



June 28, 2019

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Symbol: GRINDWELL

BSE Limited
P.J. Towers, Dalal Street
Mumbai 400 001
Scrip Code No. 506076

Dear Sirs,

Sub: Annual Report

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2018-19 which is being dispatched / sent to the members by the permitted mode(s).

The Annual Report containing the Notice is also uploaded on the Company's website www.grindwellnorton.co.in.

Thanking you,

Yours faithfully,
For **Grindwell Norton Limited**

K. Visweswaran
Company Secretary
Membership No. A16123

5th Level, Leela Business Park,
Andheri Kurla Road, Marol,
Andheri (East), Mumbai – 400 059

Annual Report 2018-19



S U S T A I N E D G R O W T H



TEN YEAR CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ Lakhs)

	Jan 2009- Mar 2010 (15 Months)	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue from Operations (Net) ^	70222	78075	88434	91539	92298	108433	112061	126336	143097	159806
Operating Profit (Before Interest, Tax and Extraordinary Items)	13107	12621	15137	13853	12495	15671	16351 [§]	18172 [§]	22900 [§]	26194 [§]
Profit After Tax and Extraordinary Items	8605	8274	10284	9715	8442	10419	10638 [§]	12089 [§]	15089 [§]	16872 [§]
Share Capital	2768	2768	2768	2768	2768	2768	2768	5536	5536	5536
Reserves and Surplus *	32352	36853	42966	48487	52670	58480	73549	83766	93516	104256
Total Debts	2611	2105	1891	2237	1641	1491	1517	776	4	0
Net Fixed Assets *	22928	23525	31310	38512	37696	36360	36405	37434	36672	38804
Net Working Capital ¢	12823	16923	15124	14107	18520	25597	32307	41348	48336	57040
Earnings Per Share (₹) #	7.80	7.55	9.30	8.79	7.58	9.32	9.50	10.78	13.52	15.11
Dividend Per Share (₹) #	3.00	3.00	3.25	3.25	3.25	3.25	3.25	4.00	5.00	6.00
Book Value Per Share (₹) * #	31.72	35.78	41.31	46.29	50.07	55.32	68.93	80.66	89.46	99.16

KEY RATIOS

Operating Margin (%)	18.67	16.17	17.12	15.13	13.54	14.45	14.59	14.38	16.00	16.40
Asset Turnover	1.40	1.80	1.80	1.60	1.50	1.70	1.45	1.40	1.43	1.44
Return on Capital Employed (%)	26.77 [@] 29.20	30.71	24.87	20.92	23.93	20.11	19.50	22.80	23.60	
Current Ratio	1.78	1.89	1.61	1.63	1.80	1.91	2.23	2.58	2.65	2.98
Dividend Payout Ratio (incl tax)	38%	45%	40%	43%	51%	43%	43%	46%	45%	48%

Figures re-cast wherever necessary

Based on the enhanced capital & Sub-divided Face Value of ₹ 5 each

§ Without Other comprehensive income

* Without Revaluation Reserve except upto FY 2014-15.

@ Annualised

^ Upto FY 2015-16 revenue includes only sale of product and from FY 2016-17 revenue also includes other operating income.

¢ Net working capital includes cash and cash equivalents.

Bankers

Standard Chartered Bank
Deutsche Bank
HDFC Bank
ICICI Bank

Statutory Auditors

M/s. Price Waterhouse Chartered
Accountants LLP

Registrars & Transfer Agents

TSR Darashaw Consultants Private Limited
(erstwhile 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.co.in

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

(as on May 29, 2019)

Mr. Keki M. Elavia
(Chairman)

Ms. Marie-Armelle Chupin

Mr. Laurent Guillot

Mr. Patrick Millot

Mr. Mikhail Narang

Dr. Archana Niranjana
Hingorani

Mr. Shivanand Salgaocar

Mr. Sreedhar Natarajan

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. Hari Singudasu
(Abrasives)

Company Secretary

Mr. K. Visweswaran

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NOTICE

Notice is hereby given that the 69th Annual General Meeting (“AGM”) of the Members of Grindwell Norton Limited will be held on Thursday, July 25, 2019 at 3:00 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001, India, 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, 2019, 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, 2019, together with the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr. Patrick Millot (Director Identification No. 00066275), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Appointment of Mr. Sreedhar Natarajan as a Director of the Company**

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

“RESOLVED THAT Mr. Sreedhar Natarajan (Director Identification No. 08320482), who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 4, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Article 112 of the Articles of Association of the Company, and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Non-Executive Director, of the Company, liable to retire by rotation.”

5. **Appointment of Dr. Archana Niranjani Hingorani as an Independent Director of the Company**

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

“RESOLVED THAT Dr. Archana Niranjani Hingorani (Director Identification No. 00028037), who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 1, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Article 112 of the Articles of Association of the Company, and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent, Non-Executive Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time, the appointment of Dr. Archana Niranjani Hingorani, who meets the criteria of independence as provided in Section 149(6) of the Act along with the Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, and is eligible for appointment as an Independent, Non-Executive Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from April 1, 2019 to March 31, 2024, be and is hereby approved.”

6. **Re-appointment of Mr. Keki M. Elavia as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 17 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time,



Mr. Keki M. Elavia (Director Identification No. 00003940), who was appointed as an Independent, Non-Executive Director at the 64th Annual General Meeting of the Company and who holds office up to July 22, 2019, whose appointment as an Independent, Non-Executive Director has been approved by the Board of Directors pursuant to the recommendation of the Nomination and Remuneration Committee with effect from July 23, 2019 and who is eligible for re-appointment and who meets the criteria of independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent, Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from July 23, 2019 to July 22, 2024.

RESOLVED FURTHER THAT pursuant to Regulation 17 (1A) of the Listing Regulations and other applicable provisions if any, of the Act and applicable Rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the Members be and is hereby accorded to Mr. Keki M. Elavia, who will attain the age of seventy five years on April 9, 2021, to continue as an Independent, Non-Executive Director of the Company till the expiry of second term of his re-appointment.”

7. Ratification of Remuneration to Cost Auditor 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 the Companies (Audit and Auditors) Rules, 2014, as amended or re-enacted from time to time, the remuneration of ₹2,00,000/- (Rupees two lakhs only) plus taxes and out of pocket expenses at actuals payable to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), who are appointed by the Board of Directors as Cost Auditor of the Company to conduct the audit of the cost records for the financial year ending March 31, 2020, 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 29, 2019

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.co.in

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. 4 to 7 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, in respect of Directors seeking appointment/re-appointment at the Annual General Meeting (“AGM”) are also annexed.
- (b) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act will be available for inspection by Members at the AGM.
- (c) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 THE 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 the AGM.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 19, 2019 to Thursday, July 25, 2019 (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 Monday, July 29, 2019, as under:
 - i. to all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and Central Depository Service (India) Limited (“CDSL”) as of the close of business hours on Thursday, July 18, 2019.
 - ii. to all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, July 18, 2019.
- (g) As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to dematerialised form. Members can contact the Company or Company’s Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited (“TSRDCPL”) (erstwhile TSR Darashaw Limited) for assistance in this regard.
- (h) 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, TSRDCPL to provide efficient and better services.

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

- (i) 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 TSRDCPL.



- (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 TSRDCPL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making requisite changes thereon.
- (k) In case of joint holders attending the 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 the 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"):

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to Unpaid Dividend Account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The unclaimed or unpaid final dividend for the financial year ended March 31, 2011, has been transferred to IEPF on September 21, 2018.

During the financial year 2018-19, 13,191 equity shares in respect of which dividend has not been claimed by the Members for seven consecutive years or more, have been transferred by the Company to IEPF. Details of shares transferred have been uploaded on the website of the IEPF as well on the website of the Company, www.grindwellnorton.co.in.

The Company has uploaded the information in respect of unclaimed dividends, as on the date of last AGM i.e. July 26, 2018, on the website of the IEPF, www.iepf.gov.in and on the website of the Company, www.grindwellnorton.co.in.

In the interest of the Members, the Company sends periodical reminders to the Members to claim their dividends in order to avoid transfer of dividends/ shares to the IEPF Authority. Notices in this regards also published in the newspapers and the details of unclaimed dividends and Members whose shares are liable to be transferred to the IEPF Authority are uploaded on the Company's website, www.grindwellnorton.co.in.

The information in respect of the dividends are as follows:

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
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
2016-17	July 26, 2017	August 26, 2024
2017-18	July 26, 2018	August 25, 2025

The Members who are yet to encash their 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 TSRDCPL.

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 the 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. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

- (n) Notice of the AGM along with the Annual Report 2018-19 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 2018-19 will also be available on the Company's website, www.grindwellnorton.co.in.

Members who have received the Notice of the AGM along with the Annual Report 2018-19 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 the AGM.

- (o) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRDCPL /DPs.
- (p) At the 67th AGM held on July 26, 2017, the Members approved appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 72nd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 69th AGM.
- (q) The route map showing directions to reach the venue of the 69th AGM is annexed.

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Act 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 (SS-2) issued by 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 the 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 the 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 Sunday, July 21, 2019 (9:00 a.m.) and ends on Wednesday, July 24, 2019 (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, Thursday, July 18, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL after Wednesday, July 24, 2019 (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 or cast the vote again.
- V. The details of the process and manner for remote e-voting are explained herein below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.



2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your e-mail ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your e-mail ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is **110763**.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

- 1 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to grindwell.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- VI. 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).
- VII. 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, Thursday, July 18, 2019.
- VIII. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, Thursday, July 18, 2019, 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.
- IX. 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.
- X. A person, whose name is recorded in the Register of Members as on the cut-off date, Thursday, July 18, 2019, only shall be entitled to avail the facility of remote e-voting or voting at the AGM through Ballot Paper.
- XI. The Board of Directors has appointed Mr. P.N. Parikh (Membership No. FCS 327) or failing him Mr. Mitesh Dhaliwala (Membership No. FCS 8331) of M/s. Parikh & Associates, Company Secretaries 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.



- XII. 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.
- XIII. 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 (48) 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.
- XIV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, www.grindwellnorton.co.in, 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 under Item Nos. 4 to 7 in the accompanying Notice:

Item No. 4:

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Sreedhar Natarajan (Director Identification No. 08320482) as an Additional Director of the Company with effect from February 4, 2019.

Pursuant to the provisions of Section 161(1) of the Act and Article 112 of the Articles of Association of the Company, he holds office of Additional Director only up to the date of this Annual General Meeting (“AGM”) of the Company and is eligible to be appointed as Non-Executive Director, whose office shall be liable to retire by rotation. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing his candidature for the office of Director.

Further details of Mr. Sreedhar Natarajan have been given in the Annexure to this Notice.

The Board recommends the Ordinary Resolution set out at Item No.4 of this Notice for approval of the Members.

Except Mr. Sreedhar Natarajan and his relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the Resolution set out at Item No. 4 of this Notice.

Item No. 5:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Dr. Archana Niranjana Hingorani (Director Identification No. 00028037) as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of five consecutive years, from April 1, 2019 to March 31, 2024, subject to approval of the Members.

In accordance with the provisions of Section 161(1) of the Act and Article 112 of the Articles of Association of the Company, Dr. Archana Niranjana Hingorani shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term of five consecutive years. The Company has, in terms of Section 160 (1) of the Act, received a notice in writing from a Member, proposing her candidature for the office of Director.

The Company has received declaration from Dr. Archana Niranjana Hingorani to the effect that she meets the criteria of independence as provided in Section 149 (6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In terms of Regulation 25(8) of the Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. In the opinion of the Board, she fulfils the conditions specified in the Act, Rules and Listing Regulations for appointment as an Independent, Non-Executive Director and she is independent of the management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of Dr. Archana Niranjana Hingorani as an Independent, Non-Executive Director is now being placed before the Members for their approval.

The terms and conditions of appointment of Dr. Archana Niranjana Hingorani shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day (excluding Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM and is also available on the website of the Company, www.grindwellnorton.co.in.

Further details of Dr. Archana Niranjana Hingorani have been given in the Annexure to this Notice.

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

Except Dr. Archana Niranjana Hingorani and her relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the Resolution set out at Item No. 5 of this Notice.

Item No. 6:

The Members at the 64th Annual General Meeting of the Company approved the appointment of Mr. Keki M. Elavia (Director Identification No. 00003940) as an Independent, Non-Executive Director of the Company for five consecutive years effective from July 23, 2014 and he is eligible for a re-appointment for a second term of five consecutive years commencing from July 23, 2019 to July 22, 2024.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 29, 2019, subject to the approval of the Members at the 69th Annual General Meeting of the Company, has re-appointed Mr. Keki M. Elavia as an Additional, Independent, Non-Executive Director. It is proposed to seek approval of the Members to the re-appointment of Mr. Keki M. Elavia as an Independent, Non-Executive Director for a second term of five consecutive years from July 23, 2019 to July 22, 2024, as made by the Board of Directors. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing his candidature for the office of Director.



The Board of Directors, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, consider that given his expertise and contribution, the continued association of Mr. Keki M. Elavia will be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

The Company has received a declaration from Mr. Keki M. Elavia to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In terms of the Regulation 25(8) of Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfills the conditions specified in the Act and Listing Regulations for re-appointment as an Independent Director and is independent of the management of the Company.

Mr. Keki M. Elavia will attain the age of 75 years during the said term of re-appointment. In accordance with the Listing Regulations, a person who has attained the age of seventy five years can continue as a Non-Executive Director in a Listed Company, provided approval of the Members by way of a Special Resolution is obtained. In compliance with the Listing Regulations, the Special Resolution as set out in Item No. 6 of the Notice seeking approval of the Members for continuation of directorship of Mr. Keki M. Elavia as an Independent, Non-Executive Director of the Company from April 9, 2021 till the expiry of second term of his re-appointment. The Board considers that the knowledge and experience of Mr. Keki M. Elavia in the field of Finance and Accounts will immensely benefit the Company.

In compliance with the provisions of section 149 read with Schedule IV to the Act, the re-appointment of Mr. Keki M. Elavia as an Independent, Non-Executive Director is now being placed before the Members for their approval.

The terms and conditions of re-appointment of Mr. Keki M. Elavia shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day (excluding Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM and is also available on the website of the Company, www.grindwellnorton.co.in.

Further details of Mr. Keki M. Elavia have been given in the Annexure to this Notice.

The Board recommends the Special Resolution set out at Item No. 6 of this Notice, for approval of the Members.

Except Mr. Keki M. Elavia and his relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the Resolution set out at Item No. 6 of this Notice.

Item No. 7:

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Rao, Murthy and Associates, Cost Accountants (Firm Registration No. 000065) as "Cost Auditor" of the Company, to conduct the audit of the cost records for the financial year ending March 31, 2020.

In accordance with the provision of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020.

The Board recommends the Ordinary Resolution set out at Item No. 7 of this Notice, for approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the Resolution set out at Item No. 7 of this Notice.

By Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Mumbai, May 29, 2019

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.co.in

Corporate Identity Number: L26593MH1950PLC008163

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

Item No. 3:

Name of the Director	Mr. Patrick Millot
Director Identification Number	00066275
Date of Birth	September 10, 1963
Age	55 years
Date of first appointment on the Board	March 6, 2006
Qualifications	Graduate Degree in Engineering
Brief Resume including experience	Mr. Patrick Millot joined Compagnie de Saint-Gobain in 1996 and has gained rich experience in various fields. Present, he is the President of the Abrasives business which is part of the High Performance Solutions sector of Compagnie de Saint-Gobain
Expertise in specific functional role	Wide experience in General Management and various Businesses of Saint-Gobain
Terms and Conditions of Appointment/Re-appointment	As per the resolution passed by the shareholders at the Annual General Meeting of the Company held on July 28, 2016. Mr. Patrick Millot was appointed as a Non-Executive Director, liable to retire by rotation As per Item No. 3 of the Notice, the approval of the Members is sought for his appointment as a Non-Executive Director, of the Company, liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	No Remuneration is payable
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the year	1
Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on March 31, 2019	Nil
Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2019	Nil
Number of equity shares held in the Company as on March 31, 2019	Nil



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

Item No. 4:

Name of the Director	Mr. Sreedhar Natarajan
Director Identification Number	08320482
Date of Birth	July 10, 1969
Age	49 years
Date of first appointment on the Board	February 4, 2019
Qualifications	CMA, Master's Degree in Commerce and Master's Degree in Management
Brief Resume including experience	Mr. Sreedhar Natarajan joined Grindwell Norton Ltd in 1994 as a management accountant in the Abrasives Business in India and later assumed responsibility for its Finance function. In 2003, he moved to Saint-Gobain's headquarters in Paris and worked in various functions such as Internal Audit and the Group Finance Controlling. In 2006, he was appointed as Finance Director, West Europe, of the Construction Products Sector of Saint-Gobain. In 2008, he returned to India as the General Manager of the Coated Abrasives Business and in 2010, he was nominated as Vice-President, Abrasives India. In 2015, he moved to Paris as the Chief Financial Officer of the High-Performance Materials Sector. Effective January 1, 2019, Mr. Sreedhar Natarajan has been appointed as the Chief Financial Officer of Compagnie de Saint-Gobain
Expertise in specific functional role	Wide Experience in Finance and Management
Terms and Conditions of Appointment/Re-appointment	Appointed as an Additional Director of the Company effective from February 4, 2019, to hold office up to the date of the Annual General Meeting of the Company. As per Item No. 4 of the Notice, the approval of the Members is sought for his appointment as a Non-Executive Director, of the Company, liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	No Remuneration is payable
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the year	-
Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on March 31, 2019	Nil
Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2019	Nil
Number of equity shares held in the Company as on March 31, 2019	Nil

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

Item No. 5:

Name of the Director	Dr. Archana Niranjana Hingorani
Director Identification Number	00028037
Date of Birth	September 9, 1965
Age	53 years
Date of first appointment on the Board	April 1, 2019
Qualifications	Bachelor's degree in Arts from the University of Mumbai, a Master's degree in Business Administration from the Graduate School of Business, University of Pittsburgh, USA and a Doctorate degree in Philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA
Brief Resume including experience	Dr. Archana Niranjana Hingorani is an Independent Director of the Company. She has over 28 years of experience in financial services and private equity fund investment. She is currently a Managing Partner at Siana Capital, an investment firm focused on technology and innovation. Her prior experience includes over two decades of heading asset management for IL&FS. She has been the recipient of various awards such as 'Ten most influential women in private real estate investing' by PERE in 2010, 'Most Powerful Women' in 2014, 2015, 2016 and 2017 by Fortune India, 'Most Powerful Women' in 2011, 2012 and 2013 by Business Today, '25 Most Influential Women in Asia Asset Management' by Asian Investor in May, 2014, and 'Distinguished International Alumnus' in the year 2016 by the Katz Graduate School of Business, University of Pittsburgh, USA. In sum, she has over 32 years' experience in the financial services business, teaching and research. Presently, she serves as a Director in various Companies and a Visiting Faculty at the Katz Business School, USA
Expertise in specific functional role	Wide experience in Financial Markets
Terms and Conditions of Appointment/Re-appointment	Appointed as an Independent, Non-Executive Director of the Company for five consecutive years effective from April 1, 2019 to March 31, 2024, subject to the approval of the Members. She will be entitled to sitting fees and commission as per the special resolution passed by the Members at the Annual General Meeting of the Company held on July 26, 2017.
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	As per the Special Resolution passed by the Members at the Annual General Meeting of the Company held on July 26, 2017
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the year	-
Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on March 31, 2019	<ul style="list-style-type: none"> • Alembic Pharmaceuticals Limited • DEN Networks Limited • 5paise Capital Limited
Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2019	<ul style="list-style-type: none"> • Alembic Pharmaceuticals Limited Audit Committee - Member • 5paise Capital Limited Audit Committee - Chairman Stakeholders Relationship Committee - Member
Number of equity shares held in the Company as on March 31, 2019	Nil



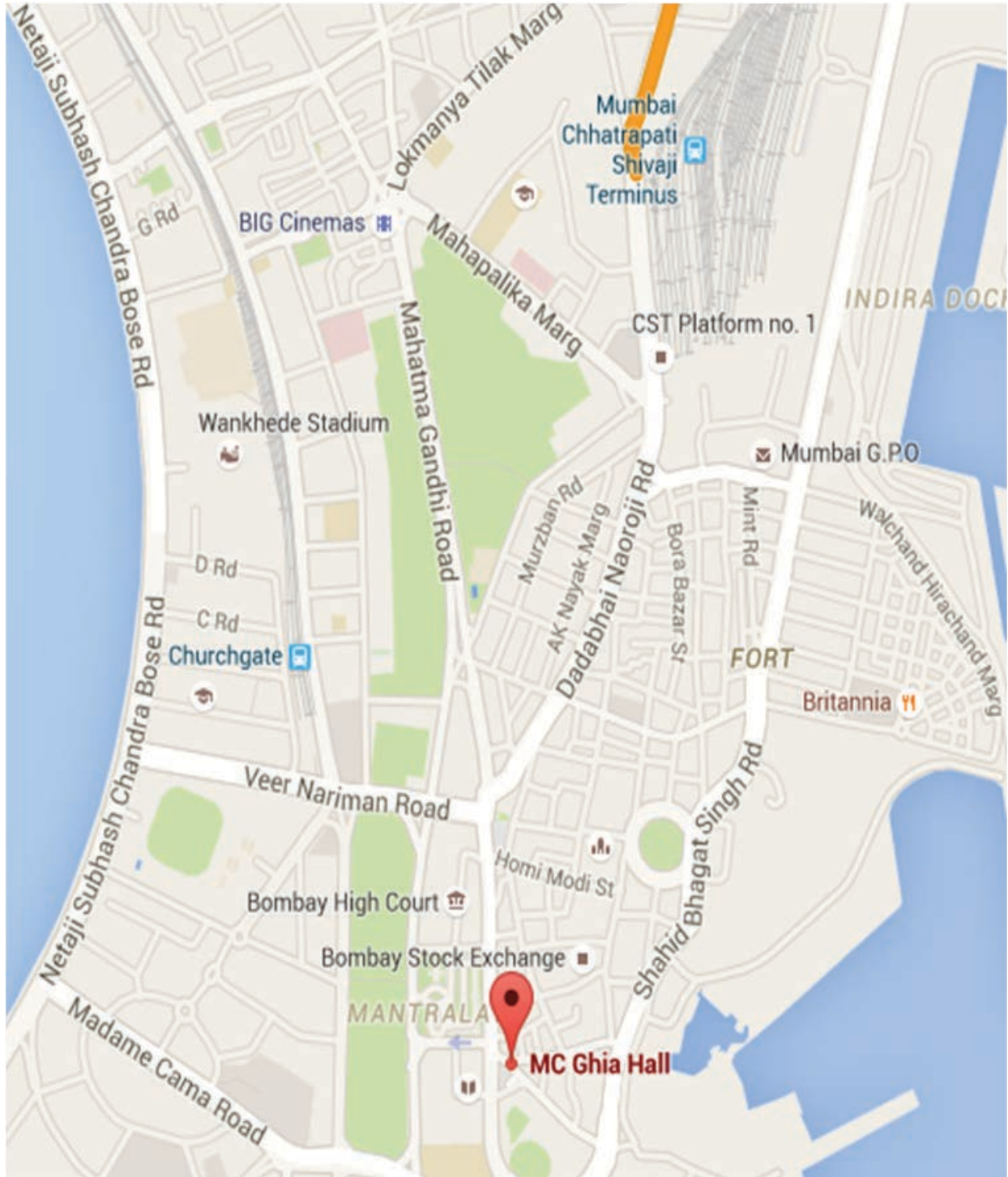
DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Item No. 6:

Name of the Director	Mr. Keki M. Elavia
Director Identification Number	00003940
Date of Birth	April 9, 1946
Age	73 years
Date of first appointment on the Board	July 26, 2012
Qualifications	Chartered Accountant
Brief Resume including experience	Mr. Keki M. Elavia is a Chartered Accountant in Public Practice. He is a Director on the Board of various listed and unlisted companies. He is also a trustee of educational and medical trusts. The Reserve Bank of India appointed Mr. Keki M. Elavia as a member of the Indian Advisory Committee of the Hong Kong and Shanghai Banking Corporation Limited
Expertise in specific functional role	Wide experience in Finance and Accounts
Terms and Conditions of Appointment/Re-appointment	As per the resolution passed by the shareholders at the Annual General Meeting of the Company held on July 23, 2014. Mr. Keki M. Elavia was appointed as an Independent, Non-Executive Director for a term of five consecutive years commencing from July 23, 2014, not liable to retire by rotation. As per Item No. 6 of the Notice, the approval of the Members are sought for his re-appointment as an Independent, Non-Executive Director of the Company, not liable to retire by rotation, for second term of five consecutive years commencing from July 23, 2019 to July 25, 2024. He will be entitled for sitting fees and commission as per the special resolution passed by the Members at the Annual General Meeting of the Company held on July 26, 2017.
Remuneration last drawn (including sitting fees, if any)	₹19,60,000/-
Remuneration proposed to be paid	As per the Special Resolution passed by the Members at the Annual General Meeting of the Company held on July 26, 2017
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the year	5
Directorships held in other listed companies (excluding foreign companies and Section 8 companies) as on March 31, 2019	<ul style="list-style-type: none"> • Goa Carbon Limited • Britannia Industries Limited • Godrej Industries Limited • Dai-ichi Karkaria Limited • The Bombay Dyeing and Manufacturing Company Limited
Memberships/Chairmanships of Committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2019	<ul style="list-style-type: none"> • Goa Carbon Limited Audit Committee - Member • Britannia Industries Limited Audit Committee - Chairman • Dai-ichi Karkaria Limited Audit Committee - Member • The Bombay Dyeing and Manufacturing Company Limited Audit Committee - Chairman
Number of equity shares held in the Company as on March 31, 2019	Nil

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

Dear Members,

Your Directors are pleased to present the 69th Annual Report of the Company along with the audited financial statements for the year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

(₹crores)

	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Sale of Products (Gross)	1447.22	1329.92	1478.56	1355.48
Service & Other Operating Income	119.63	127.28	119.50	125.25
Less: Excise Duty		(22.81)		(22.81)
Revenue from Operations	1566.85	1434.39	1598.06	1457.92
Operating Profit	254.58	223.16	261.94	229.00
Interest	1.48	1.05	1.50	1.53
Profit before Tax	253.10	222.11	260.44	227.47
Provision for Tax	89.26	74.95	91.72	76.58
Profit for the year	163.84	147.16	168.72	150.89
Other Comprehensive Income	5.28	(0.14)	5.28	(0.14)
Total Comprehensive Income for the year	169.12	147.02	174.00	150.75
Less: Share of Minority Interest	-	-	(1.48)	(1.14)
Total Comprehensive Income attributable to owners	169.12	147.02	172.52	149.61

DIVIDEND

Your Directors are pleased to recommend for approval of the Members a dividend of ₹6/- per equity share of face value of ₹5/- each for the financial year ended March 31, 2019. The dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹80.08 crores, including dividend tax, as against the cash outflow of ₹66.74 crores in the previous year.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the reserves.

