders have rights in proportion to their shareholding for dividend as well as for assets, in case of liquidation.

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
19 OTHER EQUITY			
19(a) RESERVES AND SURPLUS			
Securities premium reserve	**27,90.82**	34,82.82	34,82.82
General reserve	**394,65.54**	409,36.86	401,15.91
Retained earnings	**311,23.44**	198,47.04	191,35.12
	733,79.80	642,66.72	627,33.85

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)
i) SECURITIES PREMIUM RESERVE		
Opening balance	**34,82.82**	34,82.82
Less: Utilised during the year	**—**	—
Issue of Bonus shares from Securities Premium Reserve	**(6,92.00)**	—
	27,90.82	34,82.82
ii) GENERAL RESERVE		
Opening balance	**409,36.86**	401,15.91
Add :Transfer from Surplus in the Statement of Profit and Loss	**6,04.68**	8,20.95
Less:Utilised during the year		
Issue of Bonus shares from General Reserve	**(20,76.00)**	—
	394,65.54	409,36.86
iii) RETAINED EARNINGS		
Opening balance	**198,47.04**	191,35.12
Net profit for the period	**120,88.96**	106,38.44
Less: Share of Non-Controlling Interest in Current Loss	**(1,49.48)**	(1,15.34)
Items of other comprehensive income recognized directly in retained earnings		
Remeasurement of post employment benefit obligation (net of tax)	**(58.39)**	(3,27.87)
<u>Appropriations</u>		
Transfer to General Reserve	**(6,04.68)**	(8,20.95)
Dividend 2014-15 [Dividend per share ₹ 6.50/- (Previous Year ₹ 6.50/-)]	**—**	(35,98.40)
Dividend Distribution Tax 2014-15	**—**	(7,32.63)
Dividend 2015-16 [Dividend per share ₹ 6.50/-]	**—**	(35,98.40)
Dividend Distribution Tax 2015-16	**—**	(7,32.63)
	311,23.44	198,47.04

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

19(b) OTHER RESERVES (₹ Lakhs)

	FVOCI Equity Investment Reserve	Employee Stock Option Reserve	Revaluation Reserve	Total
As at April 1, 2015	49,55.95	86.23	3,35.34	53,77.52
Equity instruments at fair value	38,24.80	—	—	38,24.80
Share based payments	—	79.65	—	79.65
As at March 31, 2016	87,80.75	1,65.88	3,35.34	92,81.97
Equity instruments at fair value	10,08.42	—	—	10,08.42
Share based payments	—	95.70	—	95.70
As at March 31, 2017	**97,89.17**	**2,61.58**	**3,35.34**	**103,86.09**

Nature and purpose of reserves:

(i) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(ii) FVOCI - Equity Investment Reserve

The Company has elected to recognize changes in the Fair Value of certain Equity investments in Other Comprehensive Income. These changes are accumalated within the FVOCI - Equity Investments Reserve within Equity. The Company transfers the amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

(iii) Employee Stock Option Reserve

The Employee Stock Option reserve is used to recognize the grant date fair value of options issued under group (Compagnie de Saint-Gobain) share based payment arrangement to certain employees of the company under employee stock option plans.

(iv) Revaluation Reserve

Revaluation Reserve was created under the erstwhile Indian GAAP to recognize the gain due to increase in value of certain tangible assets as on June 30, 1988.

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
20	**NON-CURRENT LIABILTIIES - BORROWINGS**			
	Secured			
	Secured by way of mortgage/hypothecation charge created/ to be created on all fixed assets of the Subsidiary and Corporate Guarantees given by the Company upto 35% of the sanctioned loan.			
	Term loans			
	(a) Bank of Bhutan	**1,18.90**	1,71.09	3,57.53
	(b) Bhutan National Bank	**73.40**	1,07.15	2,80.70
	Repayment to be made in quarterly installments with interest of 12% p.a.			
		1,92.30	2,78.24	6,38.23
21	**NON-CURRENT LIABILTIES - PROVISIONS**			
	Compensated Absence (Refer Note 28.1)	**17,28.13**	10,48.25	10,70.79

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
22	**DEFERRED TAX LIABILITIES (NET)**			
	The balance comprises temporary differences attributable to:			
	Depreciation	**30,35.59**	30,51.17	28,93.29
	Provision for Employee Benefits	**(1,72.74)**	(1,25.11)	(1,02.85)
	Financial Assets at FVOCI	**5,68.73**	5,26.46	(1,64.41)
	Others	**(11,34.79)**	(9,47.13)	(8,68.13)
	Total Deferred Tax Liabilities	**22,96.79**	25,05.39	17,57.90

Movement in Deferred Tax Liabilities

	Depreciation	Provision for employee benefits	Financial Assets at FVOCI	Others	Total
At April 1, 2015	31,29.70	(1,02.85)	(1,64.41)	(11,04.54)	17,57.90
(charged)/credited:					
- to profit or loss	2,03.07	(22.26)	—	(124.18)	53.63
- to other comprehensive income	—	—	6,90.87	—	6,90.87
At March 31, 2016	33,32.77	(1,25.11)	5,26.46	(12,28.72)	25,05.40
(charged)/credited:					
- to profit or loss	1,43.05	(47.63)	(4.32)	(3,15.40)	(224.30)
- to other comprehensive income	—	—	46.59	(30.90)	15.69
At March 31, 2017	**34,75.82**	**(1,72.74)**	**5,68.73**	**(15,75.02)**	**22,96.79**

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
23	**NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES**			
	Deferred Income Liability	**1,98.24**	2,15.28	2,56.90
	Other Liabilties	**—**	13.38	13.38
		1,98.24	2,28.66	2,70.28
24	**CURRENT FINANCIAL LIABILITIES - BORROWINGS**			
	Secured			
	(i) Bank of Bhutan	**48.18**	1,86.44	3,09.59
	(ii) Bhutan National Bank	**36.27**	1,73.55	1,98.70
	(Secured by way of mortgage/hypothecation charge created on all movable and immovable properties [present and future] of the Company. 35% of the sanctioned amount is guaranteed by the Holding Company).			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
	(iii) Loans repayable on demand			
	From HDFC Bank Ltd	**—**	—	2,26.55
	(Repayment to be made in a year with interest rate of 10% per annum as per the terms agreed upon between the Company and the Bank)			
	(iv) Overdraft from Deustche Bank	**2,72.07**	2,99.61	—
	(Repayment to be made in a year with interest rate of 8.10% p.a. as per the terms agreed upon between the Company and the Bank)			
	(v) Overdraft with Bank of Bhutan A/c 40600110019460109	**2,27.19**	5,78.94	6,26.65
		5,83.71	12,38.54	13,61.49
25	**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**			
	Total outstanding due to Micro and Small Enterprises (Refer Note 25.1)	**4.09**	—	6.27
	Total outstanding due to creditors other than Micro and Small Enterprises	**51,66.02**	64,13.78	70,90.85
	Total outstanding due to Related Parties (Refer Note 55)	**23,44.59**	19,18.65	17,46.93
		75,14.70	83,32.43	88,44.05
25.1	**Due to Micro and Small Enterprises:**			
	Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under:			
	Principal amount due and remaining unpaid	**4.09**	—	6.27
	Interest due on above and the unpaid interest	**0.61**	—	0.03
	Interest paid	**—**	—	—
	Payment made beyond the appointed day during the year	**1,75.33**	1,40.69	69.97
	Interest due and payable for the period of delay	**2.18**	2.07	1.11
	Interest accrued and remaining unpaid	**—**	—	2.93
	Amount of further interest remaining due and payable in succeeding years	**—**	—	2.93
26	**CURRENT - OTHER FINANCIAL LIABILITIES**			
	Trade / Security Deposits	**2,31.44**	2,31.98	1,98.30
	Unclaimed Dividend *	**96.78**	1,38.96	85.82
	Gratuity Obligation	**12.87**	5,38.78	77.37
	Commission due to directors	**2,24.80**	2,10.27	1,98.92
	Other Liabilities	**135,56.38**	127,23.18	87,80.34
		141,22.27	138,43.17	93,40.75

* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
27	**OTHER CURRENT LIABILITIES**			
	Statutory Liabilities	**21,68.19**	19,34.65	16,98.12
	Deferred Income Liability	**47.58**	56.83	56.35
	Other Liabilities	**6,93.79**	1,29.93	13,17.30
		29,09.56	32,83.41	30,71.77
28	**CURRENT LIABILTIES - PROVISIONS**			
	Compensated Absence (Refer Note 28.1)	**5,67.58**	4,22.78	4,39.29
28.1	**Details of Provision for Compensated Absence**			
	Opening Balance - Long Term	**10,48.24**	10,70.79	10,96.90
	Opening Balance - Short Term	**4,22.78**	4,39.29	3,61.72
	Provision made during the year	**9,93.16**	1,92.19	2,18.46
	Utilisation during the year	**(1,69.01)**	(2,31.25)	(1,67.00)
	Closing Balance - Long Term	**17,28.13**	10,48.24	10,70.79
	Closing Balance - Short Term	**5,67.58**	4,22.78	4,39.29
29	**CURRENT TAX LIABILITIES**			
	Income Tax (Net of Advance Tax)	**4,50.90**	4,34.13	—

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
30	**REVENUE FROM OPERATIONS**		
	Sale of products (including excise duty) (Refer Note 30.1)	**1,286,15.73**	1,178,26.26
	Service Income	**69,16.91**	55,17.10
	Other operating revenue	**8,47.24**	7,22.14
		1,363,79.88	1,240,65.50
30.1	**Sale of products (Gross)**		
	Abrasives	**898,36.00**	810,67.97
	Ceramics & Plastics	**345,35.81**	328,82.51
	Others	**42,43.92**	38,75.78
		1,286,15.73	1,178,26.26
	The sales value mentioned above includes sale of trading goods of ₹ 112,35.84 lakhs (Previous year ₹ 131,27.62 lakhs)		
30.2	**Earnings in Foreign Exchange**		
(i)	Exports of goods on FOB Basis	**123,81.44**	130,72.11
(ii)	Freight on Exports	**98.47**	86.55
(iii)	Commission (Refer Note 31)	**39.97**	19.68
(iv)	Export of services	**67,13.58**	50,44.09
(v)	Other Income (Refer Note 31)	**2,95.59**	2,97.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
31	**OTHER INCOME**		
	Interest income	**99.11**	117.01
	Dividend income	**0.20**	
	Profit on Sale of Investments	**7,96.33**	6,47.46
	Interest income from financial asset at amortized cost	**20.20**	12.77
	Unwinding of discount on security deposits	**20.22**	14.17
	Fair value gain on financial instruments at fair value through profit or loss	**1,85.24**	90.79
	Royalty Income	**2,00.99**	1,97.40
	Other Non-operating income *	**17,62.82**	11,77.96
		30,85.11	22,57.56
	* Includes Earning in Foreign Exchange for commission and other income		
32	**COST OF MATERIALS CONSUMED** (Refer Notes 31.1 & 31.2)		
	Opening Stock of		
	Raw Materials	**81,22.14**	82,69.51
	Raw Materials in Transit	**20,56.09**	12,48.47
		101,78.23	95,17.98
	Add : Purchases	**438,52.95**	428,72.08
	Less: Closing Stock of		
	Raw Materials	**(70,16.87)**	(82,69.51)
	Raw Materials in Transit	**(18,04.54)**	(20,56.09)
		(88,21.41)	(103,26.20)
	Total	**452,09.77**	420,64.46
33	**PURCHASE OF STOCK IN TRADE**		
	Abrasives	**49,77.36**	37,42.43
	Ceramics & Plastics	**20,02.48**	20,21.48
	Others	**29,88.22**	28,53.28
		99,68.16	86,17.19

		(₹ Lakhs)	For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
34	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS**			
	Opening stock of			
	Finished Goods	**67,15.30**		63,43.11
	Stock-in-Trade	**19,29.19**		14,33.68
	Work-In-Progess	**58,24.91**		54,34.22
			144,69.40	132,11.01
	Closing Balance			
	Finished Goods	**66,87.92**		67,15.30
	Stock-in-Trade	**22,21.33**		19,29.19
	Work-In-Progess	**53,93.68**		58,24.91
			143,02.93	144,69.40
			1,66.47	**(12,58.39)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
35	**EMPLOYEE BENEFIT EXPENSE**		
	Salaries, Wages, Bonus and Gratuity (Refer Note 35.1)	**144,41.55**	126,95.55
	Share Based Payments	**95.70**	79.65
	Contribution to provident and other funds	**8,33.20**	6,76.69
	Staff welfare	**16,50.64**	13,81.36
		170,21.09	148,33.25
35.1	**Disclosure as required under Ind AS 19 - Employee Benefits**		
	I. Defined Contribution Plans:		
	Contribution to Defined Contribution Plans, recognized as expense for the year are as under:		
	Employer's Contribution to Provident Fund	**5,23.97**	3,76.17
	Employer's Contribution to Superannuation Fund	**1,09.16**	97.52

II. Defined Benefit Plans:

Contribution to Gratuity Fund

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on superannuation, death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy, whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2016:

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
i)	**Change in present value of defined benefit obligation**		
	Present Value of defined benefit obligation at the beginning of the year	**43,53.44**	36,21.62
	Interest Cost	**3,40.01**	2,89.73
	Current service cost	**3,20.66**	2,59.35
	Past service cost	**—**	—
	Benefits paid	**(3,15.25)**	(3,31.96)
	Remeasurements		
	Actuarial changes arising from changes in demographic assumptions	**—**	50.12
	Actuarial changes arising from changes in financial assumptions	**1,61.15**	2,86.58
	Actuarial changes arising from experience assumptions	**(24.39)**	1,78.00
	Changes in asset ceiling excluding amounts included in interest expense	**—**	—
	Present Value of defined benefit obligation at the end of the year	**48,35.63**	43,53.44

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
ii)	**Change in fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	**38,27.55**	35,52.48
	Interest Income	**2,98.93**	2,84.20
	Contributions paid by the employer	**9,97.83**	3,09.53
	Benefits paid from the fund	**(3,15.25)**	(3,31.95)
	Remeasurements		
	Return on plan assets, excluding amounts included in interest expense/ (income)	**47.16**	13.30
	Actuarial changes arising from experience assumptions		
	Fair Value of plan assets at the end of the year	**48,56.23**	3,827.55
iii)	**Net asset / (liability) recognized in the Balance Sheet**		
	Present Value of defined benefit obligation at the end of the year	**(48,35.63)**	(43,53.44)
	Fair Value of plan assets at the end of the year	**48,56.23**	38,27.55
	Amount recognized in the balance sheet	**20.60**	(5,25.89)
	Net Asset / (Liability) recognized - current	**20.60**	(5,25.89)
	Net Liability - non current	**—**	—
iv)	**Expense recognized in the statement of profit and loss for the year**		
	Current service cost	**3,20.66**	2,59.36
	Interest cost on defined benefit obligation	**41.07**	5.00
	Total expenses included in employee benefit expenses	**3,61.73**	2,64.89
v)	**Recognized in Other Comprehensive Income for the year**		
	Actuarial changes arising from changes in demographic changes	**—**	50.12
	Actuarial changes arising from changes in financial assumptions	**1,61.15**	2,86.58
	Actuarial changes arising from experience assumptions	**(24.39)**	1,78.00
	Actuarial Losses on Obligation for the period	**1,36.76**	5,14.70
	Return on plan assets, excluding amounts included in interest income	**(47.16)**	(13.30)
	Recognized in other comprehensive income	**89.60**	5,01.40
vi)	**Actuarial Assumptions**		
	Expected return on plan assets	**7.26%**	7.81%
	Rate of Discounting	**7.26%**	7.81%
	Rate of Salary Increase	**9.00%**	9.00%
	Rate of Employee Turnover	**5.00%**	5.00%
	Mortality Rate During Employment	**Indian Assured Lives Mortality (2006-08)**	**Indian Assured Lives Mortality (2006-08)**
	Mortality Rate After Employment	**N.A.**	N.A.
vii)	**Sensitivity Analysis**		
	Projected Benefit Obligation on Current Assumptions	**48,36.00**	43,53.44
	Delta Effect of +0.5% Change in Rate of Discounting	**(1,46.96)**	(1,25.53)
	Delta Effect of -0.5% Change in Rate of Discounting	**1,56.74**	1,33.67
	Delta Effect of +0.5% Change in Rate of Salary Increase	**1,53.43**	1,31.54
	Delta Effect of -0.5% Change in Rate of Salary Increase	**(1,45.34)**	(1,24.76)
	Delta Effect of +0.5% Change in Rate of Employee Turnover	**(19.07)**	(12.12)
	Delta Effect of -0.5% Change in Rate of Employee Turnover	**19.94**	12.60
	Methodology Adopted for Asset Liability Management (ALM)	**Projected Unit Credit Method**	Projected Unit Credit Method

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Usefulness and Methodology adopted for Sensitivity analysis:

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count.This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
viii)	**Maturity profile of defined benefit obligation**		
	The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of gratuity and post employment benefits is as follows:		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	**8,42.28**	8,75.82
	2nd Following Year	**4,10.97**	4,41.09
	3rd Following Year	**3,79.16**	2,52.97
	4th Following Year	**5,32.45**	3,46.97
	5th Following Year	**3,24.65**	4,80.33
	Sum of Years 6 To 10	**19,99.17**	17,08.75
ix)	**Risk exposure:**		
	This does not apply to the company since our investment is in traditional plan of LIC, for which the underlying assets are not known to the policy holders.		
36	**FINANCE COSTS**		
	Interest Expense	**1,59.47**	2,36.54
	Interest Cost on defined benefit obligation	**41.07**	5.00
		2,00.54	2,41.54
37	**DEPRECIATION AND AMORTISATION EXPENSE**		
	Depreciation of property, plant and equipment	**40,70.79**	40,90.11
	Amortisation of intangible assets	**1,53.75**	1,68.25
		42,24.54	42,58.36

			For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
38	**OTHER EXPENSES**			
	Cosumption of Stores and Spares (Refer Note 38.1)		**29,02.41**	26,78.60
	Processing charges		**26,99.37**	25,38.17
	Power & Fuel		**60,95.32**	68,14.91
	Freight, Octroi and packing expenses		**78,44.27**	69,04.73
	Rent /Lease payment		**15,80.76**	7,51.47
	Repairs & Maintenance			
	Building	**69.37**		76.09
	Machinery	**6,04.11**		6,06.56
	Others	**3,34.31**		3,59.97
			10,07.79	10,42.62
	Insurance		**1,81.87**	2,04.17
	Rates and Taxes		**4,56.55**	2,71.69
	Travelling & Conveyance		**17,43.21**	17,54.72

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
Commission	**1,17.33**	5,71.44
Royalties	**23,38.68**	15,18.77
Loss on assets discarded /sold (net)	**15.30**	91.00
External Service charges	**39,81.74**	32,76.45
Bad debts & Advances written off	**12.20**	38.78
Provision for Doubtful Debts & Advances	**19.67**	86.11
Miscellaneous expenses (Refer Note 38.2 & 38.3)	**36,62.75**	39,05.90
	346,59.21	324,49.53

		For the year ended March 31, 2017		For the year ended March 31, 2016	
		%	**(₹ Lakhs)**	%	(₹ Lakhs)
38.1	**Value of Stores & Spares Consumed**				
(i)	Imported Stores & Spares	**3.82**	**1,07.44**	6.8	1,76.44
(ii)	Indigenous Stores & Spares	**96.18**	**27,05.28**	93.2	24,18.25
		100	**28,12.72**	100	25,94.69

38.2 Miscellaneous expenses include:

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
	Amounts paid to Auditors:		
(i)	Audit Fees	17.00	17.00
(ii)	Audit under other Statutes	4.00	2.00
(iii)	Tax representation before Authorities	2.11	0.10
(iv)	Certification	15.29	8.17
(v)	Reimbursement of expenses	0.75	0.71

38.3 Corporate social responsibility expenditure

(a) Amount prescribed under the Companies Act, 2013 to be spent during the year on CSR activities is ₹ 2,81.19 Lakhs

(b) The contribution during the year to Saint-Gobain India Foundation is ₹ 78.97 Lakhs, which is spent on purposes other than Construction / acquisition of any assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		For the Year ended March 31, 2017 (₹ Lakhs)	For the Year ended March 31, 2016 (₹ Lakhs)
39	**TAX EXPENSE**		
	(a) Income Tax Expense		
	Current tax		
	Current tax on profits for the year	**60,97.08**	55,97.93
		60,97.08	55,97.93
	Deferred Tax		
	Decrease / (increase) in deferred tax assets	**(3,84.87)**	(2,73.61)
	(Decrease) / increase in deferred tax liabilities	**1,69.37**	1,46.17
		(2,15.50)	(1,27.44)
		58,82.58	54,70.49
	(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Profit before income tax expense	**179,71.56**	161,08.94
	Tax at the Indian tax rate of 34.61% (2015-2016 – 34.61%)	**62,19.59**	55,74.98
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Corporate social responsibility expenditure (net of 80G benefit)	**(13.67)**	(16.08)
	Deduction under section 32AC for capital expenditure	**(1,29.77)**	—
	Disallowance under section 43B for non payment of indirect taxes within due date	**—**	1,84.79
	Disallowance under section 14A relating to expenditure on exempt income	**0.13**	0.13
	Interest income from interest free bond exempt under section 10(34)	**(2.10)**	(2.10)
	Difference in overseas tax rates	**(32.16)**	(32.47)
	Other Items	**(1,59.44)**	(2,38.76)
	Income tax expense	**58,82.58**	54,70.49
40	**EARNINGS PER SHARE**		
	(a) Basic earnings per share		
	Basic earnings per share attributable to the equity holders of the Company (Based on Enhanced Capital)	**10.92**	9.61
	(b) Diluted earnings per share		
	Diluted earnings per share attributable to the equity holders of the Company (Based on Enhanced Capital)	**10.92**	9.61
	(c) Reconciliations of earnings used in calculating earnings per share		
	Basic earnings per share	**10.92**	9.61
	Profit attributable to equity holders of the company used in calculating basic earnings per share	**120,88.98**	106,38.45
	Diluted earnings per share	**10.92**	9.61
	Profit attributable to equity holders of the company used in calculating diluted earnings per share	**120,88.98**	106,38.44
	(d) Weighted average number of equity shares used as the denominator in calculating Basic and Diluted earnings per share		
	Adjustments for calculation of diluted earnings per share:	**11,07,20,000**	11,07,20,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

41 FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2017 (₹ Lakhs)			As at March 31, 2016 (₹ Lakhs)			As at April 1, 2015 (₹ Lakhs)		
	FVTPL	**FVOCI**	**Amortized cost**	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Financial assets									
Investments									
- Equity instruments	**—**	**144,75.17**	**—**	—	134,20.17	—	—	82,32.17	—
- Mutual funds	**220,58.59**	**—**	**—**	99,65.19	—	—	92,49.41	—	—
- Government Securities	**—**	**—**	**74.17**	—	—	74.17	—	—	74.17
Trade receivables	**—**	**—**	**127,39.43**	—	—	133,53.89	—	—	110,89.87
Loan to directors	**—**	**—**	**2,21.43**	—	—	1,02.26	—	—	82.23
Loan to employees	**—**	**—**	**2,08.79**	—	—	2,14.84	—	—	2,40.76
Cash and cash equivalents	**—**	**—**	**20,09.05**	—	—	16,78.86	—	—	21,71.23
Bank Balances	**—**	**—**	**1,94.27**	—	—	7,62.62	—	—	1,63.13
Security deposits against land and building (Non-current)	**—**	**—**	**4,07.09**	—	—	1,63.38	—	—	1,72.11
Security deposits	**—**	**—**	**8,49.08**	—	—	5,49.98	—	—	4,73.13
Employee Advances	**—**	**—**	**1,70.36**	—	—	1,83.59	—	—	1,55.53
Foreign Exchange Forward Contracts	**3,02.58**	**—**	**—**	—	—	—	4,13.86	—	—
Other receivables (Unsecured)	**—**	**—**	**681.33**	—	—	1589.18	—	—	634.51
Total financial assets	**223,61.16**	**144,75.17**	**171,47.91**	99,65.19	134,20.17	185,09.39	96,63.27	82,32.17	150,84.56
Financial liabilities									
Trade / Security Deposits	**—**	**—**	**2,31.44**	—	—	2,20.17	—	—	1,98.30
Foreign Exchange Forward Contracts	**—**	**—**	**-**	17.21	—	—	—	—	—
Unclaimed Dividend	**—**	**—**	**96.78**	—	—	1,38.96	—	—	85.82
Borrowings	**—**	**—**	**7,76.01**	—	—	15,16.78	—	—	19,99.72
Trade payables	**—**	**—**	**75,14.70**	—	—	83,32.43	—	—	88,44.05
Capital creditors	**—**	**—**	**8,09.62**	—	—	1,63.73	—	—	75.02
Other financial liabilities	**—**	**—**	**129,84.46**	—	—	133,02.72	—	—	89,81.61
Total financial liabilities	**—**	**—**	**224,13.01**	17.21	—	236,74.79	—	—	201,84.52

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ Lakhs)