OPERATIONS

While the Indian economy was stable during the financial year 2018-19, overall growth decelerated as the year unfolded and was lower than forecasts and the previous year. Similarly, after a solid start to the year, growth of industrial output (as measured by the Index for Industrial Production) weakened as the year progressed and registered a decline compared to the previous fiscal. Led by the auto industry, the manufacturing sector, in particular, witnessed a sharp decline in growth in the last quarter (less than 2%). Investment demand remained subdued throughout the year, while consumer demand has softened in recent months. While inflation (as measured by the Consumer Price Index) remained low, the Wholesale Price Index witnessed an increase (above 4% after 4 years), primarily on account of the rising trend of global oil prices. The increase in oil prices also contributed to the unexpected depreciation (8% on average during the fiscal year) of the Indian Rupee against the US Dollar; in October, the Rupee touched a new low, but has appreciated since then. Meanwhile, the Goods and Services Tax (GST) stabilized. All in all, 2018-19 was a stable, but somewhat disappointing year for the economy. Reflecting this, your Company's standalone revenue from operations and operating profit increased by 9.2% and 14.1% respectively and consolidated revenue from operations and operating profit increased by 9.6% and 14.4% respectively.

Abrasives

After strong growth in domestic sales in the first half of the financial year, the Abrasives business witnessed a sharp fall in growth (less than 5%) in the second half. This was mainly due to the weakening of industrial activity (led by the auto sector) and partly due to our efforts to increase prices. Export markets were subdued throughout the year. Meanwhile, the business continued to focus on new products and new markets. Mainly due to the rise in input costs (on account of the higher oil prices and the depreciation of the Rupee), Margins remained under pressure throughout the year. Overall in 2018-19, sales of the Abrasives business grew by 7.5% (mostly, on account of volume growth, but partly on account of price increases), while operating profit increased by 7.5%.

Ceramics & Plastics

With stable domestic demand and firm global prices, 2018-19 was a reasonable year for the Silicon Carbide business. While volumes remained at the same level, higher prices resulted in an increase in sales and an improved operating margin. The Performance Ceramics and Refractories (erstwhile, High Performance Refractories) business had an excellent year in terms of sales, with strong growth in domestic and export markets, Margins and profits, however, declined, partly due to the increase in input cost, partly due to an adverse product mix and partly due to some customer rejections. The Performance Plastics business had an excellent year with sales and profit growing significantly. The ADFORS business was stable. Overall on consolidated basis, the Ceramics and Plastics segment saw sales and operating profit grow by 16.7% and 25% respectively.

Others

The captive IT Development Centre (INDEC) benefited from the depreciation of the Rupee and the Projects division had a good year. As a result, this segment witnessed an increase in revenues and profits in 2018-19.

SUBSIDIARY COMPANY

The Company has one subsidiary in Bhutan, Saint-Gobain Ceramic Materials Bhutan Private Limited. 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"), it is not a material subsidiary.

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-1 containing salient features of the financial statements of the subsidiary Company is also included in the Annual Report. In accordance with the 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 statements of the subsidiary has been placed on the website of the Company, www.grindwellnorton.co.in. 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 positive, the short term outlook is uncertain. The last few months have witnessed a decline in growth. Investment demand remains weak and consumer demand has softened. Bank balance sheets remain stressed. Global oil prices have risen and the world economy has slowed down. Having said this, there are a few positives. There are signs that capacity utilization is increasing and there are hopes that the investment cycle will revive. The new Government, in its first year, is likely to take action to revive growth. Inflation is expected to remain low and the Rupee is expected to depreciate gradually. In the balance, however, it is best to assume that the current year will be similar to the previous year - another stable year with moderate growth. Your Company's management will continue to focus on new products, new markets and exports to sustain growth even as it implements plans to improve productivity across its businesses. More important, most of your Company's businesses have seen margins decline in the last two years, primarily on account of rising input costs (mainly, raw materials and energy) and, as such, increasing prices in 2019-20 remains a priority.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

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



PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

HUMAN RESOURCES

Employee relations were cordial and productive at all sites of your Company. At the end of the financial year, there were 1956 employees. 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 change initiatives were undertaken during the year. To ensure this and also to improve skill levels, employees participate in various training programmes and complete mandatory e-learning courses.

Your Company is committed to create and sustain a positive workplace environment, free from discrimination and harassment of any nature. 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 Company.

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 Act and read with Rule 8 of the Companies (Accounts) Rules, 2014, is set out in the Annexure 1 of 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, ISO 14001 and OHSAS 18001. These certifications and various awards are recognition of the efforts made and results achieved by your Company in improving the Environment, Health and Safety at all its work sites.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 2(A) to this Report.

The Statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a Annexure 2(B) forming part of this Report. Further, the Annual Report is being sent to the Members excluding the aforesaid Annexure 2 (B). In terms of Section 136 of the Act, the said Annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining copy of the same may write to the Company Secretary. The full Annual Report including the aforementioned information is available on the website of the Company, www.grindwellnorton.co.in.

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

Appointment/Re-appointment

In accordance with the Act and the Articles of Association of the Company, Mr. Patrick Millot (Director Identification No. 00066275), Director, retires by rotation and, being eligible, has offered himself for re-appointment. The Board recommends the re-appointment of Mr. Patrick Millot.

In accordance with Section 161(1) of the Act and Article 112 of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Sreedhar Natarajan (Director Identification No. 08320482) as an Additional Director of the Company with effect from February 4, 2019. Mr. Sreedhar Natarajan will hold office only up to the date of the forthcoming AGM and a notice under Section 160(1) of the Act has been received from a Member proposing his candidature for the office of Director of the Company. Mr. Sreedhar Natarajan is liable to retire by rotation.

In terms of the provisions of the Act, Mr. Keki M. Elavia (Director Identification No. 00003940) has been appointed as an Independent, Non-Executive Director at the AGM held on July 23, 2014 for a term of five consecutive years commencing from July 23, 2014. Mr. Keki M. Elavia has wide experience in the Finance and Accounts will immensely benefit to your Company. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of the Act and Listing Regulations, his re-appointment for a second term of five consecutive years commencing from July 23, 2019 to July 22, 2024, is proposed at the forthcoming AGM for the approval of the Members by way of Special Resolution. Mr. Keki M. Elavia will attain the age of 75 years during the said term of re-appointment. Mr. Keki M. Elavia is not liable to retire by rotation. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Independent, Non-Executive Director of the Company.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and in accordance with provisions of the Act and Listing Regulations, appointed Dr. Archana Niranjana Hingorani (Director Identification No. 00028037) as an Additional and Independent, Non-Executive Director on the Board for a tenure of five consecutive years with effect from April 1, 2019, subject to approval of Members at the AGM. Dr. Archana Niranjana Hingorani is not liable to retire by rotation. She shall hold office as Additional Director up to the date of the forthcoming AGM and is eligible for appointment as an Independent, Non-Executive Director. The Company has received a notice under Section 160(1) of the Act proposing her candidature for the office of Independent, Non-Executive Director of the Company. The induction of Dr. Archana Niranjana Hingorani, who has wide experience of the financial markets, will benefit your Company.

Mr. Keki M. Elavia and Dr. Archana Niranjana Hingorani have submitted declarations that each of them meet the criteria of independence as provided in Section 149 (6) of the Act and Regulation 16(1) of the Listing Regulations. There has been no change in circumstances affecting their status as an Independent, Non-Executive Director of the Company during the year.

The disclosures required pursuant to Regulation 36 of the Listing Regulations, clause 1.2.5 of the Secretarial Standard on General Meetings are given in the Notice of AGM, forming part of the Annual Report and Schedule V of the Listing Regulations are given in the Corporate Governance Report, forming part of the Annual Report. Attention of the Members is also invited to the relevant Items in the Notice of the AGM.

The approval of the Members for their appointment/re-appointment as Directors has been sought in the Notice convening the AGM of your Company.

Cessation

Mr. Pradip Shah (Director Identification No. 00066242), who had completed nearly 13 years on the Board of your Company, relinquished the position of Independent Director with effect from April 1, 2019, due to other professional commitments. There were no other material reasons for relinquishing the position of Independent Director. The Directors place on record their deep appreciation for the enormous contributions made by Mr. Pradip Shah, as an Independent Director from 2006 to 2012 and thereafter, as Independent Chairman of the Company. The Company and the Board benefitted immensely from Mr. Pradip Shah's vast experience, knowledge and insights.

Mr. Shivanand Salgaocar (Director Identification No. 00001402) had been appointed as an Independent Director at the AGM held on July 23, 2014 for a term of five consecutive years commencing from July 23, 2014 till July 22, 2019. Mr. Salgaocar, who has completed nearly 13 years of service on the Board of your Company, does not wish to seek re-appointment on the expiry of his term on July 22, 2019, due to other professional commitments. There are no other material reasons for non-seeking of re-appointment for a second term. The Directors place on record their deep appreciation for the significant contributions made by Mr. Shivanand Salgaocar as an Independent Director from 2006 to 2019. The Company and the Board benefitted immensely from Mr. Salgaocar's vast experience, knowledge and insights.

Mr. Guillaume Texier (Director Identification No. 05103331) was appointed as an Additional Director of the Company with effect from July 27, 2018. Following a restructuring within the Saint-Gobain Group and his transfer to a new position, Mr. Guillaume Texier, relinquished the position of Non-Executive Director with effect from February 4, 2019. The Directors place on record their appreciation for the valuable contribution made by Mr. Guillaume Texier during his tenure as an Additional Director.



KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company are: Mr. Anand Mahajan, Managing Director, Mr. Krishna Prasad, Executive, Alternate Director to Ms. Marie-Armelle Chupin, Mr. Deepak Chindarkar, Chief Financial Officer and Mr. K. Visweswaran, Company Secretary. During the year, there has been no change in the Key Managerial Personnel.

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 THE INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) and 25(8) of the Listing Regulations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The purpose of the programme is aimed to familiarise the Independent Directors with the Company, the nature of the industry in which the Company operates and the business model of the Company. The details of the familiarisation programme imparted to the Independent Directors are available on the Company's website at www.grindwellnorton.co.in/investor-informaton. 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 and one meeting of Independent Directors was also held. The maximum interval between the board meetings did not exceed the period prescribed under the Act and the Listing Regulations.

COMMITTEES OF THE BOARD

During the year, in accordance with the Act and Regulation 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, meetings 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 of the Act:

- i. that in the preparation of the annual financial statements for the year ended on March 31, 2019, 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, 2019, 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 that the Company has sound Internal Financial Controls ("IFC") commensurate with the nature and size of its business. However, business is dynamic and the 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 and is also available on the Company's website at www.grindwellnorton.co.in.

ANNUAL EVALUATION OF PERFORMANCE BY THE BOARD

The Board of Directors, on the 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. The evaluation parameters are based on the execution of specific duties, quality, deliberation at the meeting, independence of judgement, decision making, contribution of Directors at the meetings and functioning of the Committees.

The performance of the Board, its committees, individual directors and chairperson were reviewed by the Nomination and Remuneration Committee and the Board. The Independent Directors evaluated the performance of Non-Independent Directors, Chairperson and the the Board, as a whole. The Board of Directors evaluated the performance of the Independent Directors, their fulfillment of independence criteria in terms of the Act and Listing Regulations and independence from the management. The Director being evaluated did not participated in the evaluation process.

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, no material related party transactions were entered by your Company.

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.co.in. There are no transactions that are required to be reported in Form AOC-2.

The details of the transactions with related parties pursuant to Ind AS -24 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 the 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 the 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 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 Act, 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 2018-19 was around 0.63% of the profit of the Company during the three immediately preceding financial years.

RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROLS

Your Company recognises that managing risk is an integral part of the 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 and others to report unethical, unlawful or improper practices, acts or activities including leak or suspected leak of Unpublished Price Sensitive Information 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.co.in.

AUDITORS

a. Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) were appointed as Statutory Auditors of your Company at the 67th AGM of the Company held on July 26, 2017 till the conclusion of the 72nd AGM of the Company to be held in the year 2022. As per provisions of the Section 139 of the Act, the appointment of Auditors is required to be ratified by the Members at every AGM.

In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018, by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

b. Cost Auditor

In accordance with Section 148 of the Act 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 (Firm Registration No. 000065), to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2020. M/s. Rao, Murthy & Associates, Cost Accountants, have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. Accordingly, an appropriate resolution forms part of the Notice convening the AGM. The Board seeks your support in approving the proposed remuneration of ₹2,00,000/- (Rupees two lakhs only) plus taxes and out of pocket expenses at actuals payable to the Cost Auditor for the financial year ending March 31, 2020.

M/s. Rao, Murthy & Associates, Cost Accountants, have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years.

c. Secretarial Auditor

In accordance with Section 204 of the Act and 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, 2019. The Secretarial Audit Report for the financial year ended March 31, 2019 in Form No. MR-3 is set out in Annexure 6 of this Report.

The Board has also appointed M/s. Parikh & Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2019-20.

Comments on Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Price Waterhouse Chartered Accountants 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 7 to this Report. The extract of annual return is also available on the Company's website, www.grindwellnorton.co.in.

DISCLOSURE REQUIREMENTS

As per Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis Report are attached, which forms part of this Report.

As per Regulation 34 of the Listing Regulations, a Business Responsibility Report is attached and is a part of this Annual Report.

The Dividend Distribution Policy of the Company as required under the Listing Regulations was adopted to set out the parameters and the circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders. The policy is annexed as Annexure 5 of this Report and is also available on the Company's website, www.grindwellnorton.co.in.

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and that such systems are adequate and operative effectively.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There have been 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

KEKI M. ELAVIA
Chairman

ANAND MAHAJAN
Managing Director

Mumbai, May 29, 2019



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:

- High performance wheel for gear grinding

Improvements in:

- Product safety of pedestal machine grinding wheels
- EHS at manufacturing site by change of resin systems

3. Projects on conservations of energy:

- Installation of variable frequency drives, improvement in Line Speed
- Improved kiln efficiency by plugging Heat Losses
- Replacement of all mercury lamps with LED's

4. 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.

5. Expenditure on R&D for the year ended March 31, 2019:

	(₹crores)
(a) Capital	Nil
(b) Recurring	5.28
(c) Total	5.28
(d) Total R&D expenditure as % of Total turnover	0.36%

(C) Foreign exchange earnings and outgo:

Total earnings in foreign exchange for the financial year ended March 31, 2019 were ₹292.68 Crore and the total outflow was ₹515.72 Crore.

Annexure 2

(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 2018-19 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, 2019 (₹lakhs)	% of increase in remuneration in the financial year ended March 31, 2019	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. Pradip Shah Chairman [^]	22.90	19%	4
2.	Mr. Keki M. Elavia Non-Executive, Independent Director	23.20	18%	4
3.	Mr. Mikhil Narang Non-Executive Director	38.40	16%	7
4.	Mr. Shivanand Salgaocar Non-Executive, Independent Director	20.60	20%	4
5.	Mr. Anand Mahajan Managing Director	516.49	9.7%	96
6.	Mr. Krishna Prasad Executive, Alternate Director	267.14	14%	50
7.	Mr. Deepak Chindarkar Chief Financial Officer	183.38	12%	Not Applicable
8.	Mr. K. Visweswaran Company Secretary	88.34	19%	Not Applicable

[^] Relinquished the position of Independent, Non-Executive Director w.e.f. April 1, 2019, due to other professional commitment.

- The percentage increase in the remuneration of the median employee for the financial year was 4.4%.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 9.5%. The average increase made in the salaries of Key Managerial Personnel in the financial year was 9.5%, the higher increase in the remuneration was mainly due to performance based compensation. 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.
- The number of permanent employees on the rolls of the Company as on March 31, 2019: 1956.
- 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.
- 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 (Rs. Lakhs)	Qualification	Commencement of Employment	Last Employment	Total Experience (Years)
Employed throughout the year							
Anand Mahajan	66	Managing Director	516.49	M.A. (Economics), MBA (USA)	June, 1983	Project Consultant - State Bank of India	43
P. Natarajan	63	Vice President - on deputation	262.67	B. Tech, PGDM (IIM)	April, 2012	Managing Director - Sanmar Foundries Limited	39
Krishna Prasad	57	Vice President, Ceramics & Plastics and Corporate Services	267.14	B.Sc. (Engg.), PGDM (IIM)	May, 1990	Mech. Engineer - Fact Limited.	33
Hari Singudasu	51	General Manager - Coated SOA	144.15	ICWA, PGDBM - Management, Diploma - Finance	January, 1998	Sr. Executive (Finance) - Larsen & Toubro Limited	30
Jean-Marc Hess	65	Deputy Chief Information Officer, Saint-Gobain	332.59	BTS, CNAM	November, 2016	Saint-Gobain DSI Groupe, France	45
Deepak Chindarkar	55	Vice President, Finance & IT	183.39	B.Tech., CWA, MBA	June, 1987	None	32
Aju Varghese	51	Head- Information Technology	119.52	M.Sc.	November, 1993	Programmer – SM Dyechem Limited	28
Employed for part of the year							
Samir Bou Obeid	47	Vice President, Abrasives India & Middle East	110.98	Chemical Engineer, Ecole Centrale Paris	June, 2015	SEPR, France	24
Virindra Khosla	63	General Manager - Direct Exports, HPR India	37.97	DE. Mechanical	September, 1979	RBM, Poona Mills Limited	41

Notes:

- 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.
- All the above employees are employed on contractual basis.
- Experience includes number of years of service elsewhere, if applicable.
- None of the employees are related to any Director of the company.
- None of the employees except Mr. Anand Mahajan, are covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013. For the shareholding of Mr. Anand Mahajan, kindly refer the Form No. MGT-9.

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 Regulations.
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:

The sitting fee payable to the NEDs for attending the meetings of the Board and its Committees is based on the following criteria:

- a. For Board and Audit Committee meetings sitting fees of ₹50,000 per meeting.
- b. For all other Committee meetings sitting fees of ₹30,000 per meeting.

The 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.co.in.

2. Composition of the CSR Committee:

Mr. Keki M. Elavia - Chairman

Mr. Laurent Guillot

Mr. Anand Mahajan

3. Average net profit of the Company for the last three financial years: ₹179,89.61 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹359.79 lakhs

5. Details of CSR spent during the financial year:

- a. Total amount spent on CSR activities for the financial year was ₹113.65 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/ Program wise	Amount spent on the projects/programs		Cumulative expenditure upto the reporting period	Amount spent	
			Area	State		Direct Expenditure	Overheads		Direct	Agency
1.	Contribution to corpus of Saint-Gobain India Foundation	Promotion of education	NA	NA	113.65	113.65		418.79	418.79	
	TOTAL				113.65	113.65		418.79	418.79	-

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 2018-19, 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 of underprivileged children through Akanksha Schools. Akanksha adopts, manages and operates government schools in Mumbai. Saint-Gobain India Foundation supports 78 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 improve students learning. Saint-Gobain India Foundation has sponsored education of three classes of around 130 children at the Santacruz (West) Municipal School, Mumbai.
 - c. Parikrma aims at creating a sustainable model by effecting a fundamental change in the way the poor and marginal children are educated. Saint-Gobain India Foundation supports 125 students of Grade I, Grade III, Grade IV and Grade VII in four schools in Bengaluru.
 - d. SOS Children’s Villages of India is committed to the welfare of orphaned and abandoned children and provides shelter and education to such children. Saint-Gobain India Foundation supports 40 children at SOS village in Bengaluru.

For **Grindwell Norton Limited**

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

ANAND MAHAJAN
Managing Director

KEKI M. ELAVIA
Chairman

Mumbai, May 29, 2019

Annexure 5

DIVIDEND DISTRIBUTION POLICY

1. Objective:

The Objective of the policy is to appropriately reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company would ensure that the right balance is maintained between dividend payout and amount of profit to be retained for utilisation in the business.

2. Parameters for declaration of Dividend:

2.1 In line with the objective, the Board of Directors of the Company shall consider the following internal and external factors before declaring or recommending dividend to the shareholders:

- a) Profit earned during the financial year
- b) Capital expenditure requirements
- c) Operating cash flows and treasury position
- d) Cash Retention for contingencies of an exceptional amount
- e) Acquisitions or new investments requiring higher allocation of capital
- f) Higher working capital requirements affecting free cash flow
- g) External economic environment
- h) Legal and regulatory framework

The Board may declare interim dividend as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

2.2 Circumstances under which dividend payout may or may not be expected:

The Board shall consider the factors provided above under para 2.1, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, mainly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

2.3 Manner of utilization of Retained earnings:

The Board may retain earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on expansion plan, diversification, long term strategic plans or other such criteria as the Board may deem fit from time to time.

2.4 Parameters adopted with regard to various classes of shares:

At present, the issued and paid-up share capital of the Company comprises only equity shares. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

3. Disclosure:

The Company shall make appropriate disclosures as required under the SEBI Regulations.

4. General:

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. This policy shall be subject to revision/amendment in accordance with the relevant regulatory frame work. In case of inconsistency between the revision/amendment under regulatory frame and the provisions of this policy, then such revision/amendment shall prevail.



Annexure 6

FORM No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

(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, 2019, 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, 2019 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, 2018; (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 ₹113.65 lacs against the amount of ₹359.79 lacs 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **PARIKH & ASSOCIATES**
Company Secretaries

Place: Mumbai
Date : May 29, 2019

MITESH DHABLIWALA
Partner
FCS No: 8331CP 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.