As at March 31, 2017	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial Investments at FVTPL:					
Mutual Funds	12	220,58.59	—	—	220,58.59
Financial Investments at FVOCI:		—	—	—	—
Unquoted Equity Investments	5	—	—	144,75.17	144,75.17
Derivatives not designated as hedges		—	—	—	—
Foreign Exchange Forward Contracts	8	—	3,02.58	—	3,02.58
Total Financial Assets		**220,58.59**	**3,02.58**	**144,75.17**	**368,36.34**
Financial Liabilities		—	—	—	—
Total Financial Liabilities		—	—	—	—
Assets and Liabilities which are measured at amortized cost for which fair values are disclosed					
As at March 31, 2017					
Financial Assets					
Investments					
Government securities	5	83.37	—	—	83.37
Loans					
Loans to employees	7,14	—	—	2,10.66	2,10.66
Loan to directors	7,14	—	—	2,33.48	2,33.48
Security deposits	8	—	—	8,67.30	8,67.30
Total Financial Assets		**83.37**	—	**13,11.43**	**13,94.80**
Financial Liabilities		—	—	—	—
Total Financial Liabilities		—	—	—	—
Financial assets and liabilities measured at fair value - recurring fair value measurements					
As at March 31, 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Financial Investments at FVTPL:					
Mutual Funds	12	99,65.19	—	—	99,65.19
Financial Investments at FVOCI:					
Unquoted Equity Investments	5	—	—	134,20.17	134,20.17
Total Financial Assets		**99,65.19**	**—**	**134,20.17**	**233,85.36**
Financial Liabilities					
Derivatives not designated as hedges					
Foreign Exchange Forward Contracts	25	—	17.21	—	17.21
Total Financial Liabilities		**—**	**17.21**	**—**	**17.21**
Assets and Liabilities which are measured at amortized cost for which fair values are disclosed					
As at March 31, 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Investments					
Government securities		82.17	—	—	82.17
Loans					
Loans to employees	7,14	—	—	1,96.08	1,96.08
Loan to directors	7,14	—	—	1,06.04	1,06.04
Security deposits	8	—	—	5,49.75	5,49.75
Total Financial Assets		**82.17**	—	**8,51.86**	**9,34.03**
Financial Liabilities		—	—	—	—
Total Financial Liabilities		—	—	—	—

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

(₹ Lakhs)

As at March 31, 2015	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL:					
Mutual Funds	12	92,49.41	—	—	92,49.41
Financial Investments at FVOCI:					
Unquoted Equity Investments	5	—	—	82,32.17	82,32.17
Derivatives not designated as hedges					
Foreign Exchange Forward Contracts	8		4,13.86		4,13.86
Total Financial Assets		**92,49.41**	**4,13.86**	**82,32.17**	**178,95.44**
Financial Liabilities		—	—	—	—
Total Financial Liabilities		—	—	—	—
Assets and Liabilities which are measured at amortized cost for which fair values are disclosed					
At April 1, 2015	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Investments					
Government securities		81.43	—	—	81.43
Loans					
Loans to employees	7,14	—	—	2,40.76	2,40.76
Loan to directors	7,14	—	—	82.23	82.23
Security deposits	8	—	—	4,73.13	4,73.13
Total Financial Assets		**81.43**	—	**7,96.12**	**8,77.55**
Financial Liabilities		—	—	—	—
Total Financial Liabilities		—	—	—	—

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the balance sheet date
- the fair value of employee stock option plans are determined using Black and Scholes valuation model
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table represents the changes in level 3 items for the period ended March 31, 2017 & March 31, 2016.

	Unquoted Equity Shares (₹ Lakhs)
As on April 1, 2015	82,32.17
Acquisitions	5,00.00
Gains / (Losses) recognized in other comprehensive income	46,88.00
As on March 31, 2016	134,20.17
Acquisitions	—
Gains / (Losses) recognized in other comprehensive income	10,55.00
As on March 31, 2017	**144,75.17**

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at (₹ Lakhs)			Significant Observable Inputs	Probable - weighted range			Sensitivity
	March 31, 2017	March 31, 2016	April 1, 2015		**March 31, 2017**	March 31, 2016	April 1, 2015	
Unquoted Equity Shares	**144,75.17**	134,20.17	82,32.17	Earnings Growth Rate	**5.00%**	5.00%	5.00%	2017: Increased earnings growth factor(+50 bps) and lower discount rate (-50bps) would increase FV by ₹ 22,26.63 Lakhs; lower growth factor (-50bps) and higher discount rate (+50bps) would decrease FV by ₹ 17,02.72 Lakhs 2016: Increased earnings growth factor(+50 bps) and lower discount rate (-50bps) would increase FV by ₹ 21,99.70 Lakhs; lower growth factor (-50bps) and higher discount rate (+50bps) would decrease FV by ₹ 16,56.57 Lakhs
				Risk adjusted discount rate	**12.50%**	12.10%	12.10%	2015: Increased earnings growth factor(+50 bps) and lower discount rate (-50bps) would increase FV by ₹ 14,26.94 Lakhs; lower growth factor (-50bps) and higher discount rate (+50bps) would decrease FV by ₹ 10,16.06 Lakhs

(v) Valuation processes

The Company has outsourced the valuation process of unquoted equity instruments for financial reporting purposes.

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the Chief Financial Officer (CFO), Audit Committee (AC) and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(vi) Fair value of financial assets and liabilities measured at amortized cost

	As at March 31, 2017 (₹ Lakhs)		As at March 31, 2016 (₹ Lakhs)		As at April 1, 2015 (₹ Lakhs)	
	Carrying amount	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Investment in Government securities	**74.17**	**83.37**	74.17	82.17	74.17	81.43
Loans to employees	**2,08.79**	**2,10.66**	2,14.84	1,96.08	2,40.76	2,40.76
Loan to directors	**2,21.43**	**2,33.48**	1,02.26	1,06.04	82.23	82.23
Security deposits	**8,49.08**	**8,67.30**	5,49.98	5,49.75	4,73.13	4,73.13
Total Financial Assets	**13,53.47**	**13,94.80**	9,41.25	9,34.03	8,70.29	8,77.55

The carrying amounts of trade receivables, electricity deposit,employee advances, cash and cash equivalents and other short term receivables,trade payables, unclaimed dividend, borrowings, capital creditors and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

42 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's risk management is carried out by a central Treasury department as per the policies of the Company. The Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market delears, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

(i) Credit risk management

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

We have evaluated percentage of allowance for doubtful debts with the trade receivables over the years:

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Trade Receivables (₹ Lakhs)	**123,41.80**	126,36.95	108,48.16
Allowance for doubtful debts (₹ Lakhs)	**3,87.92**	3,50.91	2,64.79
Percentage	**3.14%**	2.78%	2.44%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Reconciliation of loss allowance provision – Trade receivables

(₹ Lakhs)

Loss allowance on April 1, 2015	**2,64.79**
Changes in loss allowance	86.12
Loss allowance on March 31, 2016	**3,50.91**
Changes in loss allowance	37.01
Loss allowance on March 31, 2017	**3,87.92**

(B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company ensures sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ Lakhs)

	March 31, 2017	March 31, 2016	April 1, 2015
Floating rate			
- Expiring beyond one year (bank loans and overdrafts)	63,12.81	62,71.06	63,53.35

* The undrawn bank overdraft value is taken based on the actual overdraft value as per the Bank book i.e. ₹ 2,99.61 lakhs - which includes cheques issued but not presented. The Overdraft as per bank statement is ₹ 1,60 lakhs.

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

(ii) Maturities of financial liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

(₹ Lakhs)

	Less than 3 months	**3 months to 6 months**	**6 months to 1 year**	**Beyond 1 year**	**Total**
March 31, 2017					
Non-derivatives					
Borrowings	3,49.98	77.91	1,55.82	1,92.30	7,76.01
Trade payables	75,14.70	—	—	—	75,14.70
Other financial liabilities	129,84.46	—	—	—	129,84.46
Total Non-derivative Liabilities	**208,49.14**	**77.91**	**1,55.82**	**1,92.30**	**212,75.17**
March 31, 2016					
Non-derivatives					
Borrowings	5,34.34	2,34.73	4,69.46	2,78.24	15,16.78
Trade payables	83,32.43	—	—	—	83,32.43
Foreign Exchange Forward Contracts	81.43	(57.18)	(7.04)	—	17.21
Other financial liabilities	132,90.91	—	—	—	132,90.91
Total Non-derivative Liabilities	**222,39.11**	**1,77.55**	**4,62.42**	**2,78.24**	**231,57.32**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Less than 3 months	3 months to 6 months	6 months to 1 year	Beyond 1 year	Total
April 1, 2015					
Non-derivatives					
Borrowings	2,83.74	5,10.29	5,67.47	6,38.23	19,99.73
Trade payables	88,44.05	—	—	—	88,44.05
Other financial liabilities	89,81.61	—	—	—	89,81.61
Total Non-derivative Liabilities	**181,09.40**	**5,10.29**	**5,67.47**	**6,38.23**	**198,25.39**

(C) Market risk

(i) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR, USD, GBP, AUD and JPY. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The risk is measured through a forecast of foreign currency for the Company's operations. The Company uses foreign exchange forward contracts to manage its exposure in foreign currency risk.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(₹ Lakhs)

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
Currency	**Trade receivable**	**Hedges available**	**Net exposure to foreign currency risk**	Trade receivable	Hedges available	Net exposure to foreign currency risk	Trade receivable	Hedges available	Net exposure to foreign currency risk
AUD	**39.40**	**24.44**	**14.97**	15.50	—	15.50	22.14	19.02	3.12
EUR	**10,60.17**	**10,60.17**	**—**	7,50.54	3,79.27	3,71.28	8,84.68	8,84.68	—
GBP	**—**	**—**	**—**	—	—	—	49.06	24.53	24.53
USD	**17,68.19**	**17,68.19**	**—**	21,29.11	21,29.11	—	16,45.36	16,45.36	—

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
Currency	**Trade payable**	**Hedges available**	**Net exposure to foreign currency risk**	Trade payable	Hedges available	Net exposure to foreign currency risk	Trade payable	Hedges available	Net exposure to foreign currency risk
CNH	82.43	82.43	—	—	—	—	—	—	—
EUR	9,11.31	9,11.31	—	8,77.52	8,77.52	—	7,60.26	7,29.75	30.51
GBP	34.38	34.38	—	25.37	—	25.37	51.36	20.36	31.00
JPY	41.69	41.69	—	57.34	—	57.34	1,02.43	69.32	33.11
SEK	3.72	3.72	—	—	—	—	—	—	—
USD	29,58.68	29,58.68	—	28,55.95	28,55.95	—	30,61.18	30,61.18	—

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments

(₹ Lakhs)

	Impact on profit after tax	
	March 31, 2017	March 31, 2016
AUD sensitivity		
INR/AUD increases by 5%	**0.49**	0.51
INR/AUD decreases by 5%	**(0.49)**	(0.51)
GBP *sensitivity*		
INR/GBP increases by 5%	—	0.83
INR/GBP decreases by 5%	—	(0.83)
JPY sensitivity		
INR/JPY increases by 5%	—	1.87
INR/JPY decreases by 5%	—	(1.87)
EUR sensitivity		
INR/EUR increases by 5%	—	12.14
INR/EUR decreases by 5%	—	(12.14)

* Holding all other variables constant

43 CAPITAL MANAGEMENT

(a) Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

(b) Dividends

(₹ Lakhs)

	March 31, 2017	March 31, 2016
(i) Equity shares		
Dividend for the year ended March 31, 2015 of ₹ 6.50/- per fully paid share	—	35,98.40
Dividend for the year ended March 31, 2016 of ₹ 6.50/- per fully paid share	—	35,98.40

(ii) Dividends not recognized at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 4/- per fully paid equity share (March 31, 2016 – ₹ 6.50/-). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
44	**CONTINGENT LIABILITIES AND CONTINGENT ASSETS**			
(i)	**Contingent Liabilities**			
(a)	Excise & Custom Duty demands/ show cause notices pending with the appropriate authorities and disputed by the Company	**6,33.09**	8,32.56	6,83.97
(b)	Sales Tax demands pending with the Commissionerate/ High Court and disputed by the Company	**—**	2,80.25	2,81.87
(c)	Claims against the Company under the Labour Laws for disputed cases	**1,01.49**	1,01.16	1,14.00
(d)	Guarantees given by Banks, of which ₹ 7,23.55 Lakhs (Previous year - ₹ 7,48.73 Lakhs) are counter guaranteed by the Company	**7,23.55**	7,48.73	6,61.73
(e)	Guarantees given on behalf of Subsidiary Company against loan taken by Subsidiary	**7,34.57**	7,34.57	9,44.33
(f)	Non-Agricultural Land Cess	**37.79**	37.79	37.79
(g)	Other Claims against the Company not acknowledged as debts	**1,79.33**	2,01.30	1,91.86
(h)	Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court	**32,22.37**	31,24.00	30,06.10
(i)	Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)	**10,15.45**	9,89.00	9,25.09
(j)	Demand raised by A.P Transco for fuel surcharge adjustment for Financial years 2008-09 & 2009-10 disputed by the Company & subjudice in Honourable Supreme Court	**2,64.00**	2,59.80	2,59.80
(k)	Income tax liability on account of disputed disallowances	**1,65.32**	1,65.32	1,65.32
(ii)	**Contingent Assets**	**—**	—	—

		As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
45	**COMMITMENTS**			
(i)	**Capital Commitments**			
	Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:			
	Property, plant and equipment	**1,80.93**	2,79.29	2,17.30
(ii)	**Non-cancellable Operating Leases**			
	Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
	Within one year	**8,95.11**	4,68.29	4,84.39
	Later than one year but not later than five years	**30,35.90**	18,57.54	17,62.17
	Later than five years	**1,58.86**	4,56.06	9,26.37
	Commitments for minimum lease receipts in relation to non-cancellable operating leases are receivable as follows:			
	Within one year	**1,52.57**	4,04.72	4,77.87
	Later than one year but not later than five years			
	Later than five years			
	Rental expense relating to operating leases			
	Minimum Lease Payments	**15,80.76**	7,51.47	7,26.48
	Total rental expense relating to operating leases	**15,80.76**	7,51.47	7,26.48

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

46 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividend of ₹ 4 per equity share of ₹ 5 each, has been recommended by the Board of Directors, in the Board meeting held on May 23, 2017, which is subject to the approval of shareholders at the ensuing Annual General Meeting.

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
47 VALUE OF IMPORTS ON CIF BASIS			
(i) Raw Materials & Trading Goods	**349,03.84**	325,14.09	280,65.64
(ii) Stores & Spare Parts	**2,53.46**	2,97.65	4,61.30
(iii) Capital Goods	**5,27.21**	3,05.05	5,39.79
(iv) Others	**2,72.06**	4,43.82	20,13.40

48 Exchange difference arising on foreign currency transactions amounting to net gain of ₹ 8,85.65 Lakhs (Previous Year - ₹ 5,94.77 Lakhs) has been accounted under respective heads.

	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
49 EXPENDITURE IN FOREIGN CURRENCY			
(i) Export Sales Commission	**89.48**	99.15	98.16
(ii) Foreign Travel	**3,29.65**	1,82.25	77.25
(iii) Royalties	**21,37.78**	15,03.56	9,31.33
(iv) Others	**1,49.60**	2,07.90	2,12.54
50 AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF			
Dividend (₹ Lakhs)	—	18,46.91	18,46.91
Number of Non-Resident Shareholders	—	2	2
Number of Shares held	—	2,84,14,000	2,84,14,000
Year to which Dividend relates	—	2014-15	2013-14
Interim Dividend (₹ Lakhs)	—	18,46.91	—
Number of Non-Resident Shareholders	—	2	—
Number of Shares held	—	2,84,14,000	—
Year to which Dividend relates	—	2015-16	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

51 The Company uses forward contracts to hedge its risk associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The Company does not enter into forward exchange contracts which are intended for speculative purposes.

The following are the outstanding forward contracts as at March 31, 2017:

Currency	No. of Contracts	Value in Lakhs	Equivalent (₹ Lakhs)
USD	**48**	**1,97.58**	**128,16.15**
	(28)	(1,09.24)	(72,42.61)
EURO	**64**	**1,00.61**	**69,72.59**
	(14)	(22.59)	(17,00.74)
GBP	**1**	**0.44**	**35.82**
	—	—	—
JPY	**4**	**1,45.00**	**84.10**
	—	—	—
AUD	**4**	**0.49**	**24.44**
	—	—	—
CNH	**3**	**10.60**	**1,00.07**
	—	—	—
SEK	**1**	**0.51**	**3.72**
	—	—	—

Previous year's figures are in brackets.

The Indian Rupee equivalent is arrived at by converting the forward contracts at the spot rate as at March 31, 2017. Foreign currency exposure (net) not hedged by forward contracts as at March 31, 2017 is ₹ 14.97 Lakhs (Previous Year - ₹ 4,68.00 Lakhs).

Currency	**Year ending March 31, 2017**		Year ending March 31, 2016	
	Value in Lakhs	**Equivalent (₹ Lakhs)**	Value in Lakhs	Equivalent (₹ Lakhs)
USD	**—**	**—**	—	—
EURO	**—**	**—**	5.00	3,71.28
JPY	**—**	**—**	96.14	57.34
AUD	**0.30**	**14.97**	0.31	15.50
CAD	**—**	**—**	—	—
GBP	**—**	**—**	0.27	25.37
SEK	**—**	**—**	—	—
Total		**14.97**		4,68.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

52 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Management Committee comprising of the Chief Executive Officer, the Chief Financial Officer and the business Heads assesses the financial performance and position of the Company and makes strategic decisions.

(a) Description of segments and principal activities

The Company is organised into the following business segments, namely:

- Abrasives
- Ceramics & Plastics
- Others

Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

(b) Adjusted EBIT

(₹ Lakhs)

Segments	As at March 31, 2017	As at March 31, 2016
(a) Abrasives	**112,05**	101,38
(b) Ceramics & Plastics	**37,27**	40,50
(c) Others	**22,33**	12,50
Total adjusted EBIT	**171,65**	154,38

Reconciliation of EBIT to Profit before Income Tax is as follows:

(₹ Lakhs)

	As at March 31, 2017	As at March 31, 2016
Total segment result	**171,65**	154,38
Inter-segment eliminations		
Finance costs	**(2,01)**	(2,42)
Interest income from investments	**99**	117
Dividend income from investments	**—**	—
Unallocated Interest and other Income	**9,08**	7,95
Unallocated Finance Costs	**—**	—
Provision for Taxes	**—**	—
Restructuring costs	**—**	—
Profit before income tax	**179,72**	161,09

(c) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

(₹ Lakhs)

	As at March 31, 2017			As at March 31, 2016		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
(a) Abrasives	**898,36**	**—**	**898,36**	806,36	—	806,36
(b) Ceramics & Plastics	**355,81**	**10,45**	**345,36**	346,14	8,99	337,15
(c) Others	**111,61**	**—**	**111,61**	89,93	—	89,93
Total segment revenue	**1,365,78**	**10,45**	**1,355,33**	1,242,43	8,99	1,233,44

There is no single customer with more than 10% share in revenue

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Segment Assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

(₹ Lakhs)

	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Segment assets	**Additions to non-current assets ***	Segment assets	Additions to non- current assets *	Segment assets	Additions to non- current assets *
(a) Abrasives	**506,41**	**—**	470,58	—	460,30	—
(b) Ceramics & Plastics	**238,39**	**—**	282,30	—	268,19	—
(c) Others	**39,99**	**—**	50,97	—	41,43	—
Total segment assets	**784,78**	**—**	803,85	—	769,92	—
Unallocated:						
Investments	**425,12**	**—**	285,21	—	215,42	—
Total assets as per the balance sheet	**1,209,90**	**—**	1,089,06	—	985,33	—

* Other than financial assets and deferred taxes.

Investments held by The company are not considered to be segment assets.

(e) Segment Liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

The company's borrowings are not considered to be segment liabilities.

(₹ Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1,2015
(a) Abrasives	**178,99**	170,63	142,93
(b) Ceramics & Plastics	**54,23**	65,63	72,05
(c) Others	**15,15**	20,72	14,29
Total segment liabilities	**248,37**	256,98	229,27
Unallocated	**55,16**	57,09	39,95
Total liabilities as per the balance sheet	**303,53**	314,07	269,22

B. Information about Geographical Segments

(a) The Distribution of the company 's sales by geographical market is as under:

(₹ Lakhs)

Net Sales & Service Income	**For the Year Ended March 31, 2017**	For the Year Ended March 31,2016
India	**1,164,42**	1,052,36
Outside India	**19,091**	181,08
Total	**1,355,33**	1,233,44

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) The geographical location of the assets and liabilities is as follows:

(₹ Lakhs)

Particulars	Total Assets		Total Liabilities	
	As at March 31, 2017	As at March 31, 2016	**As at March 31, 2017**	As at March 31, 2016
India	**1,168,98**	1,042,93	**293,76**	291,20
Outside India	**40,92**	46,13	**9,77**	22,87
Total	**1,209,90**	1,089,06	**303,53**	314,07

53 SHARE BASED PAYMENTS

(a) Performance Share Plan

Certain employees of the Company in India are allotted Performance shares of the Ultimate Holding Company. These plans are subject to eligibility criteria based on the employee's period of service (service conditions) with the Group as well as performance criteria (performance conditions). The Ultimate Holding Company does not charge any cost for this benefit, the cost of this benefit has been arrived at using Black and Scholes method.

i) Summary of Share options granted under plan:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Average exercise price per share option	**Number of share options**	Average exercise price per share option	Number of share options	Average exercise price per share option	Number of share options
Opening balance	**—**	**28,650**	—	20,890	—	20,890
Granted during the year	**—**	**10,160**	—	7,760	—	—
Exercised during the year	**—**	**(5,216)**	—	—	—	—
Forfeited during the year	**—**	**(2,434)**	—	—	—	—
Total	**—**	**31,160**	—	28,650	—	20,890

(b) Expense arising from share based payment transaction

(₹ Lakhs)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Performance Share Plan	**95.70**	79.65

54 DISCLOSURE ON SPECIFIED BANK NOTES

In accordance with MCA notification G.S.R. 308 (E) dated March 31, 2017, the details of Specified Bank Notes (SBN's) & Other denomination notes, transacted during the period from November 8, 2016 to December 30, 2016 is given below:

(Amount ₹)

Particulars	**SBNs***	**Other Denomination Notes**	**Total**
Closing Cash in Hand as on November 8, 2016	84,500	50,995	1,35,495
(+) Permitted Receipts	—	12,10,250	12,10,250
(-) Permitted Payments	—	(11,85,627)	(11,85,627)
(-) Amounts deposited in Banks	(84,500)	—	(84,500)
Closing Cash in Hand as on December 30, 2016	—	75,618	75,618

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

55 RELATED PARTY TRANSACTIONS

1. Relationships:

(i) HOLDING COMPANY:

Compagnie de Saint-Gobain

(ii) FELLOW SUBSIDIARIES:

Saint-Gobain Abrasives Inc; USA
Societe de Participations Financieres et Industrielles
ABC Superabrasives, USA
Certainteed Corporation, USA
L.M.Van Moppes Diamond Tools India Pvt. Ltd.
Norton Abrasives Pty. Ltd.
PT Saint-Gobain Norton Hamplas, Indonesia
PT Saint-Gobain Winter Diamas, Indonesia
PT Saint-Gobain Abrasives Indonesia
Placopatre SA, France
Point.P Development, France
Saint-Gobain Ceramics & Plastics Inc., USA
Saint-Gobain Abrasives, Poland
Saint-Gobain Ceramiques Informatique Et Organisation, France
Saint-Gobain DSI Groupe
Saint-Gobain IndustrieKeramik Rodental GmbH, Germany
Saint-Gobain Abrasifs, Dubai
Saint-Gobain Abrasifs, Morocco
Saint-Gobain Abrasifs, France
Saint-Gobain Abrasifs UAE
Saint-Gobain Abrasive International Trading (Shanghai)
Saint-Gobain Abrasives Pty. Ltd, Australia
Saint-Gobain Abrasives (Pty) Ltd., South Africa
Saint-Gobain Abrasives (SEA) Pte. Ltd.
Saint-Gobain Abrasives (Shanghai) Co Ltd., Shanghai
Saint-Gobain Abrasives (Suzhou) Co. Ltd.
Saint-Gobain Abrasives BV., Netherlands
Saint-Gobain Abrasives GmbH (CORA)
Saint-Gobain Abrasives GmbH, Gerolzhofen., Germany
Saint-Gobain Abrasives International Trading (HK) Ltd.
Saint-Gobain Abrasives Inc, Worcester USA
Saint-Gobain Abrasives, Korea
Saint-Gobain Abrasives Ltd -Stafford-UK
Societe Europeenne des Produits Refractaires, France
Saint-Gobain Isover GHAG, Germany
Saint-Gobain ICASA S.A., Spain
Saint-Gobain Industrial Ceramics Pty. Ltd.
Saint-Gobain Industrial Ceramics, UK
Saint-Gobain IndustrieKeramik Dusseldorf GmbH, Germany
Saint-Gobain Materials Ceramicos Ltda., Brazil
Saint-Gobain Materials Ceramicos, Venezuela
Saint-Gobain Materiaux Ceramics, Belgium
Saint-Gobain PAM, France
Saint-Gobain Performance Plastics, USA
Saint-Gobain PPL Shanghai, China
Saint-Gobain PPL Korean Co, Ltd, South Korea
Saint-Gobain Produtos Industriais E Para Construcao Ltda.
Saint-Gobain Sekurit India Ltd
Saint-Gobain Sekurit, Thailand
Saint-Gobain Sekurit, France
Saint-Gobain Tech Fab Hongfa (Changzhou) Ltd.
Saint-Gobain Technical Fabrics, S.A.
Saint-Gobain Universal Superabrasives, Inc.
Saint-Gobain Vibros S.A.
SG Isover, France
Saint-Gobain Advanced Ceramics (Shanghai) Co Ltd
Saint-Gobain Materiaux Ceramiques Benelux SA
Saint-Gobain Performance Plastics - Bristol
Saint-Gobain Performance Plastics Corby, UK
Saint-Gobain Performance Plastics KK, Japan
Saint-Gobain Performance Plastics, Les Macon, France
Saint-Gobain Performance Plastics Pampus GmbH
Saint-Gobain Performance Plastics Verneret, France
Saint-Gobain Performance Plastics, Chaineux, Belgium
Saint-Gobain Performance Plastics, Ireland
Saint-Gobain Performance Plastics, Kontich, Belgium