For **Parikh & Associates**
Company Secretaries

Place: Mumbai
Date : May 29, 2019

MITESH DHABLIWALA
Partner
FCS No: 8331CP No: 9511

**Annexure 7****Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2019

[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 Consultants Private Limited
(erstwhile 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	62.8%

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	
	SPAFI-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 Lakshmi pathy 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. 01-04-2018				No. of Shares held at the end of the year i.e. 31-03-2019				% 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	7,485,256	0	7,485,256	6.76	7,450,115	0	7,450,115	6.73	(0.03)
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	300,000	0	300,000	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)	7,785,256	0	7,785,256	7.03	7,750,115	0	7,750,115	7.00	(0.03)
(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	56,828,000	0	56,828,000	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)	56,828,000	0	56,828,000	51.33	56,828,000	0	56,828,000	51.33	0.00
	Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	64,613,256	0	64,613,256	58.36	64,578,115	0	64,578,115	58.33	0.00
B.	Public Shareholding									
(1)	Institutions									
a.	Mutual Funds	16,042,046	0	16,042,046	14.49	16,664,343	0	16,664,343	15.05	0.56
b.	Banks / Financial Institutions	7,374	4,800	12,174	0.01	8,779	4,800	13,579	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.	FIIIs	2,400	1,200	3,600	0.00	2,400	1,200	3,600	0.00	0.00
h.	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i.	Any Other (specify) - FPIs-CORP	4,944,566	0	4,944,566	4.47	4,822,071	0	4,822,071	4.36	(0.11)
	Sub-Total (B) (1)	20,996,386	6,000	21,002,386	18.97	21,497,593	6,000	21,503,593	19.42	0.45
(2)	Non-Institutions									
a.	Bodies Corporate	3,310,258	12,400	3,322,658	3.00	3,614,068	11,200	3,625,268	3.27	0.27
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	6,168,044	1,081,298	7,249,342	6.55	6,309,158	950,476	7,259,634	6.56	0.01
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	12,394,532	2,400	12,396,932	11.20	11,622,953	2,400	11,625,353	10.50	(0.70)
c.	Other (specify)									
	Non Resident Indian	823,913	1,600	825,513	0.75	821,197	1,000	822,197	0.74	0.00
	Trusts	1,309,913	0	1,309,913	1.18	1,305,840	0	1,305,840	1.18	0.00
	Sub-Total (B) (2)	24,006,660	1,097,698	25,104,358	22.67	23,673,216	965,076	24,638,292	22.25	(0.42)
	Total Public Shareholding (B) = (B) (1) + (B) (2)	45,003,046	1,103,698	46,106,744	41.64	45,170,809	971,076	46,141,885	41.67	0.03
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)	109,616,302	1,103,698	110,720,000	100.00	109,748,924	971,076	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. 01-04-2018			Shareholding at the end of the year i.e. 31-03-2019			
		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.	29,635,520	26.77	0.00	29,635,520	26.77	0.00	0.00
2.	SPAFI-Societe De Participations Financieres et Industrielles	27,192,480	24.56	0.00	27,192,480	24.56	0.00	0.00
3.	Saint-Gobain India Private Limited	300,000	0.27	0.00	300,000	0.27	0.00	0.00
Indian Promoters								
4.	Mrs. V.A. Mahajan	1,889,115	1.71	0.00	1,889,115	1.71	0.00	0.00
5.	Mrs. K.M. Narang	1,703,515	1.54	0.00	1,703,515	1.54	0.00	0.00
6.	Mr. Anand Mahajan	809,904	0.73	0.00	609,904	0.55	0.00	(0.18)
7.	Mr. Aakil A. Mahajan	897,628	0.81	0.00	997,628	0.90	0.00	0.09
8.	Ms. Ashaita A. Mahajan	857,028	0.77	0.00	957,028	0.86	0.00	0.09
9.	Mr. Mikhail M. Narang	521,066	0.47	0.00	485,925	0.44	0.00	(0.03)
10.	Mr. Danesh M. Narang	669,000	0.60	0.00	669,000	0.60	0.00	0.00
11.	Mr. Malvinder C. Narang	138,000	0.12	0.00	138,000	0.12	0.00	0.00
	Total	64,613,256	58.36	0.00	64,578,115	58.33	0.00	(0.03)

(iii) Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2018		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			29,635,520	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.,)	- -		-	-	-	-
	At the end of the year					29,635,520	26.77
2.	SPAFI-Societe De Participations Financieres Et Industrielles						
	At the beginning of the year			27,192,480	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.,)	- -		-	-	-	-
	At the end of the year					27,192,480	24.56
3.	Saint-Gobain India Private Limited						
	At the beginning of the year			300,000	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.,)	- -		-	-	-	-
	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. 01-04-2018		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			1,889,115	1.71		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	-	-	-	-	-	-
	At the end of the year					1,889,115	1.71
5.	Mrs. K.M. Narang						
	At the beginning of the year			1,703,515	1.54		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	-	-	-	-	-	-
	At the end of the year					1,703,515	1.54
6.	Mr. Anand Mahajan						
	At the beginning of the year			809,904	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.,)	07-Sep-2018	Transfer (Gift to Mr. Aakil Mahajan and Ms. Ashaita Mahajan)	(2,00,000)	(0.18)	609,904	0.55
	At the end of the year					609,904	0.55
7.	Mr. Aakil A. Mahajan						
	At the beginning of the year			897,628	0.81		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	07-Sep-2018	Transfer (Gift from Mr. Anand Mahajan)	1,00,000	0.09	997,628	0.90
	At the end of the year					997,628	0.90
8.	Ms. Ashaita A. Mahajan						
	At the beginning of the year			857,028	0.77		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	07-Sep-2018	Transfer (Gift from Mr. Anand Mahajan)	1,00,000	0.09	957,028	0.86
	At the end of the year					957,028	0.86
9.	Mr. Mikhail M. Narang						
	At the beginning of the year			521,066	0.47		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	16-Nov-2018	Transfer	(1,900)	0.00	519,166	0.47
		30-Nov-2018	Transfer	(500)	0.00	518,666	0.47
		21-Dec-2018	Transfer	(24,500)	(0.02)	494,166	0.45
		28-Dec-2018	Transfer	(1,576)	0.00	492,590	0.44
		31-Dec-2018	Transfer	(6,665)	(0.01)	485,925	0.44
	At the end of the year					485,925	0.44



Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2018		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. Danesh M. Narang						
	At the beginning of the year			669,000	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.,)	-	-	-	-	-	-
	At the end of the year					669,000	0.60
11.	Mr. Malvinder C. Narang						
	At the beginning of the year			138,000	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.,)	-	-	-	-	-	-
	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. 01-04-2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Sundaram Mutual Fund						
	At the beginning of the year			3,588,052	3.24	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	01-Jun-2018	Transfer	(600,000)	(0.54)	2,988,052	2.70
		08-Jun-2018	Transfer	607,520	0.55	3,595,572	3.25
		15-Jun-2018	Transfer	71,251	0.06	3,666,823	3.31
		29-Jun-2018	Transfer	(156,887)	(0.14)	3,509,936	3.17
		06-Jul-2018	Transfer	157,692	0.14	3,667,628	3.31
		13-Jul-2018	Transfer	4,793	0.00	3,672,421	3.32
		19-Jul-2018	Transfer	2,237	0.00	3,674,658	3.32
		10-Aug-2018	Transfer	163	0.00	3,674,821	3.32
		31-Aug-2018	Transfer	51,002	0.05	3,725,823	3.37
		07-Sep-2018	Transfer	79,882	0.07	3,805,705	3.44
		14-Sep-2018	Transfer	1,065	0.00	3,806,770	3.44
		28-Sep-2018	Transfer	3,779	0.00	3,810,549	3.44
		05-Oct-2018	Transfer	710	0.00	3,811,259	3.44
		12-Oct-2018	Transfer	4,569	0.00	3,815,828	3.45
		16-Nov-2018	Transfer	60,109	0.05	3,875,937	3.50
		23-Nov-2018	Transfer	40,000	0.04	3,915,937	3.54
		07-Dec-2018	Transfer	2,068	0.00	3,918,005	3.54
		28-Dec-2018	Transfer	2,315	0.00	3,920,320	3.54
		08-Feb-2019	Transfer	1,639	0.00	3,921,959	3.54
		22-Feb-2019	Transfer	3,775	0.00	3,925,734	3.55
		15-Mar-2019	Transfer	(36,040)	(0.03)	3,889,694	3.51
	At the end of the year			-	-	3,889,694	3.51

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	SBI Mutual Fund						
	At the beginning of the year			4,845,315	4.38	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/ sweat equity etc..)	20-Apr-2018	Transfer	(49,350)	(0.04)	4,795,965	4.33
		04-May-2018	Transfer	(590,834)	(0.53)	4,205,131	3.80
		15-Jun-2018	Transfer	(94,835)	(0.09)	4,110,296	3.71
		06-Jul-2018	Transfer	(111,655)	(0.10)	3,998,641	3.61
		13-Jul-2018	Transfer	(247,515)	(0.22)	3,751,126	3.39
		19-Jul-2018	Transfer	(4,800)	0.00	3,746,326	3.38
		24-Aug-2018	Transfer	(60,268)	(0.05)	3,686,058	3.33
		31-Aug-2018	Transfer	(225,000)	(0.20)	3,461,058	3.13
		07-Sep-2018	Transfer	(14,672)	(0.01)	3,446,386	3.11
		12-Oct-2018	Transfer	(306,604)	(0.28)	3,139,782	2.84
		07-Dec-2018	Transfer	218	0.00	3,140,000	2.84
		21-Dec-2018	Transfer	110,000	0.10	3,250,000	2.94
	At the end of the year			-	-	3,250,000	2.94
3.	UTI						
	At the beginning of the year			2,573,155	2.32	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase /Decrease (e.g. allotment/transfer/bonus/ sweat equity etc..)	13-Apr-2018	Transfer	1,121	0.00	2,574,276	2.33
		20-Apr-2018	Transfer	50,000	0.05	2,624,276	2.37
		27-Apr-2018	Transfer	9,979	0.01	2,634,255	2.38
		18-May-2018	Transfer	8,762	0.01	2,643,017	2.39
		01-Jun-2018	Transfer	24,168	0.02	2,667,185	2.41
		22-Jun-2018	Transfer	8,000	0.01	2,675,185	2.42
		29-Jun-2018	Transfer	10,427	0.01	2,685,612	2.43
		06-Jul-2018	Transfer	2,916	0.00	2,688,528	2.43
		13-Jul-2018	Transfer	73,113	0.07	2,761,641	2.49
		19-Jul-2018	Transfer	145,000	0.13	2,906,641	2.63
		26-Jul-2018	Transfer	55,000	0.05	2,961,641	2.67
		03-Aug-2018	Transfer	34,889	0.03	2,996,530	2.71
		28-Sep-2018	Transfer	820	0.00	2,997,350	2.71
		05-Oct-2018	Transfer	25,708	0.02	3,023,058	2.73
		12-Oct-2018	Transfer	43,471	0.04	3,066,529	2.77
		26-Oct-2018	Transfer	16,675	0.02	3,083,204	2.78
		02-Nov-2018	Transfer	16,719	0.02	3,099,923	2.80
		09-Nov-2018	Transfer	10,000	0.01	3,109,923	2.81
		23-Nov-2018	Transfer	10,000	0.01	3,119,923	2.82
		30-Nov-2018	Transfer	13,169	0.01	3,133,092	2.83
		07-Dec-2018	Transfer	1,640	0.00	3,134,732	2.83
		14-Dec-2018	Transfer	10,000	0.01	3,144,732	2.84
		25-Jan-2019	Transfer	(25,000)	(0.02)	3,119,732	2.82
		15-Feb-2019	Transfer	7,968	0.01	3,127,700	2.82
		22-Feb-2019	Transfer	789	0.00	3,128,489	2.83
		15-Mar-2019	Transfer	(789)	0.00	3,127,700	2.82
	At the end of the year			-	-	3,127,700	2.82
4.	L&T Mutual Fund Trustee Limited						



Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year			1,845,006	1.67	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	06-Apr-2018	Transfer	441	0.00	1,845,447	1.67
		27-Apr-2018	Transfer	18,100	0.02	1,863,547	1.68
		04-May-2018	Transfer	601,652	0.54	2,465,199	2.23
		18-May-2018	Transfer	3,959	0.00	2,469,158	2.23
		25-May-2018	Transfer	3,000	0.00	2,472,158	2.23
		15-Jun-2018	Transfer	5,591	0.01	2,477,749	2.24
		22-Jun-2018	Transfer	2,949	0.00	2,480,698	2.24
		29-Jun-2018	Transfer	6,288	0.01	2,486,986	2.25
		06-Jul-2018	Transfer	3,685	0.00	2,490,671	2.25
		13-Jul-2018	Transfer	96,207	0.09	2,586,878	2.34
		19-Jul-2018	Transfer	5,000	0.00	2,591,878	2.34
		26-Jul-2018	Transfer	877	0.00	2,592,755	2.34
		10-Aug-2018	Transfer	3,223	0.00	2,595,978	2.34
		17-Aug-2018	Transfer	9,839	0.01	2,605,817	2.35
		24-Aug-2018	Transfer	2,358	0.00	2,608,175	2.36
		21-Sep-2018	Transfer	727	0.00	2,608,902	2.36
		28-Sep-2018	Transfer	21,053	0.02	2,629,955	2.38
		12-Oct-2018	Transfer	38,800	0.04	2,668,755	2.41
		30-Nov-2018	Transfer	299,916	0.27	2,968,671	2.68
		14-Dec-2018	Transfer	335	0.00	2,969,006	2.68
		25-Jan-2019	Transfer	10,000	0.01	2,979,006	2.69
		01-Feb-2019	Transfer	5,000	0.00	2,984,006	2.70
		15-Feb-2019	Transfer	5,288	0.00	2,989,294	2.70
		22-Feb-2019	Transfer	12,520	0.01	3,001,814	2.71
	01-Mar-2019	Transfer	90	0.00	3,001,904	2.71	
	29-Mar-2019	Transfer	7,242	0.01	3,009,146	2.72	
	At the end of the year			-	-	3,009,146	2.72
5.	HDFC Trustee Company Limited - A/C HDFC MID - Cap opportunities Fund						
	At the beginning of the year			2,620,013	2.37	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	06-Apr-2018	Transfer	(75,000)	(0.07)	2,545,013	2.30
		27-Apr-2018	Transfer	(20,000)	(0.02)	2,525,013	2.28
		09-Nov-2018	Transfer	(320,000)	(0.29)	2,205,013	1.99
		30-Nov-2018	Transfer	(323,600)	(0.29)	1,881,413	1.70
	At the end of the year			-	-	1,881,413	1.70
6.	Goldman Sachs India Limited						
	At the beginning of the year			1,692,705	1.53	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.,)	-	-	-	-	-	-
	At the end of the year			-	-	1,692,705	1.53

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	Nina G. Bharucha						
	At the beginning of the year			1,764,650	1.59	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc..)	07-Dec-2018	Transfer	(6,000)	(0.01)	1,758,650	1.59
		21-Dec-2018	Transfer	(310,751)	(0.28)	1,447,899	1.31
	At the end of the year			-	-	1,447,899	1.31
8.	Gagandeep Credit Capital Private Limited						
	At the beginning of the year			1,046,688	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..)	-	-	-	-	-	-
	At the end of the year			-	-	1,046,688	0.95
9.	Nemish S. Shah						
	At the beginning of the year			1,002,400	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..)	-	-	-	-	-	-
	At the end of the year			-	-	1,002,400	0.91
10.	Naira J Jejeebhoy						
	At the beginning of the year			815,212	0.74	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc..)	-	-	-	-	-	-
	At the end of the year					815,212	0.74

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2018		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			809,904	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.)	07-Sep-2018	Transfer (Gift to Mr. Aakil Mahajan and Ms. Ashaita Mahajan)	(200,000)	(0.18)	609,904	0.55
	At the end of the year					609,904	0.55



Sl. No.	Name	Date	Reason	Shareholding at the beginning of the year i.e. 01-04-2018		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	Mr. Mikhil Narang, Director						
	At the beginning of the year			521,066	0.47		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	16-Nov-2018	Transfer	(1,900)	0.00	519,166	0.47
		30-Nov-2018	Transfer	(500)	0.00	518,666	0.47
		21-Dec-2018	Transfer	(24,500)	(0.02)	494,166	0.45
		28-Dec-2018	Transfer	(1,576)	0.00	492,590	0.44
		31-Dec-2018	Transfer	(6,665)	(0.01)	485,925	0.44
	At the end of the year					485,925	0.44
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.)			-	-	-	-
				-	-	-	-
				-	-	-	-
		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.)			-	-	-	-
		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	Nil	Nil	Nil
(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	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
(i) Principal Amount	Nil	Nil	Nil	Nil
(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	Nil	Nil	Nil

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)	Krishna Prasad (Executive, Alternate Director)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	256.96	234.61	491.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17.52	32.53	50.05
	(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	242.00	-	242.00
	• others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	516.49	267.14	783.62
	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 Salgaocar	Keki M. Elavia	Mikhil Narang	
1.	Independent Directors					
	Fee for attending board/committee meetings	5.40	3.10	5.70	-	14.20
	Commission	17.50	17.50	17.50	-	52.50
	Others, please specify	-	-	-	-	-
	Total (1)	22.90	20.60	23.20	-	66.70
2.	Other Non-Executive Directors					
	Fee for attending board/committee meetings	-	-	-	3.40	3.40
	Commission	-	-	-	35.00	35.00
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	38.40	38.40
	Total (B) = (1+2)					105.10
	Total Managerial Remuneration					-
	Overall Ceiling as per the Act	11% of net profits				

The Company has not paid any sitting fees and/or commission to Mr. Patrick Millot, Ms. Marie-Armelle Chupin, Mr. Guillaume Texier, Mr. Sreedhar Natarajan 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	176.49	88.34	264.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.89	-	6.89
	(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	183.38	88.34	271.72

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			NIL		
Penalty					
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 the Compagnie de Saint-Gobain (“Saint-Gobain”), a transnational group with its headquarters in Paris and with sales of Euro 41.8 billion in 2018. Effective January 2019, Saint-Gobain has reorganized its businesses into two broad areas: Construction or Building related businesses that serve Regional markets and businesses that serve Global markets. The businesses that serve Global markets fall within the High Performance Solutions sector of Saint-Gobain. GNO’s businesses are part of the High Performance Solutions sector. Within GNO, the businesses are divided into two major segments:

1. Abrasives
2. Ceramics & Plastics

BUSINESS ENVIRONMENT

After a solid start to the year, growth of industrial output (as measured by the Index for Industrial Production) weakened as the year progressed and registered a decline compared to the previous fiscal. Led by the auto industry, the manufacturing sector, in particular, witnessed a sharp decline in growth in the last quarter (less than 2%). Investment demand remained subdued throughout the year, while consumer demand has softened in recent months. While inflation (as measured by the Consumer Price Index) remained low, the Wholesale Price Index witnessed an increase (above 4% after 4 years), primarily on account of the rising trend of global oil prices. The increase in oil prices also contributed to the unexpected depreciation (8% on average during the fiscal year) of the Indian Rupee against the US Dollar; in October, the Rupee touched a new low, but has appreciated since then.

ABRASIVES SEGMENT REVIEW

Products & Plants

Bonded Abrasives generally available in the form of wheels & other shapes such as segments, sticks etc., are used for various 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 and weld preparation etc. Bonded Abrasives are used by a very large number of Industries like Steel, Bearings, Auto Ancillaries, Auto OEMs, Cutting Tools, Needle, Razor, Food Processing, Aerospace & General Engineering etc. The variety of products is large and mainly consists of custom built, make-to-Order products. GNO makes over 15,000 different products in a year.

Thin Wheels are predominantly Cutting and Grinding Wheels used for cutting, deburring and weld-removing.

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 Abrasives, which are a part of Coated, also cater to consumer market in scouring applications. In Industrial applications, Non-Woven products are used for a high level of finish.

GNO offers the widest range of cutting-edge Abrasive products to the Indian market. While the vast majority of these products are made by GNO in India, some are sourced from other plants of Saint-Gobain or from third parties. Saint-Gobain has a strong backward integration when it comes to Abrasives as the Ceramic Materials Division manufactures high-end Abrasive grains. Besides, Saint-Gobain has strong Research and Development (“R&D”) and is uniquely positioned in the Abrasives industry.

The Abrasives business has four manufacturing sites: Mora (near Mumbai), Bengaluru, Nagpur and Bated (Himachal Pradesh). All the sites are certified under ISO 9001, ISO 14001 and OHSAS 18001/ISO 45001. Besides, to augment its manufacturing capacity, GNO also has a contract manufacturing facility.

Industry

The Abrasives industry in India 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 these two major players, there are several European, Korean and Japanese players present in the market thru their agents or distributors. Also there are several small local players present in a select range of products. Over the years, imports from China have significantly increased in the lower tiers of



the market. Quality of these products over a period of time has improved and this market segment is growing pretty fast. Most of the major European, Japanese players have their offices and dedicated sales teams in India. Many of them have moved to offering billing in INR from local ware-houses, post GST implementation.

In the case of Coated Abrasives, a few important international players have set up conversion facilities in India. Also, most of the Power Tool players are now focusing on developing their accessories business which includes Thin Wheels and some Coated Abrasives. Besides, companies in related fields (e.g. Cutting Tools, Paints) have also entered the market. Thus, the market, over a period of time, has become highly price sensitive. Despite GST implementation, unscrupulous trade practices by some of the market participants give them an undue cost advantage. The Key Success Factors for Abrasives in India are good, consistent quality, cost, innovation and differentiation, 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 a 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.

The first half of 2018-19 saw good growth in industrial output and buoyant demand and, consequently, the domestic sales of Abrasives increased by about 15% over the previous year. This trend was reversed in the second half as growth decelerated sharply. As a result, domestic sales of Abrasives were sequentially flat. Export markets were subdued and sales were similar to the previous year. Meanwhile, input costs increased (mainly due to fuel prices and the unexpected depreciation of the Rupee) and margins, which had declined in the previous year, were further squeezed. This compelled the business to push ahead with a price increase in the second half. This, to a certain extent, also impacted volumes. That the business grew year on year by 7.5% on a reported basis, and 9.8% on a like to like basis, despite the sharp slowdown in the second half was largely due to the introduction of a slew of new products.

Looking ahead, while the medium to long term outlook is positive, the short term outlook is uncertain. Domestic growth has been weak since the start of 2019-20 and is unlikely to see a quick revival. The world economy has also slowed down. There are, however, a few positive signs. There is also the hope that the new Government will take action to revive the industrial economy. And, as and when this happens, the business is well-placed to benefit from such growth. Under the circumstances, the business will focus on introducing new products and penetrating new markets, on growing exports (both to Saint-Gobain affiliates and to other customer/regions) and on several initiatives to improve productivity and reduce overall costs. Needless to add, the business will continue to attach high priority to increase prices.

Risks & Concerns

- (i) **Industry & Market:** The Abrasives business caters to a number of industries such as Steel, Automobiles, Auto Components, General Metal Fabrication, Construction 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 or if a significant downturn happens in Auto industry that impacts Abrasives potential significantly, directly or indirectly. 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 4% 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 centers 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 players from Power Tools, Paints, Cutting Tools and other trading-houses actively entering into the market in the last few years. We have, on the one hand, competition from the high-end European manufacturers and on the other, from the low-end Chinese imports. Hence it is important to be differentiated as well as highly competitive to stay ahead in the market. To meet the growing challenges in the market, the business will have to continue to invest in technology, capacities and capabilities and provide superior solutions.

CERAMICS & PLASTICS SEGMENT REVIEW

The main businesses in this segment are:

- (i) Silicon Carbide;
- (ii) Performance Ceramics and Refractories (erstwhile, High Performance Refractories);
- (iii) Performance Plastics;
- (i) **SILICON CARBIDE (“SiC”)**;

Products & Plants

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, ISO 14001 and OHSAS 18001/ISO 45001.