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Saint-Gobain Abrasives Ltd., New Zealand
Saint-Gobain Abrasives Ltda., Brazil
Saint-Gobain Abrasives Ltda., Portugal
Saint-Gobain Abrasives Singapore (PTE) Ltd.
Saint-Gobain HPM Polska Sp.zo.o, Poland
Saint-Gobain Abrasives; Thailand
Saint-Gobain Abrasives, Indonesia
Saint-Gobain Abrasives Netherlands B.V.
Saint-Gobain Abrasivi S.P.A., Italy
Saint-Gobain Abrasivos SA, Argentina
Saint-Gobain Achats, France
Saint-Gobain Adfors, France
Saint-Gobain Advanced Ceramics, Niagara
Saint-Gobain Advanced Materials (M) SDN BHD
Saint-Gobain Advanced Materials (Taiwan) Co. Ltd.
Saint-Gobain Building Distribution Deutschland GmbH, Germany
Saint-Gobain Building Distribution, UK
Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd., China
Saint-Gobain Ceramic Materials,Inc, Canada
Saint-Gobain Ceramic Materials A/S, Norway
SG, Isover AB, Sweden
Saint-Gobain Construction Products, SA
Saint-Gobain Ceramics & Plastics,Brazil
Saint-Gobain Diamantwerkzeuge GmbH & Co., Germany
Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda
Thai Gypsum Products Plc, Thailand
Saint-Gobain Gelva, BV
Saint-Gobain Glass Egypt
Saint-Gobain India Pvt Ltd
Saint-Gobain Performance Plastics, Rencol., UK
Saint-Gobain Performance Plastics, Taiwan
Saint-Gobain Performance Plastics, Gembloux, Belgium
Saint-Gobain Research India Ltd.
Saint-Gobain Technical Fabrics (Changzhou) Co. Ltd.
Saint-Gobain Weber Netservices
Saint-Gobain Zipro
Universal Superabrasives, USA
SAP Competence Center Verallia
Saint-Gobain Centre De Recherches Et Detudes, European
Saint-Gobain Construction Products, Belgium
SG Distribution Nordic AB, Sweden
Lapeyre, France
Saint-Gobain Ceramics Inc, USA
Saint-Gobain India Foundation
Saint-Gobain Vietnam Ltd.
Saint-Gobain Corporation
Saint-Gobain Tech Services-Central Europe
Saint-Gobain Tech Services-France
Saint-Gobain Technology SC
Saint-Gobain Technology Services - UK
Saint-Gobain Technology-NA
Saint-Gobain Glass France
Dahl Sverige AB
Saint-Gobain Colombia S.A.S
Saint-Gobain Inovatif Malzemeler
Savoie Refractaires

(iii) KEY MANAGEMENT PERSONNEL
Anand Mahajan - Managing Director

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iv) (a) Parent entities

The Group is controlled by following entity:

Name of entity	Type	Place of business	Ownership interest held by the Group		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Compagnie de Saint-Gobain	Ultimate Holding Co*	Le Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	**51.6%**	51.6%	51.6%
* The Ultimate Holding Company ("Saint-Gobain") holds shares in the Company through the following subsidiaries					
Saint-Gobain Abrasives Inc; USA	Fellow Subsidiary	1 New Bond Street, P.O Box 15008 Worcester MA 01615 USA	**26.8%**	26.8%	26.8%
Societe de Participations Financieres et Industrielles	Fellow Subsidiary	Le Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	**24.5%**	24.5%	24.5%
Saint-Gobain India Pvt Ltd	Fellow Subsidiary	Sigapi Aachi Building, Floor No 7, 18/3 Rikmini Lakmipathy Road, Egmore Chennai TN India 600008	**0.3%**	0.3%	0.3%

(b) Key management personnel compensation

Anand Mahajan - Managing Director

(₹ Lakhs)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Short-term employee benefits	**3,36.47**	3,66.66
Post-employment benefits	**18.15**	16.78
Long-term employee benefits	**—**	—
Termination benefits	**35.28**	32.63
Total compensation	**3,89.90**	4,16.07

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business:

(i) Details relating to parties referred to in items 1(i) and (ii) above:

(₹ Lakhs)

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries	
		For the Year Ended March 31, 2017	**For the Year Ended March 31, 2016**	**For the Year Ended March 31, 2017**	**For the Year Ended March 31, 2016**
1	Sales	**—**	—	**33,22.04**	38,96.51
2	Agency Commission received	**—**	—	**32.51**	19.68
3	Service Income	**1,31.77**	83.30	**66,10.49**	51,39.42
4	Other Income	**58.50**	58.50	**3,51.31**	4,21.04
5	Purchase of Goods	**—**	—	**152,04.17**	121,95.30
6	Expenses charged to other companies	**13.30**	43.80	**14,07.69**	35,43.72
7	Expenses charged by other companies	**60.95**	2,29.89	**7,40.83**	1,02.74
8	Royalty Paid	**—**	—	**21,37.78**	15,03.56
9	Other Expenses	**—**	—	**18.00**	18.00
10	Dividend Paid	**—**	—	**—**	37,13.32
11	Donation Paid	**—**	—	**78.97**	70.86
12	Outstanding Receivables (net of payables) *	**1,40.83**	73.79	**1,35.50**	18,47.04
13	Other Liabilities	**—**	—	**(21,25.97)**	(16,57.39)
14	Outstanding Deposits *	**—**	—	**39.00**	39.00
15	Investments made	**—**	—	**—**	5,00.00
16	Bonus share issued (No. of shares)	**—**	—	**2,85,64,000**	—

* Closing Balance

(ii) Details relating to persons referred to in item 1(iii) above:

(₹ Lakhs)

Particulars	**For the Year ended March 31, 2017**	For the Year ended March 31, 2016
Remuneration	**2,20.15**	4,16.07
Commission Payable	**1,69.76**	1,51.89
Outstanding Loan	**2,50.00**	1,10.00
Bonus share issued(No. of shares)	**4,98,422**	—

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Significant transactions with related parties:

(₹ Lakhs)

Sr. No.	Nature of Transactions	Name of the Companies	**For the Year ended March 31, 2017**	For the Year ended March 31, 2016
1	Sales	Saint-Gobain HPM Polska Sp.zo.o	**4,41.08**	4,28.93
		Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda	**8,70.07**	10,63.38
		Saint-Gobain India Pvt. Ltd.	**3,91.44**	—
2	Agency Commission received	Saint-Gobain Adfors, France	**32.51**	19.68
3	Service Income	Compagnie de Saint-Gobain (Liaison Office)*	**—**	83.30
		Saint-Gobain DSI Groupe	**15,84.53**	11,93.99
		Saint-Gobain Ceramiques Informatique Et Organisation	**19,79.46**	12,78.50
		Saint-Gobain Weber Netservices	**12,12.05**	785.45
4	Other Income	Compagnie de Saint-Gobain (Liaison Office)*	**—**	58.50
		Saint-Gobain India Pvt. Ltd.	**2,29.66**	301.17
		Saint-Gobain Achats, France	**63.67**	61.24
		Certainteed Corporation*	**—**	33.58
5	Purchase of Goods	Saint-Gobain Materials Ceramicos Ltda. Brazil*	**—**	17,40.58
		SG Performance Plastic Corporation, USA	**21,62.77**	20,83.04
6	Expenses charged to other companies	Saint-Gobain India Pvt. Ltd.	**9,74.41**	14,69.08
		Compagnie de Saint-Gobain (Liaison Office)*	**—**	43.80
		Saint-Gobain Ceramiques Informatique Et Organisation*	**—**	13,57.42
7	Expenses charged by other companies	Compagnie de Saint-Gobain (Liaison Office)*	**—**	229.89
		Saint-Gobain India Pvt. Ltd.	**6,79.48**	46.35
		Saint-Gobain Ceramiques Informatique Et Organisation*	**—**	38.69
		SG Performance Plastics Pampus GmbH*	**—**	17.71
8	Royalty Paid	Saint-Gobain Abrasives Inc., USA	**15,99.21**	11,15.31
		Saint-Gobain Ceramic Materials AS	**2,31.97**	1,93.94
9	Other Expenses	Saint-Gobain Abrasifs, France	**18.00**	18.00
10	Dividend Paid	Saint-Gobain Abrasives Inc., USA*	**—**	19,26.31
		Societe de Participations Financieres et Industrielles *	**—**	17,67.51
11	Donation Paid	Saint-Gobain India Foundation	**78.97**	70.86
12	Investment Made	Saint-Gobain India Pvt. Ltd.*	**—**	5,00.00
13	Bonus shares issued (No. of Shares)	Saint-Gobain India Pvt. Ltd.	**1,50,000**	—
		Saint-Gobain Abrasives Inc., USA	**1,48,17,760**	—
		Spafi-Societe De Participations Financieres Et Industrielles	**1,35,96,240**	—

*Current year transactions are not significant in nature

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Trade Payables	**As at March 31, 2017 (₹ Lakhs)**	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
Certainteed Corporation	**(87.00)**	(1,47.35)	(129.90)
Pt Saint-Gobain Winter Diamas	**(7.41)**	0.00	(17.61)
Saint-Gobain Diamantwerkzeuge GmbH & Co	**(75.84)**	(57.61)	—
Saint-Gobain Abrasives (Shanghai) Co.Ltd	**(29.76)**	(8.43)	(6.55)
Saint-Gobain Abrasives B.V.	**(42.26)**	(4.04)	—
Saint-Gobain Abrasives GmbH	**(52.25)**	(12.57)	(14.51)
Saint-Gobain Abrasives Inc.	**(2,01.33)**	(2,46.70)	(220.02)
Saint-Gobain Abrasives Ltd -Stafford-UK	**(0.90)**	—	—
Saint-Gobain Abrasives P. A. (Ami)	**(17.81)**	—	—
Saint-Gobain Abrasives S.A	**(70.81)**	—	—
Saint-Gobain Abrasivi S.p.a.(Micromold)	**(19.66)**	—	—
Saint-Gobain Abrasivos Ltda-Brazil	**(1,99.93)**	(3,02.30)	—
Saint-Gobain Abrasivos S.A.	**(24.61)**	—	—
Saint-Gobain Adfors Cz	**(0.38)**	—	—
Saint-Gobain Advanced Ceramics	**—**	(3.29)	—
Saint-Gobain C.R.E.E	**(3.39)**	—	—
Saint-Gobain Ceramic Materials USA	**(1,89.19)**	—	—
Saint-Gobain Ceramic Materials (Zhengz) Co	**(93.49)**	—	—
Saint-Gobain Ceramics & Plastics, Inc.	**(3.62)**	(7.69)	(2.82)
Saint-Gobain Ceramiques Informatique Et Organisation, France	**(4.34)**	—	—
Saint-Gobain Do Brasil Produtos	**(13.38)**	—	—
Saint-Gobain Hpm Polaska SP.Z.OO	**(1,28.32)**	(53.83)	—
Saint-Gobain India Pvt. Ltd.	**(22.87)**	—	(3.77)
Saint-Gobain K.K. Performance Plastics	**(97.70)**	(1,42.43)	(97.24)
Saint-Gobain Materiaux Ceramiques	**(25.58)**	—	—
Saint-Gobain Performance Plastic USA	**(98.58)**	(1,07.41)	—
Saint -Gobain Ppl GmbH	**(0.62)**	—	—
Saint-Gobain Sekurit (Thailand) Co., Ltd	**—**	(0.96)	(6.15)
Saint-Gobain Technical Fabrics, S.a. De	**(53.26)**	(94.15)	—
Saint-Gobain Zirpro (Handan) Co., Ltd	**(0.40)**	—	—
Saint-Gobain Ppl Korean Co, Ltd, South Korea	**(32.80)**	(26.42)	—
Saint-Gobain Ppl Shanghai, China	**(76.07)**	(25.89)	(150.60)
Savoie Refractories - SG France	**(0.80)**	—	—
SG Performance Plastics Pampus GmbH	**(53.69)**	(50.08)	(31.14)
SG Performance Plastics UK	**(10.42)**	(21.89)	(49.58)
SG Performance Plastics USA	**(4,77.80)**	(4,46.88)	(255.09)
SG Performance Plastics, Ireland	**(6.04)**	—	—
SG Performance Plastics, Les Macon, France	**(4.65)**	(35.36)	(6.49)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Trade Payables	**As at March 31, 2017 (₹ Lakhs)**	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
SG Performance Plastics, Taiwan	**(3.57)**	(2.52)	(7.17)
SG Performance Plastics, Kontich, Belgium	**(17.67)**	(56.74)	(3.86)
Saint-Gobain Abrasivos (Suzhou) Co Ltd	**(92.40)**	(51.67)	(1,16.65)
Thai Gypsum Products Plc, Thailand	**(2.84)**	(1.25)	—
Saint-Gobain Colombia S.A.S	**(1.16)**	—	—
SG PPL-Isofluor GmbH	**—**	—	(0.82)
Compagnie De Saint-Gobain	**—**	—	(18.13)
Saint-Gobain Diamantwerkzeuge GmbH & Co	**—**	—	(1,42.17)
Saint-Gobain Abrasives B.V.	**—**	—	(19.11)
Saint-Gobain Abrasivos Ltda-Brazil	**—**	—	(1,45.84)
Saint-Gobain Formula Thai Gypsum Product	**—**	—	(1.19)
Saint-Gobain Hpm Polaska Sp.z.oo	**—**	—	(54.05)
Saint-Gobain Materiaux Ceramique	**—**	—	(22.37)
Saint-Gobain Ppl Corporation Mexico	**—**	—	(40.86)
Saint-Gobain Abrasives, Inc	**—**	—	(34.42)
Savoie Refractaires	**—**	(11.19)	(11.19)
SG Performance Plastics Korea Co Ltd	**—**	—	(45.03)
Total Payables To Related Parties	**(23,44.59)**	(19,18.65)	(16,54.32)