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 has maintained volume and thanks to higher price levels, mainly due to firm global prices, in general, and higher priced imports from China and Vietnam, in particular, the business achieved better margins. Domestic demand for SiC continued to be stable. The business will have lost market share to imports (primarily from Vietnam/China). Exports improved over the previous year. The first half witnessed improvement in prices in both domestic and export markets. However, prices softened during the last quarter. It is not clear if this trend will continue. On the supply side, production at your Company’s Tirupati Plant was similar to the previous year, with better energy availability from APGPCL in the first half of the year. The cost of key raw materials stabilized during the last quarter after witnessing steep increases during the first nine months of 2018-19.

Although from an external perspective, the outlook for the business in 2019-20 continues to be uncertain, the worst seems to be over. While prices may decline, the demand and supply situation is likely to remain stable. The focus in 2019-20 will be on price improvement and cost management. In the medium term, the business needs to find an economically viable source of crude in order to grow.

Risks & Concerns

The major short term risk is aggressive pricing by competitors from China and Vietnam even as input costs (power, raw petroleum coke) rise, thus squeezing margins. From a medium term perspective, the major risk is that rising electricity costs may make manufacture of SiC crude at Tirupati unviable.

(ii) PERFORMANCE CERAMICS AND REFRACTORIES (“PCR”)

Products & Plants

Refractories are used for lining of furnaces processing ferrous and non-ferrous metals and Ceramics are used as kiln furniture to fire ceramic wares (Dinnerware and Sanitaryware), as filtering media, as wear resistance material and also as body and vehicular ballistic protection plates. GNO manufactures (mainly) silicon carbide refractories and high alumina monolithics. GNO offers complete solutions with expertise in design, engineering and manufacturing of refractory systems for most of the demanding, high temperature and wear applications. In the monolithics business, we also provide installation, training and support as part of our product-service package. PCR has two plants: one is located at Bengaluru, in Karnataka and the other at Halol, near Vadodara, in Gujarat. Both the plants are certified under ISO 9001, ISO 14001 and OHSAS 18001/ISO 45001.



Industry

GNO's PCR 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, Insulators, Abrasives, Porcelain and Sanitary-ware. Specialized ceramic product based solutions are also used for Armour application (protection of human and vehicular bodies) and applications that require resistance to wear.

Development & Outlook

The financial year 2018-19 was a good year for the business with a strong growth in domestic volumes and even stronger growth in exports. Margins, however, came under pressure, as input prices increased sharply, while raising product prices was difficult. Overall, the product mix was adverse. The business also had to contend with some customer rejections. Several growth opportunities have been identified and developed during last few years: Foundry, Iron & Steel and Wear Resistance segments in the domestic market and Ceramic and Foundry segment in export markets. In 2019-20, the Foundry and Iron & Steel markets (both domestic & exports) and Porcelain Dinnerware and Body/ Vehicular Armor in the export markets will be the main drivers of growth.

Risks & Concerns

Continued low investment in new projects will adversely impact growth. Product acceptance and competitive pricing and raw material availability and sourcing will continue to be critical in both domestic and 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"), Life Sciences ("LS") and Composites ("CMP"). Each of the segments 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, ISO 14001, OHSAS 18001/ISO 45001 and TS 1694.

Development & Outlook

The major growth drivers are:

1. New products and new markets
2. Success in new applications
3. Broad-basing of existing applications and markets
4. Specification driven approvals at customers

The PPL business had an excellent year driven by growth in the Life Sciences and Automotive market segments. One of the key markets for the Plastics business is the automotive passenger vehicle market which witnessed moderate growth in 2018-19 (even though growth suffered a sharp decline in the last quarter). The focus has been on defending our high share in conventional applications, while trying to grow new applications. The Life Sciences market segment witnessed good overall growth complemented by conversion of new customers and applications. The Solargard business under Composites had a good start in 2019 and is expected to be one of the key growth drivers for Composites segment. The Oil & Gas segment again declined in this financial year leading to drop in the Seals business. The main aim of the business in 2019-20 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 new Thermoplastic Extrusion line is expected to commence production in the second quarter, while the seals localization will be completed by the third quarter of 2019-20.

Presence of well-trained technical sales and application engineers with good market coverage is a key requirement to identify and develop new applications and deliver high growth. Building such teams will continue to be a high 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 prudent policies, based on conservative principles. Currently GNO is a debt-free Company. All the commercial transactions entered into by GNO in foreign currencies are managed by hedging them appropriately to minimize the exchange risk. GNO has a well-defined and structured treasury operation, with the emphasis being on security.

2. Legal & Statutory

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

Statutory Compliance: GNO ensures statutory compliance of all applicable laws and is committed to timely payment of statutory dues. The Company monitors the compliance under various statutes periodically.

HUMAN RESOURCES

GNO's Human Resources Policy (HR) policy aims to create a work environment that is conducive for the professional and personal development of employees. GNO continued to invest in training people in Environment, Health and Safety and in World Class Manufacturing and to provide a work environment in which employees can give their best and realize their full potential. At the end of the year, there were 1956 employees.

OVERALL PERFORMANCE

After a good first half of the financial year 2018-19, the economy slowed down in the second half. Several factors contributed to this: weak investment demand and a slowdown in private consumption, subdued rural demand, a decline in growth of the world economy, rising oil prices, the depreciation of the Rupee, market liquidity etc. Against this backdrop, your Company has delivered satisfactory results in 2018-19 with standalone revenue from operations and operating profit increased by 9.2% and 14.1% respectively and consolidated revenue from operations and operating profit increased by 9.6% and 14.4% respectively. There are no significant changes in the key financial ratios as mentioned in the Schedule V, Part B(i) of the Listing Regulations. Return on Net Worth (standalone) for the financial year ended March 31, 2019 (15.07%) is higher than of the previous financial year (14.97%) and Return on Net Worth (consolidated) for the financial year ended March 31, 2019 (15.37%) is higher than that of the previous financial year (15.23%).

INTERNAL CONTROL SYSTEMS

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 authorisations. The efficacy of the internal control systems is validated by Internal as well as the Statutory Auditors. The Company's strong independent internal audit function performs regular audits. 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 and Plastics.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains a few forward looking statements 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, 2019, 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 Company also has one Executive, Alternate 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"). With effect from April 1, 2019, in accordance with the Listing Regulations one woman Independent Director was appointed. Mr. Pradip Shah relinquished the position of Chairman, Independent, Non-Executive Director effective from April 1, 2019 due to other professional commitment and considering his tenure which ends on July 22, 2019. Mr. Pradip Shah confirmed that his relinquishment is not due to any other material reasons.

None of the Directors on the Board holds 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 listed companies in which he or she is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2019, have been made by the Directors. None of the Directors are related to each other. The Company has received a certificate from the Parikh and Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

All the Independent Directors have confirmed that they meet the criteria and fulfill the conditions as mentioned under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013 ("Act"). In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. 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 terms and conditions of appointment/re-appointment of Independent Directors and details of the familiarisation programme imparted to Independent Directors are also 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, 2018; July 26, 2018; November 1, 2018; December 6, 2018 and February 4, 2019.

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 of Directors accepted all the recommendation made by the Committees of the Board during the financial year. The Audit Committee periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company. During the year, a separate meeting of the Independent Directors was held on February 4, 2019. All Independent Directors attended the meeting.

The names and category of the Directors, their attendance at Board meetings held during the year and number of Directorships, names of the listed entities, category of directorship and committee chairmanships/memberships held by them in other public and private companies as on March 31, 2019, are given below:

Name of the Director	Category	Number of Board Meeting during the year 2018-19		Whether attended last AGM held on July 26, 2018	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	6	1	7
Mr. Keki M. Elavia DIN 00003940	Independent, Non-Executive	5	5	Yes	10	3	5	4
Mr. Shivanand Salgaocar DIN 00001402	Independent, Non-Executive	5	5	Yes	1	10	1	-
Ms. Marie-Armelle Chupin DIN 00066499	Non-Executive	5	1	No	2	-	-	1
Dr. Archana Niranjani Hingorani ^{^^} DIN 00028037	Independent, Non-Executive	-	-	-	6	1	2	4
Mr. Patrick Millot DIN 00066275	Non-Executive	5	1	No	1	-	-	-
Mr. Laurent Guillot DIN 07412302	Non-Executive	5	1	No	1	-	-	-
Mr. Mikhil Narang DIN 02970255	Promoter, Non-Executive	5	5	Yes	1	1	-	1
Mr. Guillaume Texier [@] DIN 05103331	Non-Executive	5	-	No	1	-	-	-
Mr. Sreedhar Natarajan ^{@@} DIN 08320482	Non-Executive	1	-	-	1	-	-	-
Mr. Krishna Prasad (Alternate Director to Ms. Marie-Armelle Chupin) DIN 00130438	Executive	5	5	Yes	1	-	-	-
Mr. Anand Mahajan (Managing Director) DIN 00066320	Promoter, Executive	5	5	Yes	3	3	1	3

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 26 of the Listing Regulations.



Name of the Director	Expertise in	Category	Names of the Listed Entities where Directorship held
Mr. Pradip Shah [^] DIN 00066242 (Chairman)	Finance and General Management	<ul style="list-style-type: none"> Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive 	<ul style="list-style-type: none"> BASF India Limited Grindwell Norton Limited Kansai Nerolac Limited KSB Limited Pfizer Limited Sonata Software Limited Tata Investment Corporation Limited
Mr. Keki M. Elavia DIN 00003940	Finance and Accounts	<ul style="list-style-type: none"> Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive 	<ul style="list-style-type: none"> Goa Carbon Limited Britannia Industries Limited Dai-ichi Karkaria Limited The Bombay Dyeing and Manufacturing Company Limited Grindwell Norton Limited
Mr. Shivanand Salgaocar DIN 00001402	General Management and Business	<ul style="list-style-type: none"> Independent, Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited
Ms. Marie-Armelle Chupin DIN 00066499	Legal	<ul style="list-style-type: none"> Non-Executive Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited Saint-Gobain Sekurit India Limited
Dr. Archana Niranjani Hingorani ^{^^} DIN 00028037	Financial Markets	<ul style="list-style-type: none"> Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive 	<ul style="list-style-type: none"> Alembic Pharmaceuticals Limited DEN Networks Limited 5paisa Capital Limited Grindwell Norton Limited
Mr. Patrick Millot DIN 00066275	General Management and Various Businesses of Saint-Gobain	<ul style="list-style-type: none"> Non-Executive General Management and Business 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. Laurent Guillot DIN 07412302	General Management and Various Businesses of Saint-Gobain	<ul style="list-style-type: none"> Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. Mikhil Narang DIN 02970255	Various Businesses	<ul style="list-style-type: none"> Promoter, Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. Guillaume Texier [@] DIN 05103331	General Management and Various Businesses of Saint-Gobain	<ul style="list-style-type: none"> Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. Sreedhar Natarajan ^{@@} DIN 08320482	Finance and Management	<ul style="list-style-type: none"> Non-Executive 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. Krishna Prasad (Alternate Director to Ms. Marie-Armelle Chupin) DIN 00130438	General Management, Various Businesses of Saint-Gobain and Business Development	<ul style="list-style-type: none"> Executive General Management and Business 	<ul style="list-style-type: none"> Grindwell Norton Limited
Mr. Anand Mahajan (Managing Director) DIN 00066320	Banking and Finance and Management	<ul style="list-style-type: none"> Independent, Non-Executive Promoter, Non-Executive Promoter, Executive 	<ul style="list-style-type: none"> Unichem Laboratories Limited Saint-Gobain Sekurit India Limited Grindwell Norton Limited

[^] Relinquished the position of Independent, Non-Executive Director w.e.f. April 1, 2019, due to other professional commitment.

^{^^} Appointed as an Independent, Non-Executive Director w.e.f. April 1, 2019.

[@] Relinquished the position of Non-Executive Director w.e.f. February 4, 2019, due to restructuring within the Saint- Gobain Group and his transfer to a new position.

^{@@} Appointed as a Non-Executive Director w.e.f. February 4, 2019.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

- Cultural fit and personal values; Vision and strategic management; Change management and ability to influence change.
- An impeccable reputation of integrity, deep expertise, insights and complementary skills.

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The audit committee is constituted in line with the provision 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 scrutinize inter-corporate loans and investments.
- To undertake valuation of undertakings or assets of the Company, wherever it is necessary.
- To evaluate internal financial controls, risk management systems and internal controls on insider trading.
- 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 thereon.
- 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 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 Personnels 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.
- To review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of asset size of the subsidiary, if any, whichever is lower.
- 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 2018-19	
		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. Shivanand Salgaocar**	Independent, Non-Executive	Not Applicable	

* Mr. Pradip Shah relinquished the position of Independent, Non-Executive Director w.e.f. April 1, 2019, due to other professional commitment.

** Mr. Shivanand Salgaocar, Independent, Non-Executive Director was appointed as a member of the committee w.e.f. April 1, 2019, through circular resolution passed by the Board of Directors on March 8, 2019.

Mr. Keki M. Elavia as an Independent, Non-Executive 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-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 26, 2018.

Meetings of the Audit Committee:

During the year ended March 31, 2019, four audit committee meetings were held. The dates on which the said meetings were held are as follows:

May 30, 2018; July 26, 2018; November 1, 2018 and February 2, 2019.

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.
- To recommend to the board, all remuneration, in whatever form, payable to Senior Management.
- 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 2018-19	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	3	3
Mr. Shivanand Salgaocar** (Chairman)	Independent, Non-Executive	Not Applicable	
Mr. Pradip Shah*	Independent, Non-Executive	3	3
Mr. Lauren Guillot	Non-Executive	3	-

* Mr. Pradip Shah relinquished the position of Independent Director w.e.f. April 1, 2019, due to other professional commitment.

** Mr. Shivanand Salgaocar, Independent, Non-Executive Director was appointed as a Chairman of the committee and Mr. Keki M. Elavia as a member of the committee w.e.f. April 1, 2019, through circular resolution passed by the Board of Directors on March 8, 2019.

**Meetings of the Nomination and Remuneration Committee:**

Three meetings of the nomination and remuneration committee was held during the year on May 30, 2018; July 26, 2018 and February 4, 2019.

Nomination and Remuneration Policy:

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

Performance evaluation criteria for Independent Directors:

The Board of Directors, 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. The evaluation parameters are based on the execution of specific duties, quality, deliberation at the meeting, independence of judgement, decision making, contribution of Directors at the meetings and functioning of the Committees.

Pecuniary relationship or transaction of Non-Executive Directors vis-a-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. Mihnil Narang is a member of the Indian Promoters' Group. Mr. Patrick Millot, Ms. Marie-Armelle Chupin, Mr. Laurent Guillot and Mr. Sreedhar Natarajan are employees of Saint-Gobain Group.

Details of the Remuneration to the Directors for the financial year ended March 31, 2019 are given below:Executive Directors:**(i) All elements of remuneration package i.e. salary, benefits, perquisites, profit commission, pension etc.:**

Mr. Anand Mahajan: 516.49 lakhs.

Mr. Krishna Prasad: 267.14 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.

(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 sitting fees of ₹50,000 per meeting for Board and audit committee and ₹30,000 for its other committees.

The shareholder of the Company at the 67th AGM held on July 26, 2017, have approved payment of commission upto 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, 2018. Out of the total commission payable, about 40% of the amount is paid to the Non-Independent Director(s) and the balance 60% 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	5.40	17.50	22.90
Mr. Keki M. Elavia	5.70	17.50	23.20
Mr. Shivanand Salgaocar	3.10	17.50	20.60
Mr. Mikhail Narang	3.40	35.00	38.40

Equity Shares held by Non-Executive Directors:

As on March 31, 2019, Mr. Mikhail Narang holds 4,85,925 equity shares of the Company, which represents 0.44% 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.

The Terms of Reference of the stakeholder relationship committee are in line with the Schedule II, Part D, clause B 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 2018-19	
		Held	Attended
Mr. Shivanand Salgaocar (Chairman)	Independent, Non-Executive	2	2
Mr. Mikhail Narang	Promoter, Non-Executive	2	2
Mr. Anand Mahajan	Promoter, Executive	2	2

Meetings of Stakeholders Relationship Committee:

During the year ended March 31, 2019, two meetings of the stakeholders relationship committee were held on July 26, 2018 and February 4, 2019.

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 2018-19 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	9	8	1*

* The said investor complaint has been resolved on April 1, 2019.

**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.co.in.

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 2018-19	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	1	1
Mr. Laurent Guillot	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, 2018.

E. RISK MANAGEMENT COMMITTEE

The Risk Management Committee is constituted in line with the Regulation 21 of the Listing Regulations. The committee has formulated 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 risk, control activities proportionate to the risks, oversee cyber security, 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 year 2018-19	
		Held	Attended
Mr. Laurent Guillot (Chairman)	Non-Executive	1	-
Mr. Mikhail 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 4, 2019.

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. Mikhail 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 4, 2019 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 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
July 26, 2017 at 11.00 a.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg Kala Ghoda, Mumbai 400 001	Yes Payment of Commission to Non-Whole-time Directors 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 may from time to time determine based on the recommendation from the 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.
July 26, 2018 at 3:00 p.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg Kala Ghoda, Mumbai 400 001	None

(b) **Postal Ballot:** No Postal Ballot was conducted during the year 2018-19.

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.co.in. The presentation made to institutional investors and analysts are also displayed on the Company's website, www.grindwellnorton.co.in.

6. GENERAL SHAREHOLDERS' INFORMATION

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

Day & Date	:	Thursday, July 25, 2019
Time	:	3:00 p.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 2018-19:

(i) First Quarter Results	:	July/August, 2019
(ii) Half-yearly Results	:	October/November, 2019
(iii) Third Quarter Results	:	January/February, 2020
(iv) Results for the year ending March 31, 2019	:	April/May, 2020

**(c) Date of Book Closure:**

Friday, July 19, 2019 to Thursday, July 25, 2019 (both days inclusive).

(d) Date of payment of Dividend:

The dividend, if approved by the Members, shall be paid/credited on and from Monday, July 29, 2019.

(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 2019-2020.

(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, 2018	525.65	497.80	523.00	493.90	35160.36	33019.07
May, 2018	534.10	494.70	528.50	492.50	35556.71	34344.91
June, 2018	549.15	493.25	549.10	493.15	35739.16	34903.21
July, 2018	525.00	491.30	527.10	492.50	37606.58	35264.41
August, 2018	535.20	500.30	536.05	500.25	38896.63	37165.16
September, 2018	536.20	485.05	536.50	490.15	38389.82	36227.14
October, 2018	517.60	479.20	509.95	481.90	36526.14	33349.31
November, 2018	498.55	486.30	499.20	485.20	36194.30	34431.97
December, 2018	561.10	485.75	558.00	485.05	36484.33	34959.72
January, 2019	573.10	542.00	575.25	540.30	36578.96	35513.71
February, 2019	543.90	510.20	546.95	505.55	36975.23	35352.61
March, 2019	598.40	546.80	593.85	548.05	38672.91	36063.81

(i) Registrars and Transfer Agents:

TSR Darashaw Consultants Private Limited ("TSRDCPL") w.e.f. May 28, 2019
 (erstwhile 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: csg-unit@tsrdarashaw.com
 Website: www.tsrdarashaw.com

Documents will be accepted at the above address between 10.00 a.m. and 3.30 p.m. (Monday to Friday except bank holidays)

For the convenience of the shareholders, documents will also be accepted at the following branches/agencies of TSRDCPL:

a. Branches of TSRDCPL:

- TSR Darashaw Consultants Private 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 Consultants Private 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 Consultants Private 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 Consultants Private 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 TSRDCPL:

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

(j) **Share Transfer System:**

Transfer or Transmission or Transposition of shares held in physical form are processed by TSR Darashaw Consultants Private Limited and approved by the Share Transfer Committee.

(k) **Shareholding Pattern as on March 31, 2019:**

Category	Number of Shareholders	Number of Shares	Percentage
Promoters:			
Foreign	2	56,828,000	51.33
Indian	9	7,750,115	7.00
Insurance Companies & Banks	8	13,579	0.01
UTI & Mutual Funds	54	16,664,343	15.05
NRIs, OCBs, FIIs and FPI	479	5,651,068	5.10
Domestic Companies and Trusts	315	4,931,108	4.45
Resident Individuals	15,215	18,881,787	17.05
Total	16,082	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	772,814	0.70	9,407	58.49
251 to 500	1,146,621	1.04	2,963	18.42
501 to 1000	1,765,692	1.59	2,261	14.06
1001 to 5000	2,346,059	2.12	1,106	6.88
5001 to 10000	933,157	0.84	128	0.80
10001 to 100000	4,542,707	4.10	138	0.86
100001 and above	99,212,950	89.61	79	0.49
Total	110,720,000	100.00	16,082	100.00

**(m) Dematerialisation of shares and liquidity:**

99.12% of the paid-up capital has been dematerialised as on March 31, 2019.

(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, 2019, 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 operations, with the emphasis being on security. Please refer to Management Discussion and Analysis Report. GNO does not have direct exposure to Commodity risk and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

(p) Credit Ratings

During the year, the Company has not issued any debt instruments or accepted any public Deposit.

(q) Preferential Allotment or Qualified Institutions placement

The Company has not made any preferential allotment or qualified institutions placement during the financial year 2018-19.

(r) Fees to Statutory Auditors

The particulars of payment of Statutory Auditors' Fees, on consolidated basis is given below:

Particulars	Amount
Audit Fees	23.00
Tax Audit	2.00
Certification	2.25
Reimbursement of expenses	1.88
Total	29.13

(₹lakhs)

(s) Complaints in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year, the Company has not received any complaint of sexual harassment.

(t) Plant Locations:

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

(u) Address for correspondence:

Grindwell Norton Limited
5th Level, Leela Business Park
Andheri-Kurla Road, Marol, Andheri (East)
Mumbai 400 059
Tel: + 91 22 4021 21 21 • Fax: + 91 22 4021 2012
Designated e-mail address for Investor Services: sharecmpt.gno@saint-gobain.com
Website: www.grindwellnorton.co.in

- SEBI toll free helpline service for investors: 1800 22 7575 or 1800 266 7575 (available on all days from 9:00 a.m. to 6:00 p.m. excluding declared holidays)
SEBI investors' contact for feedback and assistance contact no.: + 91 22 2644 9000, e-mail: sebi@sebi.gov.in

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 45 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 the 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 behavior. In order to provide a secure environment and encourage employees and others to report unethical, unlawful or improper practices, acts or activities, including leak or suspected leak of Unpublished Price Sensitive Information, a Whistle Blower Policy has been operational in the Company. The Whistle Blower Policy and Vigil Mechanism are disseminated through the Company’s website, www.grindwellnorton.co.in. 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 Internal Auditor directly report 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. The policy on determination of materiality is available on the website of the Company (web link <https://www.grindwellnorton.co.in/investors/policies>).
- (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:**

- Mrs. V.A. Mahajan & family
- Mrs. K.M. Narang & family

ii. Foreign Promoters (Collaborators):

- (a) Saint-Gobain Abrasives Inc., USA
- (b) SPAFI-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

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, 2019.

(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.co.in. Internally, all employees of the Company are expected to strictly follow Saint-Gobain's Principles of Conduct and Action and Code of Conduct for Saint-Gobain employees, which also includes Prevention of Insider Trading 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, 2019.

For **Grindwell Norton Limited**

Mumbai, May 29, 2019

ANAND MAHAJAN
Managing Director

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
GRINDWELL NORTON LIMITED

We have examined the compliance of the conditions of Corporate Governance by Grindwell Norton Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & 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 the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

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

For **Parikh & Associates**
Practising Company Secretaries

Place: Mumbai
Date : May 29, 2019

MITESH DHABLIWALA
Partner
FCS: 327 CP: 1228



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 long 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

- Corporate Identity Number (CIN) of the Company:** L26593MH1950PLC008163
- Name of the Company:** Grindwell Norton Limited
- Registered address:** 5th Level, Leela Business Park, Andheri-Kurla Road, Marol, Andheri (East), Mumbai 400 059
- Website:** www.grindwellnorton.co.in
- E-mail id:** sharecmpt.gno@saint-gobain.com
- Financial Year reported:** April 1, 2018 to March 31, 2019
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

NIC Code	Product Description
2399	Abrasives
2391	Refractory Products

- List three key products/ services that the Company manufactures/provides (as in balance sheet):
 - Abrasives
 - Performance Ceramics and Refractories (formerly known as High Performance Refractories)
 - Performance Plastics
- 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 Ahmedabad, Bengaluru, Chennai, Jamshedpur, Kolkata, Ludhiana, Noida, Pune, and Navi Mumbai etc.,

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 2018-19 (₹lakhs)
1.	Paid up Capital	5,536
2.	Total Turnover	1,56,685
3.	Profit after Tax	16,384
4.	Total Spending on CSR	
	i) In ₹lakhs	113.65
	ii) As % Profit after Tax	0.69%
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 initiatives.
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	Executive, Alternate 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 Businesses 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 OHSAS.								
4.	Has the policy being approved by the Board? If 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?	<p>Corporate Social Responsibility policy (www.grindwellnorton.co.in/investor-information)</p> <p>SG's Principles of Conduct & Action and the Code of Conduct for the Groups employees in India (www.grindwellnorton.co.in/commitments)</p> <p>Quality Policy (www.grindwellnorton.co.in/investor-information)</p> <p>Whistle Blower Policy (www.grindwellnorton.co.in/investor-information)</p> <p>Environmental Health and Safety Policy (www.grindwellnorton.co.in/investor-information)</p> <p>Code of Practices and Procedures for Fair Disclosures and Legitimate Policy (www.grindwellnorton.co.in/investor-information)</p> <p>Dividend Distribution Policy (www.grindwellnorton.co.in/investor-information)</p> <p>Policy for Determination of Materiality (www.grindwellnorton.co.in/investor-information)</p> <p>Archival Policy (www.grindwellnorton.co.in/investor-information)</p> <p>Nomination and Remuneration Policy (www.grindwellnorton.co.in/investor-information)</p>								
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 enables 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?

The Company publishes its Business Responsibility Report annually as part of the Annual Report of the Company. The Business Responsibility Report can be accessed at www.grindwellnorton.co.in.

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 compliance programme which strengthens the effective application of the Code of Conduct is an ongoing obligation of the Company as well as of the employees. Various tools are implemented to monitor the compliance programme. Also e-learning modules are developed in order to train employees about the Compliance programme.

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. All new employees are provided with the Code of Conduct in the welcome kit as part of their induction and also training is provided to all employees on a continuous basis. 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. The Company periodically cascades the principles embodied in the Code of Conduct across the organization.

GNO also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behaviour, insider trading, leak or suspected leak of unpublished price sensitive information of the Company, 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 e-mail, 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 2018-19, two cases were reported under the Code of Conduct framework and the same were investigated and dealt with 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 are 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 Solutions (“HPS”) division of Saint-Gobain. These businesses provide solutions with high-technology content for a wide range of leading-edge applications for the building, transportation, industrial, healthcare and other diverse markets. These businesses offers 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 all businesses are 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 help to reduce energy consumption, provide protection, improve comfort and sustain the 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. Responsible purchasing is built on two pillars, Purchase Charter and Supplier Charter. It comprises of three stages,



- a. Mapping the risks; human rights, anti-corruption, and environment, health and safety risks;
- b. Evaluating the performance of suppliers to classify the risks;
- c. Action plan based on internal and external audits.

Suppliers who violate the 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. 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. The Company is committed to provide products which are safe and to innovate on the basis of sound technology and applying rigorous standards of product safety.

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. GNO adopted the “Saint-Gobain Attitudes” which set out the behaviours expected from employees. There is a clearly defined career philosophy which revolves around job rotation and diversity of experiences at all stages of the individual career.

Health and Safety:

The health and safety of its employees is 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 to 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’s 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 to all the employees and facilitates the same by providing regular health check-ups (and other medical advisory interventions) to all its employees. GNO has also implemented Safety and Health Risk assessment tool to assess and monitor the industrial hygiene and safety risks to which any person working on the Company’s sites may be exposed. This tool helps the Company to identify the risk and provide sufficient training to the employees and also to set the improvement in processes to eliminate/reduce the risk.

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 (permanent/temporary/contractual/casual)	3973
Total number of permanent employees	1956
Total number of employees hired on temporary/contractual/casual basis	2017
Number of permanent women employee	195
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	28%
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%

Awareness (web-based) programmes are carried out to raise awareness on the issue of sexual harassment of women at workplace, which is assigned to all employees, new joiners, trainees, interns.

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 main purpose of any business is to fully meet the needs of its customers. In addition, the value a business creates can be measured in terms of employee development, supplier development, returns to shareholders, taxes paid to the government and community development. 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 an equal opportunity employer and provides equal opportunities to differently-abled, marginalized people 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 213 people are currently undergoing training under this programme. GNO contributes to the Saint-Gobain India Foundation whose main objective is the education of underprivileged children and protecting the environment.

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, even as it promotes active dialogues with all its employees. The Company also prohibits 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. Some of the major suppliers are subject to periodic audits and are evaluated on the EHS and labour practices, and business ethics followed by them.

No complaint pertaining to Human Rights violation, Child Labour and Forced Labour during the financial year 2018-19 has been received by your Company.

Principle 6

Businesses 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 to minimize the impact of our activities on the environment. GNO's policy on environment extends to its business partners including suppliers, vendors and contractors. The Company strives to reduce business risk by securing sustainable sources of supply for raw materials, by reducing the usage of packaging materials and improving manufacturing efficiencies.

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 its activities. Also, there are specific certifications such as ISO 9001, ISO 14001 and OHSAS 18001 / ISO 45001 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 the 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 the endeavor of the Company to commit to Clean Development. At present the Company has not registered any project under Clean Development Mechanism. GNO is, however, committed to drive energy efficiency. This is achieved through operating plants and offices efficiently and driving Green Initiatives and Resource Conservation. GNO focuses on improving the energy efficiency of its operations and using renewable energy wherever it is viable. The various steps that have been taken towards the reduction in direct energy consumption resulted in a more than a 7% reduction compared to the previous year. In its continuous effort to move towards adopting Renewable Energy sources, the Company sourced nearly 12% of its Electricity consumption from Renewable energy like Solar & Wind in the current year. This is more than a two-fold increase compared to the previous year, which was about 5.4%. This, and other measures of energy conservations in your Company, resulted in reducing the CO₂ emissions by 15% over the previous year.

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. Compressed air consumption reduction by optimization of compressors
2. Energy Conservation by AC/DH volume reduction in Organic Press room in the Abrasives plants
3. Reduction of Fuel consumption by carrying out process change in the tunnel kiln
4. Use of energy efficient lightings in offices and plant premises

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. All sites have taken steps to reduce the amount of withdrawals and discharges and during the financial year the water withdrawals reduced by around 17% over the previous year.

Currently, GNO recycles 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 associations/chambers like the Bombay Chamber of Commerce and the Confederation of 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 Foundation is an NGO that works primarily in the field of education for underprivileged children through Akanksha Schools. Akanksha adopts, manages and operates government schools in Mumbai. Saint-Gobain India Foundation supports 78 children at D.N. Nagar Municipal School, Mumbai.

Aseema is a Mumbai based NGO working for rights of underprivileged children living in the streets and in slum communities. It supports poorly functioning municipal schools and helps improve students learning. Saint-Gobain India Foundation has sponsored education of three classes of around 130 children at the Santacruz (West) Municipal School, Mumbai.

Parikrma aims at creating a sustainable model by effecting a fundamental change in the way the poor and marginally children are educated. Saint-Gobain India Foundation supports 125 students of Grade I, Grade III, Grade IV and Grade VII in four schools in Bengaluru.

SOS Children's Villages of India is committed to the welfare of orphaned and abandoned children and provides shelter and education to such children. Saint-Gobain India Foundation supports 40 children at SOS village 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 installation services and is involved in 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 also supports the development of self-regulatory codes for all its marketing and advertising activities.

GNO has deployed the World Class Manufacturing ("WCM") programme, an integrated management system to improve the business performance through industrial excellence, in accordance with world standards. This enables the Company to serve the customer with targeted response time and improved quality.

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 the Company through e-mail, telephone and through the website.

The customer complaints are reviewed by senior personnel in each business. 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, ISO 9001, ISO 14001 and OHSAS 18001 / ISO 45001, wherever 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 fair 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 Saint-Gobain's policy of zero tolerance on any violation of 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 cases 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 audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Grindwell Norton Limited (“the Company”), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Unquoted Equity Instruments: (Refer to Note 5 and 38 to the financial statements)</p> <p>The Company has investments amounting to ₹ 153,48 lakhs in equity interest of two unquoted companies valued on ‘Fair Value through Other Comprehensive Income’ in accordance with related Accounting Standard. The investments comprise a significant part of the net assets.</p> <p>In measuring these investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuation expert in this regard.</p> <p>Key inputs used in the valuation of above investments are cash flow projections and growth rate, terminal value, discount rate etc.</p> <p>The valuation of these assets is important to our audit as it is highly dependent on estimates (various assumptions and techniques used) which contain assumptions that are not observable in the market.</p> <p>Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p>	<p>Our procedures to test the valuation of investment in the unquoted equity instruments include the following:</p> <ul style="list-style-type: none"> • Understanding and evaluation of design and testing of operating effectiveness of the controls over determination of fair value (including valuation model and assumptions/judgements) of unquoted equity instruments. • Assessing the accuracy and reasonableness of the input data provided by the Management by agreeing with approved budgets. • Comparing recent historical results vis-à-vis corresponding budgets. • Evaluation of competence, capabilities and objectivity of the valuation expert engaged by the Management; • We have assessed the reasonableness of cash flows projection and performed audit procedures on management’s assumptions such as earnings growth rate, cost escalation/savings etc. and also along with the auditor’s expert assessed valuation methodology, discount rate, terminal growth rate, etc. • Tested the mathematical accuracy of the discounted cash flows projection • Assessed adequacy of relevant disclosures in the financial statements <p>Based on the above audit procedures performed, the Management’s assessment of valuation of investment in the unquoted equity instruments was considered to be reasonable.</p>

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2019 on its financial position in its standalone financial statements – Refer Note 24.2 and 41;
 - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have long term derivative contracts as at March 31, 2019;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sachin Parekh
Partner
Membership Number: 107038

Place : Mumbai
Date : May 29, 2019.

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Grindwell Norton Limited on the Standalone financial statements for the year ended March 31, 2019

TO THE MEMBERS OF GRINDWELL NORTON LIMITED

Report on Internal Financial Controls with reference to financial statements under clause (i) of Sub-Section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Grindwell Norton Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sachin Parekh
Partner
Membership Number: 107038

Place : Mumbai
Date : May 29, 2019.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Grindwell Norton Limited on the standalone financial statements for the year ended March 31, 2019.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 3 – Property, Plant and Equipment to the standalone financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material
- iii. (a) The Company has granted unsecured loans to a party covered in the register maintained under Section 189 of the Act. The Company has not granted any loans, secured or unsecured, to companies, firms or LLPs covered in the register maintained under Section 189 of the Act.
 - (b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - (c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated, and is also regular in payment of interest as applicable.
 - (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans or investments made, or guarantees or security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including service tax, duty of customs, duty of excise, value added tax, cess, sales tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 41(ii) to the financial statements regarding management's assessment on certain matters relating to provident fund.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, value added tax, duty of customs and duty of excise as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:



Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	1,47.31	Financial years 2005-2006 to 2011-2012	Customs, Excise and Service Tax Appellate Tribunal
		1,18.05	Financial Years 1999-2000 to 2005-2006	Honorable Supreme Court of India
The Customs Act, 1962	Customs Duty	2,47.24	Financial Years 2006-07 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Karnataka Value Added Tax, 2003	Value Added Tax	18.85	Financial year 2009-2010	Karnataka Appellate Tribunal, Bangalore
		62.88	Financial years 2010-2011 to 2012-2013	Joint Commissioner of Commercial Taxes
The Central Sales Tax Act, 1956	Central Sales Tax	2.39	Financial year 2010-2011	Assistant Commissioner
The Income Tax Act, 1961	Income Tax	1,86.04	Assessment Year 2008-2009	Honorable High Court of Bombay
		20.34	Assessment Year 2016-2017	Commissioner of Income Tax, Appeal

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sachin Parekh
Partner
Membership Number: 107038

Place : Mumbai
Date : May 29, 2019.

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	March 31, 2019	March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	320,29.05	315,27.27
Capital work-in-progress	3	41,99.49	23,42.80
Goodwill	4	48.80	48.80
Other intangible assets	4	49.98	99.61
Financial assets			
i. Investments	5	190,85.46	191,14.11
ii. Loans	6	12,96.45	11,85.72
iii. Other financial assets	7	-	11.46
Other non-current assets	8	14,50.70	13,15.98
Total non-current assets		581,59.93	556,45.75
CURRENT ASSETS			
Inventories	9	320,61.38	263,47.68
Financial assets			
i. Investments	10	12,13.72	-
ii. Trade receivables	11	201,97.81	173,23.63
iii. Cash and cash equivalents	12	228,45.96	268,27.32
iv. Bank balances other than (iii) above	13	1,58.37	1,36.83
v. Loans	14	1,91.05	94.67
vi. Other financial assets	15	24,22.86	14,02.38
Other current assets	16	50,10.02	40,45.04
Total current assets		841,01.17	761,77.55
TOTAL ASSETS		1,422,61.10	1,318,23.30
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	55,36.00	55,36.00
Other equity	18	1,031,46.85	927,47.97
Total equity		1,086,82.85	982,83.97
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	19	20,31.52	19,99.70
Deferred tax liabilities (Net)	20	27,20.42	25,94.96
Other non-current liabilities	21	1,25.55	1,55.93
Total non-current liabilities		48,77.49	47,50.59
CURRENT LIABILITIES			
Financial liabilities			
i. Trade payables			
(a) Total outstanding dues of micro and small enterprises	22	2,14.82	1,80.74
(b) Total outstanding dues of creditors other than (i)(a) above	22	178,44.36	189,06.16
ii. Other financial liabilities	23	50,10.65	41,95.04
Provisions	24	16,22.98	20,73.41
Current tax liabilities (Net)	25	8,61.06	10,85.41
Other current liabilities	26	31,46.89	23,47.98
Total current liabilities		287,00.76	287,88.74
TOTAL LIABILITIES		335,78.25	335,39.33
TOTAL EQUITY AND LIABILITIES		1,422,61.10	1,318,23.30
Significant Accounting Policies	1.3		

The accompanying notes (1 to 46) are an integral part of the financial statements.

As per our Report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Sachin Parekh
Partner
Membership No. 107038
Mumbai: May 29, 2019

Keki M. Elavia
Anand Mahajan

Deepak Chindarkar
K. Visweswaran

Mumbai: May 29, 2019

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

Chairman
DIN 00003940
Managing Director
DIN 00066320

Chief Financial Officer
Company Secretary



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	March 31, 2019	March 31, 2018
INCOME			
Revenue from Operations	27	1,566,85.08	1,428,18.78
Other Income	28	37,67.05	29,01.38
Total income		1,604,52.13	1,457,20.16
EXPENSES			
Cost of materials consumed	29	647,47.97	531,02.88
Purchases of stock-in-trade	30	109,11.71	106,41.11
Changes in inventories of work-in-progress, stock-in-trade and finished goods	31	(29,07.46)	6,27.42
Excise duty		-	22,80.69
Employee benefits expense	32	189,54.33	174,26.17
Finance costs	33	1,48.45	1,04.68
Depreciation and amortisation expense	34	42,21.71	42,17.73
Other expenses	35	390,65.91	351,08.62
Total expenses		1,351,42.62	1,235,09.30
Profit before tax		253,09.51	222,10.86
Income tax expenses	36		
- Current tax		88,44.93	78,66.11
- Deferred tax		80.70	(3,71.10)
Total tax expenses		89,25.63	74,95.01
Profit for the year		163,83.88	147,15.85
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations - gain/(loss)		1,30.72	(2,29.64)
Change in fair value of equity instruments at Fair Value through Other Comprehensive Income (FVOCI)		4,88.00	3,87.00
Income tax relating to these items			
- Current tax		(45.67)	-
- Deferred tax		(44.76)	(1,71.52)
Other comprehensive income for the year, net of tax		5,28.29	(14.16)
Total comprehensive income for the year		169,12.17	147,01.69
Earnings per equity share (Face value of ₹ 5/- each)			
Basic earnings per equity share (in ₹)	37	14.80	13.29
Diluted earnings per equity share (in ₹)	37	14.80	13.29
Significant Accounting Policies	1.3		

The accompanying notes (1 to 46) 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 Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Keki M. Elavia

Chairman

DIN 00003940

Sachin Parekh
Partner
Membership No. 107038
Mumbai: May 29, 2019

Anand Mahajan

Managing Director

DIN 00066320

Deepak Chindarkar

Chief Financial Officer

K. Visweswaran

Company Secretary

Mumbai: May 29, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

I) EQUITY SHARE CAPITAL

	Notes	Amounts
Balance as at March 31, 2017		55,36.00
Changes in equity share capital	17	-
Balance as at March 31, 2018		55,36.00
Changes in equity share capital	17	-
Balance as at March 31, 2019		55,36.00

II) OTHER EQUITY

	Notes	Reserves and Surplus			Other Reserves			Total
		Securities Premium	General Reserve	Retained Earnings	FVOCI Equity Investment Reserve	Revaluation Reserve	Stock Compensation Reserve	
Balance as at March 31, 2017		27,90.82	394.65.54	306,13.74	97,89.17	3,35.34	2,61.58	832,56.19
Profit for the year	18	-	-	147,15.85	-	-	-	147,15.85
Remeasurement of post employment benefit obligation, net of tax		-	-	(1,50.16)	-	-	-	(1,50.16)
Employee stock option expense compensation reserve		-	-	-	-	-	1,20.49	1,20.49
Other comprehensive income	18	-	-	-	1,36.00	-	-	1,36.00
Transfer to General Reserve	18	-	7,35.80	(7,35.80)	-	-	-	-
Transactions with owners in their capacity as owners								
Dividend for the financial year 2016-17	18	-	-	(44,28.80)	-	-	-	(44,28.80)
Dividend Distribution Tax for the financial year 2016-17		-	-	(9,01.60)	-	-	-	(9,01.60)
Balance as at March 31, 2018		27,90.82	402,01.34	391,13.23	99,25.17	3,35.34	3,82.07	927,47.97
Profit for the year	18	-	-	163,83.88	-	-	-	163,83.88
Remeasurement of post employment benefit obligation, net of tax		-	-	85.05	-	-	-	85.05
Employee stock option expense compensation reserve		-	-	-	-	-	1,60.65	1,60.65
Other comprehensive income	18	-	-	-	4,43.24	-	-	4,43.24
Transactions with owners in their capacity as owners								
Dividend for the financial year 2017-18		-	-	(55,36.00)	-	-	-	(55,36.00)
Dividend Distribution Tax for the financial year 2017-18		-	-	(11,37.94)	-	-	-	(11,37.94)
Balance as at March 31, 2019		27,90.82	402,01.34	489,08.22	103,68.41	3,35.34	5,42.72	1,031,46.85

The accompanying notes (1 to 46) 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 Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Keki M. Elavia

Chairman

DIN 00003940

Sachin Parekh
Partner
Membership No. 107038

Anand Mahajan

Managing Director

DIN 00066320

Deepak Chindarkar

Chief Financial Officer

K. Visweswaran

Company Secretary

Mumbai: May 29, 2019



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

NOTE: 1

1.1 CORPORATE INFORMATION

Grindwell Norton Limited ('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 a part of the High Performance Solutions sector. In the Company, the businesses are divided into two major segments:

1. Abrasives; and
2. Ceramics and Plastics

The financial statements of the Company for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 29, 2019.

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), as amended, and other relevant provisions of the Act as applicable.

(ii) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) 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 for the shares of Ultimate Parent Company

(iii) New standard adopted by the Company

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 which includes Indian Accounting Standard (Ind AS) 115 in respect of 'Revenue from Contracts with Customers', and is mandatory for reporting periods beginning on or after April 1, 2018. Ind AS 115 has replaced existing Ind AS 18 – Revenue and Ind AS 11 – Construction Contracts. The Company has adopted IND AS 115 using modified retrospective approach and accordingly, the comparative information for previous year has not been restated. The adoption of Ind AS 115 did not have any material impact on the Company's financial statement.

(iv) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.3 SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

(i) Recognition and measurement:

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Gains or losses on disposal are determined by comparing proceeds with carrying amount. These are included Statement of Profit and Loss.

(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 and the cost of the item can be measured reliably

(iii) Depreciation:

Depreciation is calculated using the Straight-line method to allocate their cost, net of their residual values, over their following estimated useful life which is similar to useful life prescribed in Schedule II of the Act; except for Server and Networks and Specific Kilns. The depreciation has been provided based on the technical specifications, external and internal assessment, requirement of refurbishments and past experience of the remaining useful life.

Assets	Useful life
(i) Building	: 3 to 60 years
(ii) Plant and Equipment	: 7.5 to 25 years
(iii) Electrical Installations and Equipments	: 10 years
(iv) Laboratory Equipments	: 10 years
(v) Computers	: 3 years
(vi) Furniture and Fixtures	: 10 years
(vii) Office Equipments	: 5 years
(viii) Vehicles	: 8 to 10 years
(ix) Specific Kilns	: 5 to 10 years
(x) Server & Networks	: 4 years

Leasehold land and 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 recognised when it is probable that the future economic benefits that are attributable to the asset 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 amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

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

Goodwill and Trade Mark 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 trade mark arose.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(ii) Amortisation :

Intangible assets other than Goodwill and Trademark are amortised 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 of Assets

(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:

- Financial assets that are debt instruments, are measured at amortised cost e.g., loans, deposits, and bank balance.
- Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises 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

Non financial assets, other than Goodwill and Trade Mark, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's Fair value less cost of disposal and Value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than Goodwill and trade mark that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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, non-refundable 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

(i) 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 profit or loss), and
- Those measured at amortised cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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 profit or loss or other comprehensive income. 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.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. There are three measurement categories into which Company classifies debt instrument.

- (a) Amortised 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 amortised cost. Interest income from these financial assets is included in finance income using the effective interest method.
- (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 fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- (c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or 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 other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income 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.

(iii) Derecognition

A financial asset is derecognised 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

For the purpose of presentation, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

G. Financial Liabilities

(i) Measurement

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

The Company's financial liabilities include trade and other payables.

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

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

H. Foreign currency translation

(i) Functional and presentation currency:

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.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

I. Forward contracts – Not Designated as Hedges

The Company enters into derivative contracts (forward contracts) to hedge the risk of foreign exchange fluctuations. Such contracts are initially recognised 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 contracts are accounted for at fair value through profit or loss and are included as other gains/(losses).

J. Revenue recognition

(i) Sale of goods

Revenue generated by the sale of goods is recognized net of rebates, discounts and goods and service tax, when control of the goods has been transferred to the customer. Revenue generated by the sale of goods is primarily recognized at the time the goods are delivered to the customer.

(ii) Service income

Revenue generated by the sale of services is recognized when the services have been rendered, or by reference to the stage of completion of the services, as calculated based on costs plus fixed percentage of mark up.

(iii) Dividend

Dividends are recognised 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(iv) Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using Effective Interest Rate (EIR), which is the rate 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 recognised when the right to receive them as per terms of the entitlement is established in respect of exports made.

K. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

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 recognised in the Statement of Profit and Loss of the year.

The obligations are presented as current liabilities in the balance sheet as current or non-current based on the actuary's report.

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) defined contribution plans such as provident fund and ESIC

Defined Benefit Plan - Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated at the year ended by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost, excluding Net Interest cost, is included in Employee Benefit Expense in the Statement of Profit and Loss. The net interest cost is included in the Finance Cost in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised 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.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company contributes to Provident Fund, Employee pension schemes 1995, and Superannuation fund under the relevant approved schemes and / or statutes. The Company has no further payment obligations once the



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(iii) Share-based payments

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

(iv) Termination benefits

Termination benefit are recognised as an expense in the period in which they are incurred.

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 are incurred.

M. Income Tax

The Income Tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

N. Provisions and Contingencies

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

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be readily estimated.