Trade Receivables	**As at March 31, 2017 (₹ Lakhs)**	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
Certainteed Corp USA	**23.91**	18.19	—
Compagnie De Saint-Gobain	**1,40.83**	73.79	—
Dahl Sverige	**5.25**	19.35	12.62
Lapeyre Services	**1,06.77**	68.13	92.95
Pt. Saint-Gobain Abrasives Diamas	**10.31**	9.95	6.16
Saint-Gobain (SEA) Pte. Ltd	**17.45**	55.91	44.10
Saint-Gobain Abrasifs	**0.10**	0.27	2.47
Saint-Gobain Abrasives (Australia) Pty. Ltd.	**49.33**	69.56	79.85
Saint-Gobain Abrasives (Nz) Ltd.	**6.34**	7.49	7.91
Saint-Gobain Abrasives (Pty) Ltd.	**4.41**	1.53	7.61
Saint-Gobain Abrasives (Shanghai) Co. Ltd.	**11.87**	2.26	6.44
Saint-Gobain Abrasives (Singapore) Pte Ltd	**4.71**	—	—
Saint-Gobain Abrasives (Suzhou) Co Ltd	**3.45**	4.85	5.03
Saint-Gobain Abrasives (Thailand) Ltd	**18.66**	9.72	24.50
Saint-Gobain Abrasives BV (Netherland)	**19.82**	41.00	19.45
Saint-Gobain Abrasives GmbH	**0.71**	1.01	0.72
Saint-Gobain Abrasives Ltd -Stafford-UK	**0.58**	0.65	0.43
Saint-Gobain Abrasives SEA	**11.79**	11.79	12.56
Saint-Gobain Abrasives, Inc - USA	**2,03.58**	1,27.77	88.64

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Trade Receivables	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
Saint-Gobain Abrasivi S.p.a	**4.30**	0.99	1.37
Saint-Gobain Abrasivos Ltda	**—**	19.27	34.10
Saint-Gobain Abrasivos SA	**7.69**	1,06.55	1.23
Saint-Gobain Achats	**32.89**	20.83	42.06
Saint-Gobain Adfors	**38.55**	6.04	26.00
Saint-Gobain Advanced Ceramics (Shanghai) Co Ltd.,	**1.15**	1.56	1.00
Saint-Gobain Building Distribution	**1,14.82**	1,19.75	1,00.67
Saint-Gobain Ceramic Materials	**10.64**	1,05.86	28.83
Saint-Gobain Ceramiques Informatique Et Organisation, France	**1,89.52**	1,71.25	93.47
Saint-Gobain Colombia S.A.S	**—**	1,25.73	25.66
Saint-Gobain Corporation	**27.52**	20.89	0.04
Saint-Gobain Diamantwerkzeuge GmbH & Co.	**6.81**	2.48	0.37
Saint-Gobain Distribution Batiment France S.a.s	**89.89**	—	—
Saint-Gobain Do Brasil Produtos Ind. E Para Construcao Ltd	**1,13.71**	1,93.33	2,66.07
Saint-Gobain DSI Groupe	**2,95.44**	2,06.62	1,65.18
Saint-Gobain Glass France	**18.82**	20.90	10.71
Saint-Gobain Hpm Polska Sp.zo.o	**98.34**	1,26.72	6.66
Saint-Gobain India Pvt Ltd	**3,85.56**	15,31.98	7,33.08
Saint-Gobain Industrial Ceramics	**49.65**	14.68	—
Saint-Gobain IndustrieKeramik	**17.67**	8.54	—
Saint-Gobain Inovatif Malzemeler	**—**	24.10	24.10
Saint-Gobain Isover	**2,13.79**	—	—
Saint-Gobain Nordic A/S	**11.99**	—	—
Saint-Gobain Pam	**6.08**	49.06	0.02
Saint-Gobain Performance Plastic Pampus	**20.00**	27.80	37.34
Saint-Gobain Research India Pvt. Ltd	**11.46**	12.00	7.76
Saint-Gobain Sekurit (Thailand) Co. Ltd.	**0.89**	—	—
Saint-Gobain Services Construction Products GmbH	**25.22**	—	—
Saint-Gobain Vietnam Ltd.	**2.00**	1.25	—
Saint-Gobainabrasives (Singapore) Pte Ltd	**—**	4.71	0.28
Saint-Gobain Tech Services-Central Europe	**18.98**	32.12	—
Saint-Gobain Tech Services-France	**27.93**	—	—
Saint-Gobain Technology Services - UK	**32.61**	57.32	—
Sap Competence Center Verallia	**—**	4.61	5.38
Sepr - France	**38.14**	—	—
SG Distribution Batiment (Point P)	**38.31**	1,04.35	90.10
SG Info Sys GmbH (SG Isover GHAG)	**6.65**	8.72	4.12
SG Isover (Weber Netservices)	**—**	1,77.20	96.04
SG Performance Plastics Shanghi	**9.99**	9.04	11.04
Saint-Gobain Abrasifs	**12.89**	—	—
Saint-Gobain Dsi Groupe	**0.10**		
Saint-Gobain Materiales Ceramicos	**1.06**		
Saint-Gobain Abrasives Pty. Ltd.	**—**	—	68.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Trade Receivables	As at March 31, 2017 (₹ Lakhs)	As at March 31, 2016 (₹ Lakhs)	As at April 1, 2015 (₹ Lakhs)
Saint-Gobain Hpm Polska Sp.zo.o	—	—	1,21.45
Saint-Gobain Industrial Ceramics	—	—	22.46
Saint-Gobain Pipes (France)	—	—	29.39
Total Receivables from Related Parties	**26,20.92**	38,39.48	24,65.59
Trade Receivables from Related Parties	**17,35.89**	22,39.24	12,04.09
Other Receivables from Related Parties	**8,85.03**	16,00.24	12,61.50
	26,20.92	**38,39.48**	**24,65.59**
(f) Loans To/From Related Parties			
Loans To Key Management Personnel			
Beginning of The Year	**1,10.00**	90.00	1,20.00
Loans Advanced	**2,00.00**	50.00	—
Loan Repayments Received	**(60.00)**	(30.00)	(30.00)
Interest Charged	**6.60**	2.21	1.88
Interest Received	**(6.60)**	(2.21)	(1.88)
End of The Year	**2,50.00**	1,10.00	90.00

There is no allowance for impaired receivables in relation to any outstanding balances, and no expense has been recognized in respect of impaired receivables due from related parties.

(e) Terms and conditions

(i) Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

(ii) The terms and conditions of the loans to Key Managerial Personnel are as per the policy of the Company.

(iii) All other transactions were made on normal commercial terms and conditions and at market rates. The average interest rate on the other loans during the year was 10% (March 31, 2016 – 10%).

(iv) All outstanding balances are unsecured and are repayable in cash.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

56 DISCLOSURE AS REQUIRED BY IND AS 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Transition to Ind AS

These are the Company's first Standalone Financial Statements prepared in accordance with Ind AS.

The accounting standards notified u/s 133 of the Companies Act, 2013 and the Accounting policies set out in note 1.2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (The company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied by the company in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment (PPE) as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the company has elected to measure all of its PPE and intangible assets at their previous GAAP carrying value, except for the effect of Government Grants as per Ind AS 20, the value of PPE have been increased over deemed cost to that extent.

A.1.2 Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair Value through Other Comprehensive Income (FVOCI) on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.

A.1.4 Investments in subsidiary

If a first time adopter measures investments in subsidiary, joint venture or associate at cost in accordance with Ind AS 27, Ind AS 101 allows the entity to measure such investments at one of the following amounts in its separate opening Ind AS Balance Sheet

(a) Cost determined in accordance with Ind AS 27; or (b) Deemed cost.

The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(ii) previous GAAP carrying amount at that date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The above options can be selected each investment wise. Accordingly the Company has elected to measure investment in its subsidiary at their previous GAAP carrying value.

A.2 Ind AS Mandatory Exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI;
- Investment in mutual funds carried at Fair Value through Profit and Loss (FVPL); and
- Impairment of financial assets based on expected credit loss model.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.4 Impairment of financial assets

Ind AS 101 provides that if at the date of transition the determination of increase in credit risk since initial recognition is difficult, loss allowance to be provided at an amount equal to lifetime expected credit losses at each reporting date until de-recognition.

B. Reconciliations between previous GAAP and Ind AS

The following tables represent the reconciliations of Balance Sheet, Total Equity, Total Comprehensive Income, and Cash Flow from previous GAAP to Ind AS

B.1 Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS as at April 1, 2015

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	12	356,84.32	3,13.25	359,97.56
Capital work in progress		6,73.24	—	6,73.24
Goodwill		48.80	—	48.80
Other intangible assets		2,89.43	—	2,89.43
Financial assets				
i. Investments	1	35,14.80	47,91.54	83,06.34
ii. Trade Receivables		—	—	—
iii. Loans	10	2,46.44	(31.17)	2,15.27
iv. Other financial assets	9	2,88.63	(1,16.52)	1,72.11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
Other non-current assets	9	8,61.12	91.94	9,53.07
TOTAL NON-CURRENT ASSETS		**416,06.78**	**50,49.03**	**466,55.82**
CURRENT ASSETS				
Inventories	5	225,05.08	13,57.65	238,62.73
Financial assets				
i. Trade receivables	5	129,16.19	(18,26.32)	110,89.87
ii. Cash and cash equivalents	1	111,87.14	2,33.50	114,20.64
iii. Bank balances other than (ii) above		1,63.13	—	1,63.13
Loans				
iv. Loans	10	1,07.82	(0.10)	1,07.72
v. Other financial assets	11	12,14.37	2,90.82	15,05.19
Other current assets		76.06	—	76.06
	5, 9	35,87.29	64.88	36,52.16
TOTAL CURRENT ASSETS		**517,57.08**	**1,20.43**	**518,77.50**
TOTAL ASSETS		**933,63.86**	**51,69.46**	**985,33.32**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		27,68.00	—	27,68.00
Other Equity	15,16	588,15.15	92,96.22	681,11.37
NON-CONTROLLING INTEREST		8,59.40	—	**8,59.40**
TOTAL EQUITY		**624,42.55**	**92,96.22**	**717,38.77**
NON-CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
BORROWINGS		6,38.23	—	6,38.23
Provisions		10,70.79	—	10,70.79
Deferred tax liabilities (net)	14	18,73.52	(1,15.62)	17,57.90
Other non-current liabilities	12	13.38	2,56.90	2,70.28
TOTAL NON-CURRENT LIABILITIES		**35,95.92**	**1,41.28**	**37,37.20**
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
BORROWINGS				
i. Borrowings		13,61.49	—	13,61.49
ii. Trade payables		88,44.05	—	88,44.05
iii. Other financial liabilities		93,40.74	—	93,40.75
Other current liabilities	12	30,08.50	63.29	30,71.77
Provisions	3	47,70.32	(43,31.03)	4,39.29
TOTAL CURRENT LIABILITIES		**273,25.10**	**(42,67.74)**	**230,57.35**
TOTAL LIABILITIES		**309,21.02**	**(41,26.47)**	**267,94.55**
TOTAL EQUITY AND LIABILITIES		**933,63.86**	**51,69.46**	**985,33.32**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B.2 Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS as at March 31, 2016

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	12,13	342,01.95	5,45.89	347,47.84
Capital work in progress		13,58.11	—	13,58.11
Goodwill	13	16.34	32.46	48.80
Other intangible assets	13	2,30.05	20.44	250.49
Financial assets				
i. Investments	1	40,14.80	94,79.54	134,94.34
ii. Trade Receivables		—	—	—
iii. Loans	10	2,38.13	(17.91)	2,20.22
iv. Other financial assets	9	2,37.10	(73.72)	1,63.38
Other non-current assets	9	10,02.72	55.64	10,58.36
TOTAL NON-CURRENT ASSETS		**412,99.20**	**100,42.34**	**513,41.54**
CURRENT ASSETS				
Inventories	5	245,67.16	12,28.16	257,95.32
Financial assets				
i. Trade receivables	5	150,06.21	(16,52.32)	133,53.89
ii. Cash and cash equivalents	1	113,19.78	3,24.27	116,44.05
iii. Bank balances other than (ii) above		7,62.62	—	7,62.62
Loans				
iv. Loans	10	1,04.54	(7.66)	96.88
v. Other financial assets	11	21,59.84	—	21,59.37
Other current assets	5, 9	36,85.42	67.34	37,52.75
TOTAL CURRENT ASSETS		**576,05.57**	**(40.68)**	**575,64.88**
TOTAL ASSETS		**989,04.78**	**100,01.66**	**1,089,06.42**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		27,68.00	—	27,68.00
Other Equity	15,16	646,09.52	89,39.16	735,48.68
Minority Interest		9,74.74	—	9,74.74
TOTAL EQUITY		**683,52.26**	**89,39.16**	**772,91.42**
LIABILTIES				
NON-CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
i Borrowings		2,78.24	—	2,78.24
Provisions		10,48.25	—	10,48.25
Deferred tax liabilities (net)	14	17,38.43	7,66.96	25,05.39
Other non-current liabilities	12	13.38	2,15.28	2,28.66
TOTAL NON-CURRENT LIABILITIES		**30,78.30**	**9,82.24**	**40,60.54**
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
i. Borrowings		12,38.54	—	12,38.54
ii. Trade payables		83,32.43	—	83,32.43
iii. Other financial liabilities	11	138,25.96	17.21	138,43.17
Other current liabilities	12	32,20.37	63.05	32,83.41
Provisions		4,22.78	—	4,22.78
Current tax liabilities		4,34.13	—	4,34.13
TOTAL CURRENT LIABILITIES		**274,74.21**	**80.26**	**275,54.46**
TOTAL LIABILITIES		**305,52.52**	**10,62.50**	**316,15.00**
TOTAL EQUITY AND LIABILITIES		**989,04.78**	**100,01.66**	**1,089,06.42**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B.3 Reconciliation of Statement of Profit and Loss Income for the year ended March 31, 2016

(₹ Lakhs)

	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
CONTINUING OPERATIONS				
Revenue from operations	5,6, 7	1,182,70.72	62,06.97	1,240,65.50
Other income	1,9,10,12	20,82.96	1,74.60	22,57.56
TOTAL INCOME		**1,203,53.68**	**63,81.57**	**1,263,23.06**
EXPENSES				
Cost of material consumed		420,64.46	—	420,64.46
Excise duty	6	—	90,08.18	90,08.18
Purchase of stock in trade		86,17.19	—	86,17.19
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	5	(13,87.88)	1,29.48	(12,58.39)
Employee benefit expense	4,8	152,60.56	(4,27.31)	148,33.25
Finance costs	4	2,36.54	5.00	2,41.54
Depreciation and amortisation expense	12,13	41,92.95	65.41	42,58.36
Other expenses	7,9,11	355,13.44	(30,63.91)	324,49.53
TOTAL EXPENSES		**1,044,97.27**	**57,16.85**	**1,102,14.12**
PROFIT BEFORE TAX		**158,56.41**	**6,64.72**	**161,08.94**
TAX EXPENSE	14	**52,80.30**	**1,90.19**	**54,70.49**
PROFIT FOR THE YEAR		**105,76.12**	**4,74.53**	**106,38.45**
OTHER COMPREHENSIVE INCOME	16	**—**	**35,76.09**	**35,76.09**
SHARE OF MINORITY INTEREST		**(1,15.38)**	**—**	**(1,15.38)**
TOTAL COMPREHENSIVE INCOME		**104,60.74**	**40,50.62**	**142,14.54**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B.4 Reconciliations between previous GAAP and Ind AS

I) Reconciliation of Total equity as at March 31, 2016 and April 1, 2015:

(₹ Lakhs)

Particulars	**Notes to first time adoption**	**As at March 31, 2016**	**As at April 1, 2015**
Total equity (shareholder's funds) as per previous GAAP		673,77.52	615,83.15
Adjustments			
Fair valuation of Financial Instruments	1	90,54.15	54,80.23
Proposed dividend and dividend distribution tax	3	—	43,31.03
Revaluation as per Prev. GAAP	13	3,35.34	—
Revenue impact	5	(3,72.95)	(4,20.92)
Impact of Deferred tax	14	(68.80)	(50.40)
Others		(8.33)	(44.00)
Total Adjustments		**89,39.41**	**92,95.94**
Total Equity as per Ind AS		**763,16.93**	**708,79.09**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B.5 Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(₹ Lakhs)

Particulars	Notes to First time adoption	For the Year ended March 31, 2016
Profit after tax as per previous GAAP		105,76.12
Adjustments		
(Increase)/Decrease in cost due to fair value accounting of group share based payments	8	(79.64)
Actuarial loss on Defined Benefit plans reclassified to Other Comprehensive Income	4	5,01.40
Additional depreciation on account of change in estimate and unwinding of goodwill amortisation and trademark	13	(9.35)
Revenue Impact	5	50.47
Fair value loss on financial instruments	1	(2,07.33)
Deferred tax impact of above adjustments	14	(1,93.22)
Total Adjustments		**62.33**
Profit after tax as per Ind AS		**106,38.45**
Other Comprehensive Income		**35,76.09**
Total Comprehensive Income as per Ind AS		**142,14.54**

B.6 Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(₹ Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating activities	135,83.83	3,35.85	139,19.68
Net cash flow from Investing activities	(36,71.58)	(92.72)	(37,64.30)
Net cash flow from Financing activities	(97,79.61)	(4,04.27)	(101,83.88)
Net Increase / (Decrease) in Cash and Cash Equivalents	**1,32.64**	**(1,61.13)**	**(28.49)**
Bank Overdraft as at April 1, 2015			(6,26.65)
Cash and Cash Equivalents as at April 1, 2015	111,87.14	2,33.50	114,20.64
Bank Overdraft as at March 31, 2016	—	—	(8,78.55)
Cash and Cash Equivalents as at March 31, 2016	**113,19.78**	**3,24.27**	**116,44.05**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

C: Notes to First time adoption:

1 Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit and loss for the year ended March 31, 2016. This increased the retained earnings by ₹ 3,24.27 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 2,33.50 Lakhs).

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognized in FVOCI – Equity investments reserve as at the date of transition and subsequently in the Other Comprehensive Income for the year ended March 31, 2016. This increased other reserves by ₹ 94,79.54 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 47,91.54 Lakhs).

Consequent to the above, the total equity as at March 31, 2016 increased by ₹ 98,04.10 Lakhs (April 1, 2015 - ₹ 50,25.02 Lakhs) and Profit and Other Comprehensive Income for the year ended March 31, 2016 increased by ₹ 90.79 Lakhs and ₹ 46,88.30 Lakhs, respectively.

2 Bank overdrafts

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by ₹ 2,99.61 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ Nil) and cash flows from financing activities for the year ended March 31, 2016 have also increased by ₹ 2,99.61 Lakhs to the effect of the movements in bank overdrafts.

3 Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ NIL as at March 31, 2016 (April 1, 2015 – ₹ 43,31.03 Lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

4 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in Other Comprehensive Income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 5,01.40 Lakhs. There is no impact on the total equity as at March 31, 2016.

Also, the Interest cost on actuarial, amounting to ₹ 5.00 Lakhs has been regrouped from Employee benefit expenses to Finance cost

5 Revenue Recongition

The Company was recognising revenue in accordance with the companies accounting policies, when the goods were despatched. The company has evaluated the principles under Ind AS 18 and made necessary changes.

6 Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by ₹ 90,08.18 Lakhs. There is no impact on the total equity and profit.

7 Cash Discount

Under the previous GAAP, Cash Discount and Discounts related to Sales of ₹ 33,90.90 Lakhs was recognized as part of Other Expenses which have been adjusted against Revenue from operations, under Ind AS. As a result of this change, the Revenue for the year ended March 31, 2016 decreased by ₹ 33,90.90 Lakhs.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

8 Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognized using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognized based on the fair value of the options as at the grant date. Consequently, the amount recognized in share compensation reserve increased by ₹ 1,65.88 Lakhs as at March 31, 2016 (April 1, 2015- ₹ 86.23 Lakhs). The profit for the year ended March 31, 2016 decreased by ₹ 79.65 Lakhs. There is no impact on total equity.

9 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as Deferred Rent. Consequent to this change, the amount of security deposits decreased by ₹ 73.72 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ 1,16.52 Lakhs). The deferred rent increased by ₹ 73.72 Lakhs as at March 31, 2016 (April 1, 2015 - ₹ 1,16.53 Lakhs). Further, the Deferred rent asset is bifurcated between Current and Non-current amounting to ₹ 55.64 Lakhs and ₹ 18.08 Lakhs respectively (April 1, 2015 - ₹ 99.44 Lakhs and ₹ 17.08 Lakhs respectively), based on Management's itention. The profit for the year and total equity as at March 31, 2016 decreased by ₹ 3.92 Lakhs due to amortisation of the deferred rent of ₹ 18.10 Lakhs which is partially off-set by the notional interest income of ₹ 14.17 Lakhs recognized on security deposits.

10 Fair valuation of loans to employee and Director

Under the previous GAAP, loans to employees at concessional rate (that are recoverable in cash as per the loan terms) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these loans to employees and Director under Ind AS. Difference between the fair value and transaction value of the loans has been recognized as expenses in the profit and loss for the year. Consequent to this change, the amount of loans decreased by ₹ 25.57 Lakhs as at March 31, 2016 (April 1, 2015 – ₹ 31.27 Lakhs). The profit for the year and total equity as at March 31, 2016 increased by ₹ 12.77 Lakhs due to notional interest income recognized on loan to employees and director.

11 Fair valuation of forward contracts

Under the previous GAAP, the company applied the requirements of Accounting Standard 11-The effects of changes in foreign exchange rates to account for forward exchange contract for hedging foreign exchange risk related to recognized trade payables and trade receivables. At the inception of the contract, the forward premium was separated and amortized as expense over the tenure of the contract. The underlying trade payables, trade receivables and the forward contract were restated at the closing spot exchange rate.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognized in Statement of Profit and Loss. The change resulted in a net loss of ₹ 3,07.90 Lakhs as at March 31, 2016 (Net gain as on April 1, 2015 - ₹ 2,90.82 Lakhs). Consequently, other financial liabilities as at March 31, 2016 has increased by ₹ 17.21 Lakhs (financial assets as at April 1, 2015 increased by ₹ 2,90.82 Lakhs).

12 Government Grant

Under the previous GAAP, the grant received from the Government can be deducted from the carrying amount of fixed asset. Under Ind AS 20, the company shall recognise the asset related government grants outstanding on the transition date as deferred income with the corresponding adjustment made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact). The company has imported capital goods under Export Promotion Capital Goods (EPCG) Scheme and has recognized the duty saved on the same as deferred income with the corresponding impact in property, plant and equipment at the transition date amounting to ₹ 3,13.25 Lakhs. During the year 2015-16, the company has additionally imported capital goods under EPCG scheme and duty saved recognized on it is ₹ 15.73 lakhs. This deferred income has been bifurcated into Current and Non-current Asset amounting to ₹ 2,15.28 Lakhs and ₹ 56.83 Lakhs respectively (April 1, 2015 ₹ 2,56.90 Lakhs and ₹ 56.35 Lakhs respectively). The company has charged the depreciation and amortisation of deferred income amounting to ₹ 56.87 Lakhs based on useful life on the assets imported under EPCG scheme. There is no impact on the total equity as at March 31, 2016.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

13 Adjustment related to Property, Plant & Equipment

The company has elected to measure all of its PPE at their previous GAAP carrying value, hence, the revaluation reserve adjusted in retained earnings as on March 31, 2016 has been capitalised to PPE. Consequent to this change, the PPE has increased by ₹ 2,73.79 Lakhs. The profit for the year has decreased by ₹ 61.71 lakhs, being reversal of the depreciation previously charged to Revaluation reserve.