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 recognised as a finance cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

- (ii) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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

- (iii) Contingent Assets are disclosed , where the inflow of economic benefits is probable.
- (iv) Where the likelihood of outflow of resource is remote, no provision or disclosure as specified in Ind AS-37-“Provision, Contingent Liabilities and Contingent Assets” is made.

O. Earnings per share

(i) Basic earnings per share

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, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

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.

P. Segment reporting

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

The CODM, being the Managing Director assesses the financial performance and position of the Company and makes strategic decisions.

Q. Government grants

Grants from the government are recognised 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 profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

R. Leases

As a lessee

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. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or 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 recognised 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.

S. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

and settle the liability simultaneously. The legally enforceable right must not be contingent on the further events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

T. Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, with upto two decimals as per the requirement of Schedule III, unless otherwise stated.

NOTE: 2

2.1 USE OF JUDGMENTS, ESTIMATES 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 recognised prospectively.

Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful lives of tangible assets

Useful lives of tangible assets 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

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

d) Discounting of long-term 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 subsequently be measured at amortised cost, interest is accrued using the effective interest method.

e) Fair valuation of employee share options

The fair valuation of the employee share options of the Ultimate Holding Company is based on the Black-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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

g) 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 feasible, 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.

f) 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 Incentives Schemes and Turnover discounts

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

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The Company will apply the following standard for the first time for its annual reporting period commencing April 1, 2019:

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on March 30, 2019. These rules are effective from April 1, 2019. Relevant disclosures required by Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors for new Ind AS/amendments issued but not yet effective are as follows:

Ind AS 116 - Leases

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. Under Ind AS 116, a contract is, or contains, a lease of the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease.

The Company is in the process of assessing the detailed impact of Ind AS 116.

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in its financial statements.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	Land - Freehold	Land - Leasehold	Buildings *	Leasehold Improvements	Plant and Equipment	Electrical Installations and Equipments	Laboratory Equipments	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Total
Gross carrying amount:												
As at March 31, 2017	19,01.35	78.41	114,54.56	10,09.60	240,78.27	2,29.45	1,13.43	8,43.12	8,73.51	4,57.32	2,01.78	412,40.80
Additions	-	-	4,21.98	-	10,73.52	12.72	38.53	2,23.62	63.59	32.85	-	18,66.81
Deductions	-	-	(63.52)	(2.62)	(3.15)	-	-	(2.00)	(0.20)	(0.21)	(2.12)	(1,92.50)
Adjustments for classifications	-	-	-	-	-	-	-	(8.24)	57.65	21.23	(1.35)	-
As at March 31, 2018	19,01.35	78.41	118,13.02	10,06.98	249,60.67	2,42.17	1,51.96	10,56.50	9,94.55	5,11.19	1,98.31	429,15.11
Additions	-	-	4,86.31	-	33,10.03	39.11	5.24	3,43.76	2,99.38	1,02.49	1,43.55	47,29.87
Deductions	-	-	(16.46)	(5.77)	(50.99)	-	-	(28.62)	(10.86)	(5.77)	(52.40)	(1,70.87)
As at March 31, 2019	19,01.35	78.41	122,82.87	10,01.21	282,19.71	2,81.28	1,57.20	13,71.64	12,83.07	6,07.91	2,89.46	474,74.11
Accumulated Depreciation :												
As at March 31, 2017	-	1.89	8,53.65	1,90.80	52,88.83	12.04	16.45	4,06.62	3,02.59	2,02.97	53.26	73,29.10
Depreciation for 2017-18	-	0.97	4,62.09	1,29.72	29,93.56	24.12	12.74	2,54.75	1,29.71	95.33	25.86	41,28.85
On Deductions	-	-	-	-	(67.55)	-	-	(0.19)	(0.07)	(0.20)	(2.10)	(70.11)
Adjustments for classifications	-	0.06	(0.55)	0.07	0.54	(0.58)	-	1.57	2.27	(2.02)	(1.36)	-
As at March 31, 2018	-	2.92	13,15.19	3,20.59	82,15.38	35.58	29.19	6,62.75	4,34.50	2,96.08	75.66	113,87.84
Depreciation for the year	-	0.95	4,17.29	1,29.38	30,46.33	25.02	15.56	2,75.04	1,29.58	90.99	30.89	41,61.63
On Deductions	-	-	(0.77)	(4.99)	(29.09)	-	-	(28.61)	(6.20)	(5.75)	(29.00)	(1,04.41)
As at March 31, 2019	-	3.87	17,31.71	4,44.98	112,32.62	61.20	44.75	9,09.18	5,57.88	3,81.32	77.55	154,45.06
Net Carrying amount												
As at March 31, 2018	19,01.35	75.49	104,97.83	6,86.39	167,45.29	2,06.59	1,22.77	3,93.75	5,60.05	2,15.11	1,22.65	315,27.27
As at March 31, 2019	19,01.35	74.54	105,51.16	5,56.23	169,87.09	2,20.08	1,12.45	4,62.46	7,25.19	2,26.59	2,11.91	320,29.05

* Includes an amount of ₹ 750.00 (March 31, 2018 - ₹ 750.00) representing the value of shares in a co-operative housing society.

CAPITAL WORK-IN-PROGRESS

March 31, 2018												23,42.80
March 31, 2019												41,99.49

4 INTANGIBLE ASSETS

	Computer Software	Trade Marks	Non-Compete Fees and Marketing Network	Goodwill	Total
Gross carrying amount:					
As at March 31, 2017	3,62.78	23.97	1,17.87	5,04.62	48.80
Additions	5.87	-	-	5.87	-
Adjustments for classifications	(0.03)	-	0.03	-	-
As at March 31, 2018	3,68.62	23.97	1,17.90	5,10.49	48.80
Additions	10.45	-	-	10.45	-
As at March 31, 2019	3,79.07	23.97	1,17.90	5,20.94	48.80
Accumulated Amortization :					
As at March 31, 2017	2,04.13	-	1,17.87	3,22.00	-
Amortization for 2017-18	88.88	-	-	88.88	-
Adjustments for classifications	(0.03)	-	0.03	-	-
As at March 31, 2018	2,92.98	-	1,17.90	4,10.88	-
Amortization for the year	60.08	-	-	60.08	-
As at March 31, 2019	3,53.06	-	1,17.90	4,70.96	-
Net Carrying amount					
As at March 31, 2018	75.64	23.97	-	99.61	48.80
As at March 31, 2019	26.01	23.97	-	49.98	48.80

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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

1,900 (March 31, 2018 : 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

Unquoted Investments

Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)

Andhra Pradesh Gas Power Corporation Ltd.

9,60.00

10,38.00

21,86,880 (March 31, 2018 : 21,86,880) equity shares of ₹ 10/- each fully paid up

Shivalik Solid Waste Management Ltd.

2.00

2.00

20,000 (March 31, 2018 : 20,000) equity shares of ₹ 10/- each fully paid up

In Fellow Subsidiaries :

Saint-Gobain India Pvt. Ltd.

143,88.00

138,22.00

28,50,074 (March 31, 2018 : 28,50,074) equity shares of ₹ 10/- each fully paid up

Saint-Gobain India Foundation

0.01

0.01

100 (March 31, 2018 : 100) equity shares of ₹ 10/- each fully paid up

Investment in Equity Instruments (at cost)

In Subsidiaries :

Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

20,34.36

20,34.36

20,29,597 (March 31, 2018 : 20,29,597) equity shares of Bhutanese Ngultrum 100/- each fully paid up

Investment in Mutual Fund (at Fair Value through Profit and Loss)

Aditya Birla Sunlife FTP - Series NR - Dir Growth

-

11,28.60

* (March 31, 2018 : 1,00,00,000 units)

UTI FTIF - Series XXVIII - Plan 6 - Dir - Growth

10,90.66

10,14.81

1,00,00,000 units (March 31, 2018 : 1,00,00,000 units)

ICICI Prudential FMP - S 84 - 1293 Days - Plan D - Dir - Growth

5,36.10

-

50,00,000 units (March 31, 2018 : Nil)

190,85.46

191,14.11

Aggregate amount and market value of quoted investments

74.33

74.33

Aggregate amount of unquoted investments

190,11.13

190,39.78

*In current year classified as Current Investment



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
6 NON-CURRENT FINANCIAL ASSETS - LOANS		
<u>Loans Receivables considered good - Unsecured</u>		
Loan to Director	2,17.70	2,65.62
Loan to Employees	1,25.77	1,08.70
Security Deposits	9,52.98	8,11.40
	12,96.45	11,85.72
7 NON-CURRENT - OTHER FINANCIAL ASSETS		
<u>Unsecured and considered good</u>		
Bank Deposits	-	11.46
(Deposit with maturity of more than 12 months)		
<u>Unsecured and considered doubtful</u>		
Advances recoverable in cash or in kind	40.49	40.49
Less: Provision for doubtful advances	(40.49)	(40.49)
	-	11.46
8 OTHER NON-CURRENT ASSETS		
Capital Advances	7,95.80	11,28.45
Advances other than capital advances:		
- Deposits with Government Authorities	93.94	71.15
- Prepaid Expenses	11.51	16.16
Deferred Rent Asset	75.81	78.73
Balance with Government Authorities	4,73.64	21.49
	14,50.70	13,15.98
9 CURRENT ASSETS - INVENTORIES		
Raw Materials	122,41.74	93,11.17
Raw Materials in Transit	28,55.39	31,58.83
Work-in-Progress	69,58.80	52,50.26
Finished Goods *	64,20.46	53,00.43
Stock in Trade	23,53.77	22,74.88
Stores and Spares	12,27.14	10,48.16
Loose Tools	4.08	3.95
	320,61.38	263,47.68

* Includes in transit - ₹ 7,29.96 lakhs (March 31, 2018 - ₹ 7,00.77 lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
10 CURRENT FINANCIAL ASSETS - INVESTMENTS		
Investment in Mutual Fund (at Fair Value through Profit and Loss)		
Aditya Birla Sunlife FTP - Series NR - Dir Growth	12,13.72	-
1,00,00,000 units (March 31, 2018 : *)		
	12,13.72	-
* In March 31, 2018, included in Non-Current Investments		
11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
<u>Considered good - Unsecured</u>		
Trade Receivables	180,88.43	132,19.52
Receivables from Related Parties (Refer Note No. 45)*	21,09.38	41,04.11
	201,97.81	173,23.63
Trade Receivables - credit impaired	6,17.31	5,85.20
	208,15.12	179,08.83
Less: Loss Allowance	(6,17.31)	(5,85.20)
	201,97.81	173,23.63
*This includes ₹ 1,65.30 lakhs (March 31, 2018 - ₹ 4,67.59 lakhs) due from a private company in which the Director of the Company is a Director.		
12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS		
Balances with Banks		
- in Current Accounts	13,31.69	20,52.58
- in Deposit Accounts with maturity of less than 3 months	12.25	5,00.00
Cash on hand	24.18	31.19
Liquid Investments - Mutual Funds	214,77.84	242,43.55
	228,45.96	268,27.32
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	-	3.65
- Margin Money Deposits (Security for Bank Guarantees and Lien with Excise Authorities)	33.87	30.00
Unpaid Dividend	1,24.50	1,03.18
	1,58.37	1,36.83
14 CURRENT FINANCIAL ASSETS - LOANS		
<u>Loans Receivables considered good - Unsecured</u>		
Loan to Director	52.28	49.98
Loan to Employees	49.14	44.69
Security Deposits	89.63	-
	1,91.05	94.67

14.1 The Company has not provided any loans and advances in the nature of loans to its Subsidiary during the year (March 31, 2018 - ₹ Nil) and hence disclosure requirement under regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, is not applicable.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
15 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS		
Derivatives- Foreign-exchange forward contracts	5,02.34	-
Employee Advances	2,03.08	1,74.26
Others *	17,17.44	12,28.12
	24,22.86	14,02.38
*Includes receivable from Related Parties - ₹ 15,75.76 lakhs (March 31, 2018 - ₹ 10,99.96 lakhs)		
16 OTHER CURRENT ASSETS		
Prepaid expenses	1,55.01	78.60
Gratuity (Refer Note No. 32.1)	37.43	-
Deferred Rent Assets	10.19	10.84
Balances with Government Authorities	25,18.04	19,32.40
Export benefit receivable	5,25.45	2,62.39
Advances to Suppliers*	17,63.90	17,60.81
	50,10.02	40,45.04
*Includes advance to Related Parties - ₹ 1,88.33 lakhs (March 31, 2018 - Nil)		
17 EQUITY SHARE CAPITAL		
AUTHORISED		
11,20,00,000 (March 31, 2018 : 11,20,00,000) Equity Shares of ₹ 5/- each	56,00.00	56,00.00
ISSUED, SUBSCRIBED AND PAID UP		
11,07,20,000 (March 31, 2018 : 11,07,20,000) Equity Shares of ₹ 5/- each, fully paid-up	55,36.00	55,36.00
	55,36.00	55,36.00

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

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Saint-Gobain Abrasives Inc.	2,96,35,520	26.8%	2,96,35,520	26.8%
Societe de Participations Financieres et Industrielles	2,71,92,480	24.5%	2,71,92,480	24.5%
Saint-Gobain India Private Limited	3,00,000	0.3%	3,00,000	0.3%
	5,71,28,000	51.6%	5,71,28,000	51.6%

(b) Movement in Equity Share Capital :

Authorised Share Capital

	Number of shares	Equity share capital (par value)
As at March 31, 2017	11,20,00,000	56,00.00
Increased during the year	-	-
As at March 31, 2018	11,20,00,000	56,00.00
Increased during the year	-	-
As at March 31, 2019	11,20,00,000	56,00.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Issued and paid-up Share Capital

	Number of shares	Equity share capital (par value)
As at March 31, 2017	11,07,20,000	55,36.00
Shares issued during the year	-	-
As at March 31, 2018	11,07,20,000	55,36.00
Shares issued during the year	-	-
As at March 31, 2019	11,07,20,000	55,36.00

(c) 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.

(d) (i) 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. The Company has not allotted bonus shares other than noted above during five years immediately preceding the date of balance sheet.

(ii) The Company has not allotted any equity shares pursuant to contract without payment being received in cash nor bought back shares during five years immediately preceding the date of balance sheet.

18 OTHER EQUITY

Reserves and Surplus (Refer Note 18 (a))
Other Reserves (Refer Note 18 (b))

18(a) RESERVES AND SURPLUS

Securities Premium
General Reserve
Retained Earnings

i) SECURITIES PREMIUM

Opening Balance

ii) GENERAL RESERVE

Opening Balance
Add: Transfer from Surplus in the Statement of Profit and Loss

March 31, 2019	March 31, 2018
919,00.38	821,05.39
112,46.47	106,42.58
1,031,46.85	927,47.97
27,90.82	27,90.82
402,01.34	402,01.34
489,08.22	391,13.23
919,00.38	821,05.39
27,90.82	27,90.82
27,90.82	27,90.82
402,01.34	394,65.54
-	7,35.80
402,01.34	402,01.34



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
iii) RETAINED EARNINGS		
Opening Balance	391,13.23	306,13.74
Net profit for the period	163,83.88	147,15.85
<u>Items of other comprehensive income recognised directly in retained earnings</u>		
Remeasurement of post employment benefit obligation (net of tax)	85.05	(1,50.16)
<u>Appropriations</u>		
General Reserve	-	(7,35.80)
Dividend	(55,36.00)	(44,28.80)
[Dividend per share ₹ 5/- (Previous Year - ₹ 4/-)]		
Dividend Distribution Tax	(11,37.94)	(9,01.60)
	489,08.22	391,13.23

18(b) OTHER RESERVES

	FVOCI Equity Investment Reserve	Stock Compensation Reserve	Revaluation Reserve	Total
As at April 1, 2017	97,89.17	2,61.58	3,35.34	103,86.09
Equity instruments at fair value (net of tax)	1,36.00	-	-	1,36.00
Share based payments	-	1,20.49	-	1,20.49
As at March 31, 2018	99,25.17	3,82.07	3,35.34	106,42.58
Equity instruments at fair value (net of tax)	4,43.24	-	-	4,43.24
Share based payments	-	1,60.65	-	1,60.65
As at March 31, 2019	103,68.41	5,42.72	3,35.34	112,46.47

Nature and purpose of reserves

(i) Securities Premium

Securities premium is used to record the premium on issue of shares. This is to be 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 accumulated within the FV OCI - Equity Investments Reserve within Equity. The company transfers the amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

(iii) Stock Compensation Reserve

The stock compensation 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
19 NON-CURRENT LIABILITIES - PROVISIONS		
Compensated Absence (Refer Note 24.1)	20,31.52	19,60.95
Gratuity (Refer Note 32.1)	-	38.75
	<u>20,31.52</u>	<u>19,99.70</u>
20 DEFERRED TAX LIABILITIES (NET)		
The balance comprises temporary differences attributable to:		
Depreciation	32,23.73	33,82.50
Financial assets at FVOCI	10,41.85	9,97.09
Total Deferred tax Liabilities	<u>42,65.58</u>	<u>43,79.59</u>
Deferred tax asset		
The balance comprises temporary differences attributable to:		
Provision for employee benefits	(12,51.95)	(12,03.19)
Others	(2,93.21)	(5,81.44)
Total Deferred tax asset	<u>(15,45.16)</u>	<u>(17,84.63)</u>
	<u>27,20.42</u>	<u>25,94.96</u>

Movement in Deferred Tax Liabilities

	Depreciation	Provision for employee benefits	Financial Assets at FVOCI	Others	Total
As at March 31, 2017	35,21.00	(9,98.64)	7,46.09	(4,73.91)	27,94.54
Charged/(credited):					
- to profit and loss	(1,38.50)	(1,25.07)	-	(1,07.53)	(3,71.10)
- to other comprehensive income	-	(79.48)	2,51.00	-	1,71.52
As at March 31, 2018	<u>33,82.50</u>	<u>(12,03.19)</u>	<u>9,97.09</u>	<u>(5,81.44)</u>	<u>25,94.96</u>
Charged/(credited):					
- to profit and loss	(1,58.77)	(48.76)	-	2,88.23	80.70
- to other comprehensive income	-	-	44.76	-	44.76
As at March 31, 2019	<u>32,23.73</u>	<u>(12,51.95)</u>	<u>10,41.85</u>	<u>(2,93.21)</u>	<u>27,20.42</u>

	March 31, 2019	March 31, 2018
21 NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES		
Deferred Income Liability	1,25.55	1,55.93
	<u>1,25.55</u>	<u>1,55.93</u>
22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Total outstanding due to Micro Enterprises and Small Enterprises (Refer Note 22.1)	2,14.82	1,80.74
Total outstanding due to creditors other than Micro Enterprises and Small Enterprises	145,95.91	155,95.76
Total outstanding due to Related Parties (Refer Note 45)	32,48.45	33,10.40
	<u>180,59.18</u>	<u>190,86.90</u>

22.1 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:



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
a) the principal amount remaining unpaid to the supplier at the end of each accounting year;	2,14.82	1,80.74
b) the interest due thereon and remaining unpaid to the supplier at the end of each accounting year;	1.94	0.26
c) the principal amount paid by the buyer during the year to the supplier beyond the appointed day;	44.61	6,62.96
d) the amount of interest paid by the buyer during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);	7.54	-
e) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	0.85	4.49
f) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	2.79	7.54
g) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
h) Interest paid/payable in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), debited to statement of profit and loss	2.79	4.75
23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Trade / Security Deposits *	9,71.78	8,86.63
Unclaimed Dividend **	1,24.50	1,03.18
Commission due to directors	3,29.50	2,92.03
Payable for Discounts to Dealers	10,34.81	10,98.62
Derivatives- Foreign-exchange forward contracts	-	97.97
Capital Creditors	6,02.21	83.23
Employee related payables	19,47.85	16,33.38
	50,10.65	41,95.04
* Includes deposit from Related Parties - Nil (March 31, 2018 - ₹ 39.00 lakhs)		
** There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.		
24 CURRENT LIABILITIES - PROVISIONS		
Compensated Absence (Refer Note 24.1)	7,39.90	6,70.90
Gratuity (Refer Note 32.1)	-	4,73.85
Others (Refer Note 24.2)	8,83.08	9,28.66
	16,22.98	20,73.41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
24.1 DETAILS OF PROVISION FOR COMPENSATED ABSENCE		
Opening Balance - Long Term	19,60.95	17,28.13
Opening Balance - Short Term	6,70.90	5,67.58
Provision made during the year	3,46.96	5,09.11
Utilisation during the year	(2,07.39)	(1,72.97)
Closing Balance - Long Term	20,31.52	19,60.95
Closing Balance - Short Term	7,39.90	6,70.90
24.2 DETAILS OF OTHER PROVISIONS		
Opening Balance	9,28.66	4,65.06
Provision made during the year	2,72.97	4,63.60
Utilisation during the year	(3,18.55)	-
Closing Balance	8,83.08	9,28.66

The Company has made provisions towards probable liabilities arising out of pending claims/disputes with various authorities. The timing of the outflow with regard to the said matters depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the outflow resulting in they being disclosed at their potential undiscounted values.