Under the previous GAAP, Goodwill and Trademark were amortized over the useful life. However, as per Ind AS, the same will be tested for impairment annually or more frequently if the events or changes in circumstances indicate that it might be impaired. Consequent to this change, there is an increase in the Goodwill and Trademark by ₹ 32.46 Lakhs and ₹ 20.44 Lakhs respectively, with a subsequent increase in the profit for the year.

14 Deferred tax

Deferred tax have been recognized on the adjustments made on transition to Ind AS.

15 Retained Earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS adjustments.

16 Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expenes that are not recognized in profit and loss but are shown in the statement of profit and loss as “Other Comprehensive Income”, includes remeasurement of Employee Benefit obligation and fair valuation of Equity Instruments through OCI and Income tax relating to these items. The concept did not exist under the previous GAAP.

57 INTEREST IN OTHER ENTITIES

(a) Subsidiary

The details of Company’s Subsidiary as at March 31, 2017 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also the principal place of business.

Name of the Entity	Place of Business / Country of Incorporation	Ownership interest held by the Company			Ownership interest held by the Non-Controlling Interests			Principal Activities
		31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015	
Saint-Gobain Ceramic Materials Bhutan Pvt Ltd.	Bhutan	70%	70%	70%	30%	30%	30%	Manufacturing of Silicon Carbide

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for the subsidiary that has non-controlling interests that are material to the company. The amounts disclosed for each subisidary are before inter company eliminations.

Summarised Balance Sheet	March 31, 2017	March 31, 2016	April 1, 2015
Current Assets	22,72.63	22,69.88	21,05.83
Current Liabilities	12,91.71	18,16.35	22,45.81
Net Current Assets	9,80.92	4,53.53	(1,39.97)
Non-current assets	37,63.39	36,45.21	39,89.64
Non-current liabilities	10,28.35	8,77.30	10,22.44
Net Non-current Assets	27,35.04	27,67.91	29,67.20
Net Assets	37,15.96	32,21.44	28,27.22
Accumulated NCI	11,23.44	9,74.37	8,59.40

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Lakhs)

Summarised Statement of Profit and Loss	March 31, 2017	March 31, 2016
Revenue	**69,36.53**	68,57.03
Profit for the year	**4,98.25**	3,95.17
Profit allocated to NCI	**1,49.05**	1,15.26

(₹ Lakhs)

Summarised Cash Flows	March 31, 2017	March 31, 2016
Cash flows from operating activities	**8,94.69**	7,95.91
Cash flows from investing activities	**(94.47)**	(88.46)
Cash flows from financing activities	**(4,51.56)**	(6,80.87)
Net increase / (decrease) in cash and cash equivalents	**3,48.66**	26.58

58 Additional Information of the Subsidiary required as per Schedule III

	For the Year Ended March 31, 2017								For the Year Ended March 31, 2016							
Particulars	Net Assets i.e. total assets minus total liabilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income		Net Assets i.e. total assets minus total liabilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	% of Consolidated net assets	Amount (₹ Lakhs)	% of Share in Profit	Amount (₹ Lakhs)	% of Other Comprehensive Income	Amount (₹ Lakhs)	% of Total Comprehensive Income	Amount (₹ Lakhs)	% of Consolidated net assets	Amount (₹ Lakhs)	% of Share in Profit	Amount (₹ Lakhs)	% of Other Comprehensive Income	Amount (₹ Lakhs)	% of Total Comprehensive Income	Amount (₹ Lakhs)
Grindwell Norton Ltd	99.40%	887,92.18	95.97%	116,00.98	100.00%	10,50.82	96.25%	126,51.80	99.73%	761,45.47	96.01%	102,14.12	100.00%	35,76.09	97.01%	137,90.21
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd	1.86%	16,33.41	5.27%	6,37.21			3.75%	4,87.97	1.55%	11,45.98	5.40%	5,39.68			2.99%	4,24.79
Non-Controlling Interest	-1.26%	(11,23.70)	-1.24%	(1,49.48)					-1.28%	(9,74.77)	-1.40%	(1,15.34)				

59 Previous year's figures have been recast and rearranged wherever necessary.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the Year Ended March 31, 2017 (₹ Lakhs)	For the Year Ended March 31, 2016 (₹ Lakhs)
Cash flow from operating activities		
Profit before income tax	**179,71.54**	161,08.94
Adjustments for		
Depreciation expense	**40,70.79**	40,90.11
Amortisation expense	**1,53.75**	1,68.25
(Gain) / Loss on disposal of property, plant and equipment	**15.30**	91.00
Profit on sale of investment	**(7,96.33)**	(6,47.46)
Unrealised gain on foreign exchange	**2,02.36**	(66.49)
Interest Income / Expenses	**1,01.43**	1,24.53
Change in operating assets and liabilities		
(Increase) / Decrease in trade receivables	**1,38.47**	(23,37.86)
(Increase) in inventories	**12,36.91**	(19,32.59)
Increase in other current financial assets	**(1,35.72)**	(67.19)
(Increase) / Decrease in other receivables	**(3,62.59)**	(10,25.49)
Increase / (Decrease) in trade payables	**(5,56.95)**	(3,39.76)
(Increase) / Decrease in other payables	**4,58.99**	2,34.08
Increase / Decrease in other financial liabilities	**(3,04.08)**	44,24.83
Cash generated from operations	**221,93.88**	**188,24.88**
Income taxes paid	**(60,85.16)**	(49,05.20)
Net cash inflow from operating activities	**161,08.72**	**139,19.68**
Cash flows from investing activities		
Payments for property, plant and equipment	**(41,25.87)**	(40,55.60)
(Increase) / Decrease in loans	**(1,13.12)**	5.89
Sale on investment	**7,96.33**	6,47.46
Proceeds from sale of property, plant and equipment	**54.90**	19.48
Purchase of investment	**—**	(5,00.00)
Dividend received	**(0.20)**	—
Interest received	**1,06.44**	1,18.47
Net cash outflow from investing activities	**(32,81.52)**	(37,64.30)
Cash flows from financing activities		
Deposit taken	**(7.71)**	(5,45.42)
Deposit matured	**5,45.42**	—
Interest paid	**(2,00.54)**	(2,41.54)
Loan taken	**2,72.07**	—
Loan repaid	**(3,61.48)**	(7,34.85)
Dividend paid	**—**	(71,96.80)
Dividend distribution tax	**—**	(14,65.26)
Net cash inflow / (outflow) from financing activities	**2,47.76**	(101,83.88)
Net increase / (Decrease) in cash and cash equivalents	**(130,74.95)**	28.49
Bank overdraft at the beginning of the year	**(8,78.55)**	(6,26.65)
Cash and cash equivalents at the beginning of the financial year	**116,44.05**	114,20.64
Overdraft at the end of the year	**(2,27.19)**	(8,78.55)
Cash and Cash Equivalents at end of the year	**240,67.64**	116,44.05

The accompanying notes (1 to 59) are an integral part of the financial statements.

As per our Report of even date

For and on behalf of Board of Directors of
Grindwell Norton Limited

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

Sai Venkata Ramana Damarla
Partner
Membership No. 107017

Mumbai: May 23, 2017

Pradip Shah	Chairman	DIN 00066242
Anand Mahajan	Managing Director	DIN 00066320
Deepak Chindarkar	Chief Financial Officer	
K. Visweswaran	Company Secretary	

Mumbai: May 23, 2017

NOTES

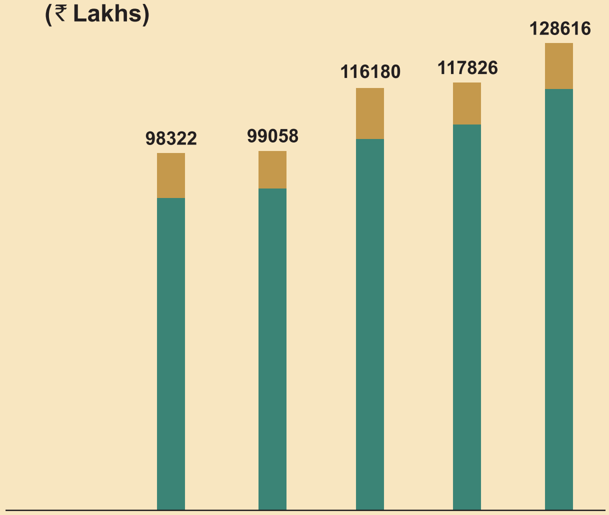
SAINT-GOBAIN

NOTES

FINANCIAL PERFORMANCE

Sales of Products

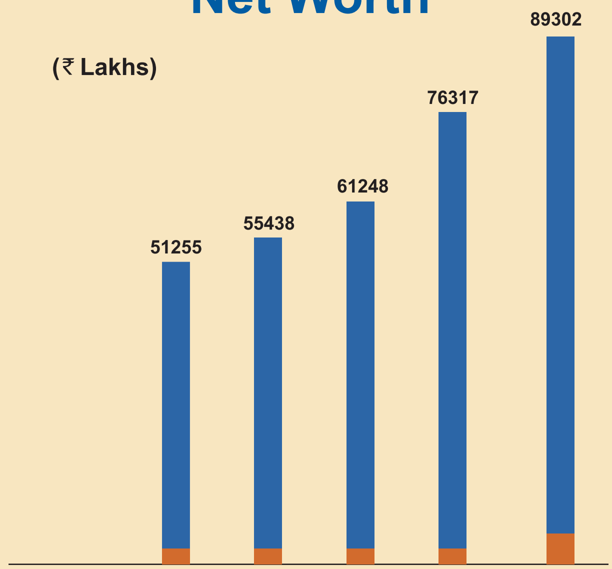
(₹ Lakhs)



Year	2012-13	2013-14	2014-15	2015-16	2016-17
Export	12372	10278	13755	13072	12381
Domestic	85950	88780	102425	104754	116235

Net Worth

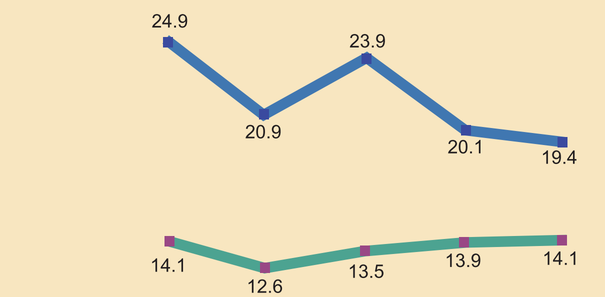
(₹ Lakhs)



Year	2012-13	2013-14	2014-15	2015-16	2016-17
Equity	2768	2768	2768	2768	5536
Reserves*	48487	52670	58480	73549	83766

* Excluding Revaluation Reserve except for FY15-16 and FY16-17

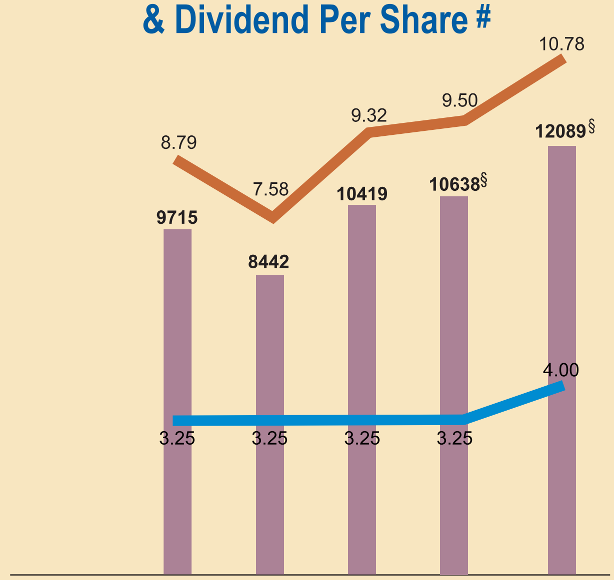
Operating Margin (%), ROCE (%) & Asset Turnover



Year	2012-13	2013-14	2014-15	2015-16	2016-17
Asset Turnover	1.77	1.66	1.77	1.45	1.38

Operating Margin   ROCE

Profit After Tax, Earning Per Share # & Dividend Per Share



Year	2012-13	2013-14	2014-15	2015-16	2016-17

Profit After Tax (₹ in Lakhs)   Earning Per Share (₹)   Dividend Per Share (₹)

\# Based on the enhanced capital   § Without Other Comprehensive Income

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