	March 31, 2,019	March 31, 2,018
25 CURRENT TAX LIABILITIES		
Income Tax (Net of advance tax)	8,61.06	10,85.41
	<u>8,61.06</u>	<u>10,85.41</u>
26 OTHER CURRENT LIABILITIES		
Statutory Liabilities	16,53.43	15,74.82
Deferred Income Liability	32.76	42.39
Contract Liability-Advance from customer	14,60.70	7,30.77
	<u>31,46.89</u>	<u>23,47.98</u>
27 REVENUE FROM OPERATIONS		
Sale of products (Refer Note 27.1 and 27.2)	1,447,21.85	1,329,92.08
Service Income	104,77.03	90,73.54
Other operating revenue	14,86.20	7,53.16
	<u>1,566,85.08</u>	<u>1,428,18.78</u>
27.1 Sale of products (Gross)		
Abrasives	967,55.12	897,83.44
Ceramics & Plastics	436,50.43	380,41.23
Others	43,16.30	51,67.41
	<u>1,447,21.85</u>	<u>1,329,92.08</u>

The sales value mentioned above includes sale of trading goods of ₹ 116,96.13 lakhs (March 31, 2018 - ₹ 135,59.43 lakhs)



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

27.2 Pursuant to the introduction of Goods and Services Tax Act, (GST) with effect from July 1, 2017, Central Excise, Value Added Tax etc. have been subsumed into GST. In accordance with Accounting requirements, unlike Excise Duty, GST is not part of revenue. Accordingly, the revenue figures for the year ended March 31, 2018 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding:

	March 31, 2019	March 31, 2018
Sales of Products Gross (A)	1,447,21.85	1,329,92.08
Excise duty on Sales (B)	-	22,80.69
Sales of Product excluding excise duty on sales [C = (A-B)]	1,447,21.85	1,307,11.39

27.3 Reconciliation of revenue recognised with contract price

Revenue from contracts with customers at Contract Price	1,567,10.87	1,434,65.76
Less : Discounts on Sale of Products	15,11.99	14,00.14
	1,551,98.88	1,420,65.62
Other operating revenue	14,86.20	7,53.16
Revenue from operations	1,566,85.08	1,428,18.78

28 OTHER INCOME

Interest income	95.10	2,40.93
Interest Income on defined benefit obligation (net)	-	1.49
Gain on Redemption of Mutual Funds	17,18.45	11,43.52
Interest income from financial asset at amortised cost	18.83	24.02
Unwinding of discount on security deposits	25.98	27.34
Fair value gain on financial instruments at fair value through profit or loss	1,04.72	4,37.46
Royalty Income	2,31.54	2,01.00
Net gain on foreign currency transactions	4,74.68	41.21
Other Non-operating income	10,97.75	7,84.41
	37,67.05	29,01.38

29 COST OF MATERIALS CONSUMED

Opening Stock of		
Raw Materials	93,11.17	69,58.71
Raw Materials in Transit	31,58.83	18,04.54
	124,70.00	87,63.25
Add : Purchases	673,75.10	568,09.63
Less: Closing Stock of		
Raw Materials	(122,41.74)	(93,11.17)
Raw Materials in Transit	(28,55.39)	(31,58.83)
	(150,97.13)	(124,70.00)
	647,47.97	531,02.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
30 PURCHASE OF STOCK IN TRADE		
Abrasives	62,93.29	69,09.16
Ceramics & Plastics	25,27.51	21,33.36
Others	20,90.90	15,98.59
	<u>109,11.71</u>	<u>106,41.11</u>
31 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS		
Opening stock of		
Finished Goods	53,00.43	65,95.61
Traded Goods	22,74.88	22,21.33
Work-In-Progress	52,50.26	50,28.68
	<u>128,25.57</u>	<u>138,45.62</u>
Closing stock of		
Finished Goods	64,20.46	53,00.43
Traded Goods	23,53.77	22,74.88
Work-In-Progress	69,58.80	52,50.26
	<u>157,33.03</u>	<u>128,25.57</u>
Excise duty expense on increase/ (decrease) of finished goods	-	(3,92.63)
	<u>(29,07.46)</u>	<u>6,27.42</u>
32 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	159,22.96	146,45.90
Shared Based Payments	1,60.65	1,20.49
Contribution to provident and other funds and Gratuity (Refer Note 32.1)	13,30.41	12,27.87
Staff welfare	15,40.31	14,31.91
	<u>189,54.33</u>	<u>174,26.17</u>
32.1 Disclosure as required under Ind AS 19 - Employee Benefits		
I. Defined Contribution Plans:		
Contribution to defined contribution plans, recognised as expense for the year are as under:		
Employer's Contribution to Provident Fund	6,52.01	6,70.42
Employer's Contribution to Superannuation Fund	1,15.75	1,08.88



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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 and HDFC Group Term Plan Scheme of the HDFC Life Insurance Company Limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on 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 recognised in the Company's financial statements as at March 31, 2019:

	March 31, 2019	March 31, 2018
i) Change in present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of the year	5,579.90	4,835.63
Interest Cost	434.12	351.07
Current service cost	441.29	379.60
Benefits paid	(278.03)	(225.28)
Remeasurements		
Actuarial changes arising from changes in financial assumptions	(165.07)	154.11
Actuarial changes arising from experience assumptions	21.24	84.77
Present Value of defined benefit obligation at the end of the year	6,033.45	5,579.90
ii) Change in fair value of plan assets		
Fair Value of plan assets at the beginning of the year	5,067.30	4,856.23
Interest Income	394.24	352.56
Contributions paid by the employer	9,00.47	74.55
Benefits paid from the fund	(2,78.03)	(2,25.28)
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	(13.10)	9.24
Fair Value of plan assets at the end of the year	60,70.88	50,67.30
iii) Net asset / (liability) recognised in the Balance Sheet		
Present Value of defined benefit obligation at the end of the year	(60,33.45)	(55,79.90)
Fair Value of plan assets at the end of the year	60,70.88	50,67.30
Amount recognised in the balance sheet	37.43	(5,12.60)
Net Asset / (Liability) recognised - current	37.43	(4,73.85)
Net Asset / (Liability) recognised - non current	-	(38.75)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
iv) Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	4,41.29	3,79.60
Interest cost on defined benefit obligation	39.88	(1.49)
Total expenses included in statement of profit and loss	4,81.17	3,78.11
v) Recognised in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	(1,65.07)	1,54.11
Actuarial changes arising from experience assumptions	21.24	84.77
Actuarial Losses/(Gains) on Obligation for the period	(1,43.83)	2,38.88
Return on plan assets, excluding amounts included in interest income	13.11	(9.24)
Recognised in other comprehensive income	(1,30.72)	2,29.64
vi) Actuarial Assumptions		
Expected return on plan assets	7.75%	7.78%
Rate of Discounting	7.75%	7.78%
Rate of Salary Increase	9.50%	10.00%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
vii) Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	60,33.45	55,79.90
Delta Effect of +0.5% Change in Rate of Discounting	(1,68.89)	(1,65.67)
Delta Effect of -0.5% Change in Rate of Discounting	1,79.92	1,76.77
Delta Effect of +0.5% Change in Rate of Salary Increase	1,76.12	1,72.28
Delta Effect of -0.5% Change in Rate of Salary Increase	(1,67.01)	(1,63.15)
Delta Effect of +0.5% Change in Rate of Employee Turnover	(21.57)	(26.22)
Delta Effect of -0.5% Change in Rate of Employee Turnover	22.53	27.50
Methodology Adopted for Asset Liability Management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method

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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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 on undiscounted basis is as follows:

Projected Benefits Payable in Future Years From the Date of Reporting

	March 31, 2019	March 31, 2018
1st Following Year	11,23.45	10,62.91
2nd Following Year	8,35.28	5,17.98
3rd Following Year	3,95.33	5,40.22
4th Following Year	5,87.59	3,60.13
5th Following Year	3,49.41	5,32.83
Sum of Years 6 To 10	26,73.44	24,16.18
Sum of Years 11 and above	50,44.27	51,36.83

ix) Major categories of plan assets are as follows:

Insurer managed funds	60,70.88	50,67.30
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x) Risk exposure:

The Company's Defined Benefit Plan is Funded with Life Insurance Corporation of India and HDFC Life Insurance Company Limited. Company's Benefit Plan is exposed to risk such as investment risk, interest rate risk, salary escalation risk and demographic risk. Any change in these factors would impact the contribution to the fund.

	March 31, 2019	March 31, 2018
33 FINANCE COSTS		
Interest Expense	1,08.57	1,04.68
Interest Cost on defined benefit obligation (net)	39.88	-
	1,48.45	1,04.68
34 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Property, Plant and Equipment	41,61.63	41,28.85
Amortisation of Intangible Assets	60.08	88.88
	42,21.71	42,17.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
35 OTHER EXPENSES		
Consumption of Stores and Spares	38,85.03	29,84.53
Processing charges	34,60.64	29,86.56
Power & Fuel	63,12.46	51,62.93
Freight, Octroi and packing expenses	93,47.98	89,70.31
Rent /Lease payment	13,29.84	12,43.64
Repairs & Maintenance		
Building	22.85	19.96
Machinery	1,91.99	2,32.71
Others	3,12.77	2,66.54
	5,27.61	5,19.21
Insurance	1,49.41	1,79.63
Rates and Taxes	1,37.53	3,98.42
Travelling & Conveyance	20,42.26	17,79.14
Commission	3,07.11	1,68.61
Royalties	29,56.92	28,12.29
Loss on assets discarded /sold (net)	35.80	1,01.61
External Service charges	48,73.98	41,29.46
Bad debts & Advances written off	3.26	17.15
Provision for Doubtful Debts & Advances	32.11	1,97.28
Miscellaneous expenses (Refer Note 35.1 & 35.2)	36,63.97	34,57.82
	390,65.91	351,08.62
35.1 Miscellaneous expenses include		
Amounts paid to Auditors:		
(i) Audit Fees	23.00	21.50
(ii) Tax Audit	2.00	2.00
(iii) Certification	2.25	-
(iv) Reimbursement of expenses	1.88	1.12
35.2 Corporate social responsibility expenditure		
(a) Amount prescribed under the Act, to be spent during the year on CSR activities is ₹ 3,59.79 lakhs (March 31, 2018 - ₹ 3,14.14 lakhs)		
(b) The contribution during the year to Saint Gobain India Foundation (Related Party as per Ind AS 24) is ₹ 1,13.65 lakhs (March 31, 2018 - ₹ 1,01.19 lakhs) which is spent on purposes other than Construction / acquisition of any assets.		



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
36 TAX EXPENSE		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	88,44.93	78,66.11
Total current tax expense/(benefit)	88,44.93	78,66.11
Deferred tax		
Decrease / (increase) in deferred tax assets	2,39.47	(2,32.60)
(Decrease) / increase in deferred tax liabilities	(1,58.77)	(1,38.50)
Total deferred tax expense/(benefit)	80.70	(3,71.10)
Income tax expense	89,25.63	74,95.01
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	253,09.51	222,10.86
Tax at the Indian tax rate of 34.94 % (2017-2018 – 34.61%)	88,44.16	76,86.74
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Corporate social responsibility expenditure (net of 80G benefit)	27.47	17.65
Interest income from interest free bond exempt under section 10(34)	(2.13)	(2.08)
Other items	56.13	(2,07.30)
Income Tax Expense	89,25.63	74,95.01
37 EARNINGS PER SHARE		
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	14.80	13.29
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	14.80	13.29
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share	14.80	13.29
Profit attributable to equity holders of the company used in calculating basic earnings per share	163,83.88	147,15.85
Diluted earnings per share	14.80	13.29
Profit attributable to equity holders of the Company used in calculating diluted earning per share	163,83.88	147,15.85
(d) Weighted average number of equity shares used as the denominator in calculating Basic earnings per share	11,07,20,000	11,07,20,000
Adjustments for calculation of diluted earnings per share:		
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	11,07,20,000	11,07,20,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

38 FAIR VALUE MEASUREMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Financial instruments by category

	March 31, 2019		March 31, 2018	
	FVTPL	FVOCI	FVTPL	FVOCI
		Amortised cost		Amortised cost
Financial assets				
Investments				
- Equity instruments	-	153,50.17	-	-
- Mutual funds	243,18.32	-	263,86.96	148,62.17
- Government Securities	-	74.17	-	74.17
Trade receivables	-	201,97.81	-	173,23.63
Loan to directors	-	2,69.98	-	3,15.60
Loan to employees	-	1,74.91	-	1,53.39
Cash and Bank Balances	-	15,26.49	-	27,32.06
Security deposits	-	10,42.61	-	8,11.40
Employee Advances	-	2,03.08	-	-
Foreign Exchange Forward Contracts	5,02.34	-	-	-
Other receivables (Unsecured)	-	17,17.44	-	12,28.12
Total Financial Assets	248,20.66	153,50.17	263,86.96	148,62.17
Financial liabilities				
Trade / Security Deposits	-	9,71.78	-	8,86.63
Unclaimed Dividend	-	1,24.50	-	1,03.18
Trade payables	-	180,59.18	-	190,86.90
Capital creditors	-	6,02.21	-	83.23
Foreign Exchange Forward Contracts	-	-	97.97	-
Other financial liabilities	-	33,12.16	-	30,24.03
Total Financial Liabilities	-	230,69.83	97.97	231,83.97

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised 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 TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL;					
Mutual Funds	5, 10, 12	243,18.32	-	-	243,18.32
Financial Investments at FVOCI;					
Unquoted Equity Investments	5	-	-	153,50.17	153,50.17
Derivatives not designated as hedges;					
Foreign- exchange forward contracts	15	-	5,02.34	-	5,02.34
Total Financial Assets		243,18.32	5,02.34	153,50.17	401,70.83
Total Financial Liabilities		-	-	-	-

Assets and Liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	80.85	-	-	80.85
Loans					
Loans to employees	6, 14	-	-	1,46.00	1,46.00
Loan to directors	6, 14	-	-	2,31.56	2,31.56
Security deposits	6, 14	-	-	10,86.62	10,86.62
Total Financial Assets		80.85	-	14,64.18	15,45.03
Total Financial Liabilities		-	-	-	-

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL;					
Mutual Funds	5, 12	263,86.96	-	-	263,86.96
Financial Investments at FVOCI;					
Unquoted Equity Investments	5	-	-	148,62.17	148,62.17
Total Financial Assets		263,86.96	-	148,62.17	412,49.13
Financial Liabilities					
Derivatives not designated as hedges;					
Foreign- exchange forward contracts	23	-	97.97	-	97.97
Total Financial Liabilities		-	97.97	-	97.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Assets and Liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	82.36	-	-	82.36
Loans					
Loans to employees	6, 14	-	-	1,17.61	1,17.61
Loan to directors	6, 14	-	-	2,94.55	2,94.55
Security deposits	6, 14	-	-	8,77.15	8,77.15
Total Financial Assets		82.36	-	12,89.31	13,71.67
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 as 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 TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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, 2019 & March 31, 2018.

Unquoted Equity Shares

As on March 31, 2017	144,75.17
Acquisitions	-
Gains (Net) recognised in other comprehensive income	3,87.00
As on March 31, 2018	148,62.17
Acquisitions	-
Gains (Net) recognised in other comprehensive income	4,88.00
As on March 31, 2019	153,50.17

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	
Unquoted equity shares : Saint-Gobain India Pvt. Ltd. (SGIPL)	143,88.00	138,22.00	Long term growth rate for cash flows for subsequent years	4% - 6% (5%)	4% - 6% (5%)	1% Increase in the long-term growth rate would result in increase in stake value to ₹ 158,02.00 lakhs (March 31, 2018 ₹ 158,53.00 lakhs). 1% Decrease in the long-term growth rate would result in decrease in stake value to ₹ 132,87.00 lakhs (March 31, 2018 ₹ 130,14.00 lakhs). 1% Increase in the WACC would result in decrease in stake value to ₹ 128,61.00 lakhs (March 31, 2018 ₹ 125,65.00 lakhs). 1% Decrease in the WACC would result in Increase in stake value to ₹ 163,48.00 lakhs (March 31, 2018 ₹ 164,35.00 lakhs).
			Weighted Average Cost of Capital (WACC)	12% - 14% (13%)	11.6% - 13.6% (12.6%)	

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	
Unquoted equity shares : Andhra Pradesh Gas Power Corporation Ltd. (APGPCL)	9,60.00	10,38.00	Discount Rate	13.5% - 15.5% (14.5%)	14.2% - 16.2% (15.2%)	1% Increase in the discount rate would result in decrease in stake value to ₹ 9,45.00 lakhs (March 31, 2018 ₹ 10,19.00 lakhs). 1% Decrease in the discount rate would result in Increase in stake value to ₹ 9,76.00 lakhs (March 31, 2018 ₹ 10,59.00 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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:

For valuation of Saint-Gobain India Pvt. Ltd. discount rates are determined using Weighted Average Cost of Capital (WACC) to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Growth rate is estimated based on overall economic growth expected, our understanding of the industry and expected long-term inflation.

For valuation of Andhra Pradesh Gas Power Corporation Ltd., discount rate is determined considering prevailing yield of government bonds aligned with residual maturity, market risk premium and beta of similar companies. The Cash Flow projections are based on cost saving method.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the yearly 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 amortised cost

	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Investments				
Government securities	74.17	80.85	74.17	82.36
Loans				
Loans to employees	1,74.91	1,46.00	1,53.39	1,17.61
Loan to directors	2,69.98	2,31.56	3,15.60	2,94.55
Security deposits	10,42.61	10,86.62	8,11.40	8,77.15
Total Financial Assets	15,61.67	15,45.03	13,54.56	13,71.67

The carrying amounts of trade receivables, electricity deposit, employee advances, cash and cash equivalents and other short term receivables, trade payables, unclaimed dividend, 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 and security deposits 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 not observable.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

39 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 under policies approved by the Board of Directors. 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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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 dealers, 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 amortised cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised 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 supportable information that is relevant and 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 do not believe there are any particular customer or group of customers that would subject us to any significant credit risks in the collection of our Trade receivable.

We have evaluated percentage of allowance for doubtful debts with our trade receivables over the years:

Particulars	March 31, 2019	March 31, 2018
Trade Receivables	208,15.12	179,08.83
Loss Allowance	6,17.13	5,85.20
Percentage	2.97%	3.27%

(ii) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on March 31, 2018	5,85.20
Changes in allowance	32.11
Loss allowance on March 31, 2019	6,17.31

(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:

Particulars	March 31, 2019	March 31, 2018
Floating rate		
- Expiring beyond one year (bank loans and overdrafts)	45,31.94	29,03.00

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.

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 TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Contractual maturities of financial liabilities

	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2019						
Non-derivatives						
Trade payables	180,59.18	-	-	-	-	180,59.18
Other financial liabilities	50,10.65	-	-	-	-	50,10.65
Total Non-Derivative Liabilities	230,69.83	-	-	-	-	230,69.83
March 31, 2018						
Non-derivatives						
Trade payables	190,86.90	-	-	-	-	190,86.90
Other financial liabilities	41,95.04	-	-	-	-	41,95.04
Total Non-Derivative Liabilities	232,81.94	-	-	-	-	232,81.94

(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 and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

The risk is measured through a forecast of foreign currency sales and purchases 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 ₹ are as follows:

	Currency	March 31, 2019	March 31, 2018
Trade Receivables	USD	19,87.78	34,13.46
	EUR	41,29.85	46,27.97
	Others	21.82	23.68
Trade Payable	USD	25,23.39	32,25.81
	EUR	10,76.51	8,89.88
	Others	4,44.02	2,48.56

The details of forward contracts outstanding at the year ended expressed in ₹ are as follows:

	Currency	March 31, 2019	March 31, 2018
Forward Contracts (Sell)	USD	53,67.68	45,68.17
	EUR	72,21.48	80,55.83
	Others	25.49	59.81
Forward Contracts (Buy)	USD	74,47.38	36,48.88
	EUR	31,02.92	12,26.88
	Others	3,97.22	3,20.51



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

40 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 no borrowings and operations are being funded through internal accruals.

(b) Dividends

(i) Equity shares

Dividend paid during the year ₹ 5/- per fully paid up share (March 31, 2018 - ₹ 4/- per fully paid up share)

March 31, 2019	March 31, 2018
55,36.00	44,28.80

(ii) Dividends not recognised 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 ₹ 6/- each per fully paid equity share (March 31, 2018 – ₹ 5/-). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

41 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Contingent liabilities

	March 31, 2019	March 31, 2018
(a) Excise, Service Tax & Custom Duty demands pending with the appropriate authorities and disputed by the Company	8,64.74	10,18.86
(b) Sales Tax demands pending with the authorities and disputed by the Company	44.12	-
(c) Claims against the Company under the Labour Laws disputed by the Company	3,35.25	1,01.49
(d) Guarantees given by Banks, of which ₹ 6,04.89 lakhs (March 31, 2018 - ₹ 6,92.18 lakhs) are counter guaranteed by the Company	6,04.89	6,92.18
(e) Non-Agricultural Land Cess	37.79	37.79
(f) Other Claims against the Company not acknowledged as debts	1,21.81	1,79.33
(g) Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court	38,61.56	35,99.75
(h) Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)	10,63.71	10,43.29
(i) 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	2,64.00
(j) Income tax liability on account of disputed disallowances	88.32	1,34.51

- (ii) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
42 COMMITMENTS		
(i) Capital commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, Plant and Equipment	19,24.75	37,85.23
(ii) Operating leases		
<u>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</u>		
Within one year	9,26.48	9,20.72
Later than one year but not later than five years	16,44.13	24,34.24
Later than five years	-	-
<u>Commitments for minimum lease receipts in relation to non-cancellable operating leases are receivable as follows:</u>		
Within one year	2,02.68	1,73.99
Later than one year but not later than five years	26.88	-
Later than five years	-	-
<u>Rental expense relating to operating leases</u>		
Minimum lease payments	13,29.84	12,43.64
Total rental expense relating to operating leases	13,29.84	12,43.64

43 The segment information is presented under the Notes forming part of the Consolidated Financial Statements as required under the Indian Accounting Standard - 108 on "Operating Segment".

44 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.

Summary of Share options granted under plan

	March 31, 2019	March 31, 2018
	Number of options	Number of options
Opening balance	35,440	31,160
Granted during the year	9,680	10,340
Exercised during the year	(5,171)	(5,458)
Forfeited during the year	(2,009)	(602)
Closing balance	37,940	35,440



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Expense arising from share based payment transaction

	March 31, 2019	March 31, 2018
Performance Share Plan	1,60.65	1,20.49
	1,60.65	1,20.49

45 RELATED PARTY TRANSACTIONS (AS PER IND AS 24 RELATED PARTY DISCLOSURES)

Relationships

(i) HOLDING COMPANY

Compagnie de Saint-Gobain, France

(ii) FELLOW SUBSIDIARIES

Certainteed Corporation, USA	Saint Gobain America, S.A. De C.V., Mexico
Saint-Gobain Services Construction Products Gmbh, Germany	Saint-Gobain Building Distribution Deutschland Gmbh, Germany
L.M.Van Moppes Diamond Tools India Pvt. Ltd., India	Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd, China
Lapeyre, France	Saint-Gobain Colombia SAS, Colombia
Pt. Saint-Gobain Abrasives Diamas, Indonesia	Saint-Gobain Diamantwerkzeuge Gmbh, Germany
Saint-Gobain Performance Plastics Corporation, USA	Saint-Gobain Distribution Bâtiment France S.A.S., France
Saint-Gobain Ceramics & Plastics, Inc, USA	Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Abrasives (Suzhou) Co., Ltd, China	Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil
Saint-Gobain Abrasives BV, Netherlands	Saint-Gobain Glass Egypte S.A.E., Egypt
Saint-Gobain Abrasives Gmbh, Germany	Saint-Gobain HPM Polska sp.z o.o, Poland
Saint-Gobain Achats, France	Saint-Gobain Industrial Ceramics Pty Ltd, Australia
Saint-Gobain Adfors, France	SG Industrial Ceramics Ltd, UK
Saint-Gobain Building Distribution-UK	Saint-Gobain Industriekeramik Rodental Gmbh, Germany
SG Ceramic Materials AS, Norway	Saint-Gobain K.K., Japan
Saint-Gobain Corporation, France	Saint-Gobain Materiales Ceramicos, Venezuela
Saint-Gobain Dsi Groupe, France	Saint-Gobain Materiaux Ceramiques, France
Saint-Gobain Glass, France	Saint-Gobain Nordic A/S, Denmark
Saint-Gobain India Private Limited, India	Saint-Gobain Pipes-France
Saint-Gobain Innovative Materials Belgium, Belgium	Saint-Gobain Performance Plastics (Shanghai) Co Ltd, China
Saint-Gobain Solar Gard, LLC, USA	Saint-Gobain Sekurit India Ltd, India
Saint-Gobain Norpro, USA	Saint-Gobain Sekurit (Thailand) Co Lt, Thailand
Saint-Gobain (sea) Pte. Ltd., Philippines	Saint-Gobain Inovatif Malzemeler Ve Asindirici Sanayi Ticaret Anonim Sirketi, Turkey
Saint-Gobain Abrasifs, UAE	Saint-Gobain Technical Fabrics, S.A. De, Mexico
Saint-Gobain Abrasifs S.A. (Maroc), Morocco	Saint-Gobain Vietnam Ltd., Vietnam

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Saint-Gobain Abrasifs, France,	Savoie Refractaires, France
Saint-Gobain Abrasives Limited, New Zealand	Societe Europeenne Des Produits Refractaires - S.E.P.R., France
Saint-Gobain Abrasives (Pty.) Ltd., South Africa	Saint-Gobain Consulting Information and Organisation, France
Saint-Gobain Abrasives (Thailand) Ltd., Thailand	Saint-Gobain Distribuição Brasil Ltda, Brazil
Saint-Gobain Abrasives Ltd, UK	Saint-Gobain Info Sys Gmbh, Germany
Saint-Gobain Abrasives Limited, England	Saint-Gobain Isover, France
ST-Gobain Abrasives Pty. Ltd., Australia	Saint-Gobain Materiaux Ceramiques, Belgium
Saint-Gobain Abrasives S.A., Luxembourg	Saint-Gobain Performance Plastics Corby, UK
Saint-Gobain Abrasives (Shanghai) Co Ltd, China	Saint-Gobain Performance Plastics Korea Co Ltd, Korea
Saint-Gobain Abrasives, Inc., USA	Saint-Gobain Performance Plastics Pampus Gmbh, Germany
Saint-Gobain Abrasivi SPA, Italy	Saint-Gobain Performance Plastics Ireland, Ireland
Saint-Gobain Abrasivos LDA. - (Portugal), Portugal	Saint-Gobain Performance Plastics Rencol Limited, UK
Saint-Gobain Abrasivos S.A.(ESPAÑA), Spain	Saint-Gobain Technology Services, France
Saint-Gobain Advanced Ceramics(Shanghai) Co Ltd, China	Thai Gypsum Products PCI, Thailand
Saint-Gobain Gyproc Emirates Industries LLC, UAE	Saint-Gobain Centre De Recherche Et D'Etudes Europeen, France
Saint-Gobain Adfors Cz S.R.O., Czech Republic	Saint-Gobain Abrasivos Limitada, Chile
Saint-Gobain Solar Gard Australia Pty. Ltd.	Saint-Gobain Distribution The Netherlands BV, Netherlands
Saint-Gobain Advanced Materials (Taiwan) Co Ltd	Saint-Gobain Adfors America, Inc, USA
Saint-Gobain Rigips Alci Sanayi Ve Ticaret Anonim Sirketi, Turkey	Saint-Gobain Adfors Austria Gmbh, Austria
Sanitas Troesch Ag, Switzerland	Toyoda Van Moppes Ltd
Saint-Gobain Performance Plastics Mg Silikon Gmbh, Germany	Saint-Gobain Performance Plastics L+S Gmbh, Germany

(iii) OTHER RELATED PARTIES :

Grindwell Norton Employees Gratuity Trust
Grindwell Norton Employees Superannuation Trust

(iv) SUBSIDIARY COMPANY

Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

(v) KEY MANAGEMENT PERSONNEL

Mr. Anand Mahajan, Managing Director
Mr. Krishna Prasad, Alternate Director
Mr. Pradip Shah, Independent Director (upto March 31, 2019)
Mr. Shivanand Salgaocar, Independent Director
Mr. Keki M. Elavia, Independent Director
Mr. Mikhail Narang, Director



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) (a) Parent entities

The Group is controlled by following entity:

Name of entity	Type	Place of business	Ownership interest held by the Gross	
			March 31, 2019	March 31, 2018
Compagnie de Saint-Gobain	Ultimate Holding Co*	Les Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	51.6%	51.6%
* The Ultimate Holding Company ("Saint-Gobain") holds shares in the Company through the following subsidiaries				
Saint-Gobain Abrasives Inc	Fellow Subsidiary	1 New Bond Street, P.O Box 15008 Worcester MA 01615 USA	26.8%	26.8%
Societe de Participations Financieres et Industrielles	Fellow Subsidiary	Les Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	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%

(b) Subsidiary

Name of entity	Type	Place of business	Ownership interest held by the Company	
			March 31, 2019	March 31, 2018
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	Subsidiary	L-14 Pasakha Industrial Estate, PO Box 275, Pasakha Bhutan	70%	70%

(c) Key Management Personnel Compensation

	March 31, 2019	March 31, 2018
Short-term employee benefits	4,50.88	2,96.60
Post-employment benefits	90.75	78.42
Sitting Fees	17.60	14.10
Commission Payable	3,29.50	2,92.03

(d) Transactions with related parties

The following transactions/balances were carried out with the related parties in the ordinary course of business alongwith year-end balances as follows :

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Other Related Parties		Subsidiary Company	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Sales	-	-	63,99.76	44,89.94	-	-	-	-
2	Agency Commission received	-	-	35.88	29.85	-	-	-	-
3	Service Income	2,64.54	2,00.60	101,46.60	87,78.38	-	-	48.75	30.00
4	Other Income	-	-	3,57.93	3,80.88	-	-	2,31.54	2,06.77
5	Expenses incurred on behalf of group companies	3.43	19.13	8,24.75	19,20.86	-	-	1.91	12.47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Other Related Parties		Subsidiary Company	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
6	Expenses charged by other group companies	85.96	55.71	13,06.89	8,80.50	-	-	-	4.39
7	Purchase of Goods	-	-	215,95.30	160,96.38	-	-	48,08.81	44,47.85
8	Royalty Paid	-	-	29,56.92	28,12.29	-	-	-	-
9	Other Expenses	-	-	-	1,35.04	-	-	-	-
10	Dividend Paid	-	-	28,56.40	22,85.12	-	-	-	-
11	Donation Paid	-	-	1,35.17	1,01.19	-	-	-	-
12	Trade Receivables*	-	51.54	21,09.38	40,52.57	-	-	-	-
13	Other Receivables*	0.92	-	13,63.84	5,18.79	-	-	3,99.33	5,81.17
14	Trade Payables*	-	-	(27,77.85)	(29,13.14)	-	-	(4,70.60)	(3,97.26)
15	Outstanding deposits*	-	-	-	39.00	-	-	-	-
16	Contribution to Post employment benefit plans	-	-	-	-	10,16.22	1,83.43	-	-

* Closing Balance

(e) Loans to/from related parties

Particulars	March 31, 2019	March 31, 2018
Loans to key management personnel		
Beginning of the year	3,40.00	2,50.00
Loans advanced	-	1,50.00
Loan repayments received	(60.00)	(60.00)
Interest charged	9.00	10.35
Interest received	(9.00)	(10.35)
End of the year	2,80.00	3,40.00

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

(f) Terms and conditions

- (i) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- (ii) Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- (iii) The terms and conditions of the loans to Key Managerial Personnel are as per the policy of the Company.
- (iv) 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, 2018 – 10%).
- (v) All outstanding balances are unsecured and are repayable in cash.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(g) Related parties with whom significant transactions were undertaken and included in figures reported in Note No. 45 (iv) (d) is as under

Sr. No.	Nature of Transactions	Name of the companies	March 31, 2019	March 31, 2018
1	Service Income	Saint Gobain Dsi Groupe, France	31,82.04	22,14.53
		Saint-Gobain Isover, France	15,41.08	15,64.82
		Saint-Gobain Consulting Information and Organisation, France	27,37.82	25,66.56
2.	Purchase of Goods	Saint-Gobain Ceramics & Plastics Inc., USA	21,26.12	98.27
		Saint-Gobain Distribuição Brasil Ltda, Brazil	23,94.24	15,61.31
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	48,08.81	44,47.85
		Saint-Gobain K.K., Japan	14,44.88	11,54.38
		SG Ceramic Materials AS, Norway	17,54.15	20,30.18
3.	Royalty Paid	Saint-Gobain Abrasives Inc., USA	21,70.05	20,10.47
4.	Dividend Paid	Saint-Gobain Abrasives Inc., USA	14,81.78	11,85.42
		Societe de Participations Financieres et Industrielles	13,59.62	10,87.70

46 Previous year's figures have been regrouped wherever necessary to conform with current year's classification.

The accompanying notes (1 to 46) 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 Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Keki M. Elavia

Chairman

DIN 00003940

Anand Mahajan

Managing Director

DIN 00066320

Sachin Parekh
Partner
Membership No. 107038
Mumbai: May 29, 2019

Deepak Chindarkar

Chief Financial Officer

K. Visweswaran

Company Secretary

Mumbai: May 29, 2019

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	253,09.51	222,10.86
Adjustments for;		
Depreciation expense	41,61.63	41,28.85
Amortisation expense	60.08	88.88
Loss on assets discarded / sold (net)	35.80	1,01.61
Gain on Redemption of Mutual Funds	(17,18.45)	(11,43.52)
Unrealised gain on foreign exchange	1,40.14	(57.62)
Interest Income	(95.10)	(2,42.42)
Finance Costs	1,48.45	1,04.68
Share based Payments	1,60.65	1,20.49
Fair value gain on financial instruments at fair value through profit or loss	(1,04.72)	(4,37.46)
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(30,99.25)	(51,25.27)
(Increase)/Decrease in inventories	(57,13.70)	(28,03.44)
(Increase)/Decrease in loans	(2,07.11)	(1,01.08)
(Increase)/Decrease in other financial asset	(10,29.10)	6,03.50
(Increase)/Decrease in other non-current asset	(1,34.72)	(9,04.45)
(Increase)/Decrease in other current asset	(9,64.98)	(92.06)
Increase/(Decrease) in trade payables	(9,42.79)	28,86.91
Increase/(Decrease) in provisions	(2,87.89)	10,82.81
Increase/(Decrease) in other non-current liabilities	(30.38)	(42.31)
Increase/(Decrease) in other current liabilities	7,98.91	(3,00.75)
Increase/(Decrease) in other financial liabilities	8,15.61	(5,47.36)
Cash generated from operations	173,02.59	195,30.85
Income taxes paid	(91,14.95)	(71,02.88)
Net cash inflow from operating activities	81,87.64	124,27.97
Cash flows from investing activities		
Payments towards purchase of property, plant and equipment	(65,97.01)	(36,59.49)
Proceeds from Redemption of Mutual Funds (Net)	17,18.45	11,43.52
Proceeds from sale of property, plant and equipment	30.66	20.78
Purchase of investment	(5,00.00)	(20,00.00)
Interest received	93.64	2,42.15
Net cash outflow from investing activities	(52,54.26)	(42,53.04)
Cash flows from financing activities		
Interest paid	(1,48.45)	(1,04.68)
Loan repaid	-	(2,72.07)
Dividend paid	(55,36.00)	(44,28.80)
Dividend distribution tax paid	(11,37.94)	(9,01.60)
Net cash inflow / (outflow) from financing activities	(68,22.39)	(57,07.15)
Net increase / (decrease) in cash and cash equivalents	(38,89.01)	24,67.78
Add: Cash and cash equivalents at the beginning of the financial year	268,27.32	240,65.49
Add: Fair value gain on financial instruments at fair value through profit or loss	(92.35)	2,94.05
Cash and cash equivalents at end of the year as reported in balance sheet	228,45.96	268,27.32

As per our Report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Sachin Parekh
Partner
Membership No. 107038
Mumbai: May 29, 2019

Keki M. Elavia

Anand Mahajan

Deepak Chindarkar

K. Visweswaran

Mumbai: May 29, 2019

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

Chairman

Managing Director

Chief Financial Officer

Company Secretary

DIN 00003940

DIN 00066320

**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 2018
3. Reporting Currency 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	:	15,72.58
6. Total Assets	:	59,27.44
7. Total Liabilities	:	59,27.44
8. Investments	:	NIL
9. Turnover	:	77,12.80
10. Profit before taxation	:	7,21.47
11. Provision for taxation (incl Deferred Tax)	:	(2,31.58)
12. Profit after taxation	:	4,89.89
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 Associates or Joint ventures 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

Keki M. Elavia	Chairman	DIN 00003940
Anand Mahajan	Managing Director	DIN 00066320
Deepak Chindarkar	Chief Financial Officer	
K. Visweswaran	Company Secretary	

Mumbai: May 29, 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRINDWELL NORTON LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Grindwell Norton Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") (refer Note 1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, other than the unaudited financial statements as certified by the Management and referred to in paragraph 14 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of Unquoted Equity Investment</p> <p>(Refer to Notes 5 and 40 to the financial statements)</p> <p>The Group has investments amounting to ₹ 15,348 lakhs in equity interest of two unquoted companies valued on 'Fair Value through Other Comprehensive Income' in accordance with related Accounting Standard. The investments comprise a significant part of the net assets.</p> <p>In measuring these investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The Management has also used the services of an independent professional valuation expert in this regard.</p> <p>Key inputs used in the valuation of above investments are cash flow projections, growth rate, terminal value, discount rate etc.</p> <p>The valuation of these assets is important to our audit as it is highly dependent on estimates (various assumptions and techniques used) which contain assumptions that are not observable in the market.</p> <p>Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p>	<p>Our procedures to test the valuation of investment in the unquoted equity instruments include the following:</p> <ul style="list-style-type: none"> • Understanding and evaluation of design and testing of operating effectiveness of the controls over determination of fair value (including valuation model and assumptions/ judgements) of unquoted equity instruments. • Assessing the accuracy and reasonableness of the input data provided by the Management by agreeing with approved budgets. • Comparing recent historical results vis-à-vis corresponding budgets. • Evaluation of competence, capabilities and objectivity of the valuation expert engaged by the Management; • We have assessed the reasonableness of cash flows projection and performed audit procedures on management's assumptions such as earnings growth rate, cost escalation/savings etc. and also along with the auditor's expert assessed valuation methodology, discount rate, terminal growth rate, etc; • Tested the mathematical accuracy of the discounted cash flows projection; and • Assessed adequacy of relevant disclosures in the financial statements <p>Based on the above audit procedures performed, the Management's assessment of valuation of investment in the unquoted equity instruments was considered to be reasonable.</p>



Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

14. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 57,86.86 lakhs and net assets of ₹ 46,17.66 lakhs as at March 31, 2019, total revenue of ₹ 78,75.96 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 4,92.39 lakhs and net cash inflows amounting to ₹ 1,49.18 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary, our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on such unaudited 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 financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.



- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) As there are no subsidiaries incorporated in India, this report does not contain a separate report on the internal financial controls with reference to financial statements over financial reporting of the Group under Clause (i) of Sub-section 3 of Section 143 of the Act.
- (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group - Refer Note 43 to the consolidated financial statements.
 - ii. The Group has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Group did not have any long term derivative contracts as at March 31, 2019.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Sachin Parekh

Partner

Membership Number: 107038

Place : Mumbai

Date : May 29, 2019.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	March 31, 2019	March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	344,08.07	340,71.28
Capital work-in-progress	3	42,97.00	24,52.15
Goodwill	4	48.80	48.80
Other intangible assets	4	49.98	99.61
Financial assets			
i. Investments	5	170,51.10	170,79.75
ii. Loans	6	13,09.85	11,85.72
iii. Other financial assets	7	-	11.46
Deferred tax assets (Net)	8	3,98.89	4,62.78
Other non-current assets	9	14,50.95	13,27.48
Total non-current assets		590,14.64	567,39.03
CURRENT ASSETS			
Inventories	10	328,58.06	271,89.33
Financial assets			
i. Investments	11	12,13.72	-
ii. Trade receivables	12	205,61.52	177,09.04
iii. Cash and cash equivalents	13	232,16.93	270,57.34
iv. Bank balances other than (iii) above	14	1,95.01	1,65.25
v. Loans	15	1,91.05	94.67
vi. Other financial assets	16	20,76.04	8,26.97
Other current assets	17	56,00.29	45,96.91
Total current assets		859,12.62	776,39.51
TOTAL ASSETS		1,449,27.26	1,343,78.54
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	55,36.00	55,36.00
Other Equity	19	1,042,55.80	935,16.32
Equity attributable to owners of the Company		1,097,91.80	990,52.32
Non Controlling Interest		13,85.56	12,37.85
Total equity		1,111,77.36	1,002,90.17
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	20	20,31.52	20,35.22
Deferred tax liabilities (Net)	21	27,20.42	25,94.96
Other non-current liabilities	22	1,25.55	1,55.93
Total non-current liabilities		48,77.49	47,86.11
CURRENT LIABILITIES			
Financial liabilities			
i. Borrowings	23	-	3.63
ii. Trade payables	24		
(a) Total outstanding dues of micro and small enterprises		2,14.82	1,80.74
(b) Total outstanding dues of creditors other than (ii)(a) above		178,57.04	192,99.44
iii. Other financial liabilities	25	50,14.33	40,75.07
Provisions	26	16,22.98	20,73.41
Current tax liabilities (Net)	27	9,35.98	11,98.03
Other Current Liabilities	28	32,27.26	24,71.94
Total current liabilities		288,72.41	293,02.26
TOTAL LIABILITIES		337,49.90	340,88.37
TOTAL EQUITY AND LIABILITIES		1,449,27.26	1,343,78.54
Significant Accounting Policies	1.3		

The accompanying notes (1 to 51) 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 Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Keki M. Elavia

Chairman

DIN 00003940

Anand Mahajan

Managing Director

DIN 00066320

Sachin Parekh
Partner

Deepak Chindarkar

Chief Financial Officer

Membership No. 107038

K. Visweswaran

Company Secretary

Mumbai: May 29, 2019

Mumbai: May 29, 2019



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	March 31, 2019	March 31, 2018
INCOME			
Revenue from Operations	29	1,598,06.36	1,453,78.22
Other Income	30	35,35.67	26,94.61
Total Income		1,633,42.03	1,480,72.83
EXPENSES			
Cost of materials consumed	31	628,92.39	510,45.26
Purchase of Stock-in-Trade	32	109,11.71	106,41.11
Changes in inventories of work-in-progress, stock-in-trade finished goods	33	(28,50.72)	6,68.21
Excise duty		-	22,80.69
Employee benefits expense	34	192,58.04	176,79.18
Finance costs	35	1,49.96	1,53.25
Depreciation and amortisation expense	36	45,23.10	44,83.52
Other expenses	37	424,13.24	383,74.91
Total expenses		1,372,97.72	1,253,26.13
Profit before tax		260,44.31	227,46.70
Income Tax Expense	38		
- Current tax		90,27.53	80,06.53
- Deferred tax		1,44.59	(3,48.48)
Total tax expenses		91,72.12	76,58.05
Profit for the year		168,72.19	150,88.65
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations - gain/(loss)		1,30.72	(2,29.64)
Change in fair value of equity instruments at Fair Value through Other Comprehensive Income (FVOCI)		4,88.00	3,87.00
Income tax relating to these items			
- Current tax		(45.67)	-
- Deferred tax		(44.76)	(1,71.52)
Other Comprehensive Income for the Year		5,28.29	(14.16)
Total Comprehensive Income for the Year		174,00.48	150,74.49
Net Profit attributable to:			
- Owners		167,24.48	149,74.50
- Non-controlling interests		1,47.71	1,14.15
Total comprehensive income attributable to:			
- Owners		172,52.77	149,60.34
- Non-controlling interests		1,47.71	1,14.15
Earnings per share (Face value of ₹ 5 each)			
Basic earnings per share (in ₹)	39	15.11	13.52
Diluted earnings per share (in ₹)	39	15.11	13.52
Significant Accounting Policies	1.3		

The accompanying notes (1 to 51) 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 Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Keki M. Elavia

Chairman

DIN 00003940

Anand Mahajan

Managing Director

DIN 00066320

Deepak Chindarkar

Chief Financial Officer

Sachin Parekh
Partner

K. Visweswaran

Company Secretary

Membership No. 107038

Mumbai: May 29, 2019

Mumbai: May 29, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

I) EQUITY SHARE CAPITAL

	Notes	Amounts
Balance as at March 31, 2017		55,36.00
Changes in equity share capital		-
Balance as at March 31, 2018	18	55,36.00
Changes in equity share capital		-
Balance as at March 31, 2019	18	55,36.00

II) OTHER EQUITY

	Notes	Reserves and Surplus				Other Reserves			Grand Total	
		Securities Premium	General Reserve	Retained Earnings	FVOCI Equity Investment Reserve	Revaluation Reserve	Stock Compensation Reserve	Total Attributable to Owners of the Company	Attributable to Non-controlling Interest	Total
Balance as at March 31, 2017										
Profit for the year	19	27,90.82	394,65.54	311,23.44	97,89.17	3,35.34	2,61.58	837,65.89	11,23.70	848,89.59
Remeasurement of post employment benefit obligation, net of tax		-	-	149,74.50	-	-	-	149,74.50	1,14.15	150,88.65
Employee stock option expense compensation reserve		-	-	(1,50.16)	-	-	-	(1,50.16)	-	(1,50.16)
Other comprehensive income	19	-	-	-	-	-	1,20.49	1,20.49	-	1,20.49
Transfer to General Reserve		-	7,35.80	(7,35.80)	1,36.00	-	-	1,36.00	-	1,36.00
Transactions with Owners in their capacity as owners										
Dividend for the financial year 2016-17		-	-	(44,28.80)	-	-	-	(44,28.80)	-	(44,28.80)
Dividend Distribution Tax for the financial year 2016-17		-	-	(9,01.60)	-	-	-	(9,01.60)	-	(9,01.60)
Balance as at March 31, 2018		27,90.82	402,01.34	398,81.58	99,25.17	3,35.34	3,82.07	935,16.32	12,37.85	947,54.17
Profit for the year	19	-	-	167,24.48	-	-	-	167,24.48	1,47.71	168,72.19
Remeasurement of post employment benefit obligation, net of tax		-	-	85.05	-	-	-	85.05	-	85.05
Employee stock option expense compensation reserve		-	-	-	-	-	1,60.65	1,60.65	-	1,60.65
Other comprehensive income	19	-	-	-	4,43.24	-	-	4,43.24	-	4,43.24
Transactions with Owners in their capacity as owners										
Dividend for the financial year 2017-18		-	-	(55,36.00)	-	-	-	(55,36.00)	-	(55,36.00)
Dividend Distribution Tax for the financial year 2017-18		-	-	(11,37.94)	-	-	-	(11,37.94)	-	(11,37.94)
Balance as at March 31, 2019		27,90.82	402,01.34	500,17.17	103,68.41	3,35.34	5,42.72	1,042,55.80	13,85.56	1,056,41.36

The accompanying notes (1 to 51) 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 Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Keki M. Elavia Chairman DIN 00003940
Anand Mahajan Managing Director DIN 00066320

Sachin Parekh Partner
Membership No. 107038
Mumbai: May 29, 2019

Deepak Chindarkar Chief Financial Officer
K. Visweswaran Company Secretary

Mumbai: May 29, 2019



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

NOTE: 1

1.1 CORPORATE INFORMATION

Grindwell Norton Ltd (the 'Company') is a limited company incorporated on July 31, 19,50 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 – 40,00,59. The Group is one of the subsidiaries of Compagnie de Saint – Gobain ("Saint Gobain"), a transnational group with its headquarters in Paris. The Company's businesses are a part of the High Performance Solutions 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:

1. Abrasives
2. Ceramics and Plastics.

Consolidated Financial Statements for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 29, 2019.

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), as amended, and other relevant provisions of the Act as applicable.

(ii) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) 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 for the ultimate Parent Company.

(iii) New standard adopted by the Group

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 which includes Indian Accounting Standard (Ind AS) 115 in respect of 'Revenue from Contracts with Customers' and is mandatory for reporting periods beginning on or after April 1, 2018. Ind AS 115 has replaced existing Ind AS 18 – Revenue and Ind AS 11 – Construction Contracts. The Group has adopted IND AS 115 using modified retrospective approach and accordingly, the comparative information for previous year has not been restated. The adoption of Ind AS 115 did not have any material impact on the Group's financial statement.

(iv) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(v) 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, 2019 have not been audited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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.

(vi) 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. Minority 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.

1.3 SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

(i) Recognition and measurement:

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

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

Gains or losses on disposal are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(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 and the cost of the item can be measured reliably.

(iii) Depreciation:

Depreciation is calculated using the Straight-line method to allocate their cost, net of their residual values, over their following estimated useful life which is similar to useful life prescribed in Schedule II of the Act; except for Server & Networks and Specific Kilns the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life.

Assets	Useful life
(i) Building	: 3 to 60 years
(ii) Plant and Equipment	: 7.5 to 25 years
(iii) Electrical Installations and Equipments	: 10 years
(iv) Laboratory Equipments	: 10 years
(v) Computers	: 3 years
(vi) Furniture and Fixtures	: 10 years
(vii) Office Equipments	: 5 years
(viii) Vehicles	: 8 to 10 years
(ix) Specific Kilns	: 5 to 10 years
(x) Server & Networks	: 4 years

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

B. Intangible assets

(i) Recognition and measurement:

An Intangible asset is recognised when it is probable that the future economic benefits that are attributable to the asset 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 amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

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

Goodwill and Trade Mark 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 trade mark arose.

(ii) Amortisation :

Intangible assets other than Goodwill and Trademark are amortised 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 of assets

(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:

- Financial assets that are debt instruments, are measured at amortised cost e.g., loans, deposits, and bank balance.
- 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

Non financial assets, other than Goodwill and Trade Mark, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's Fair value less cost of disposal and Value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than Goodwill and trade mark that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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, non-refundable 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

(i) 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 profit or loss), and
- Those measured at amortised 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 profit or 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 Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. These are three measurement categories into which group classifies debt instruments.

- (a) Amortised 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 amortised cost. Interest income from lease financial assets is included in finance income using the effective interest method.
- (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 fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- (c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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 other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income 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.

(iii) Derecognition

A financial asset is derecognised 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

For the purpose of presentation, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

G. Financial Liabilities

(i) Measurement

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

The Group's financial liabilities include trade and other payables.

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

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

H. Foreign currency translation

(i) Functional and presentation currency:

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

I. Forward contracts

The Group enters into derivative contracts (forward contracts) to hedge the risk of foreign exchange fluctuations. Such contracts are initially recognised 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 contracts are accounted for at fair value through profit and loss and are included as other gains/(losses).

J. Revenue recognition

(i) Sale of goods

Revenue generated by the sale of goods is recognized net of rebates, discounts and goods and service tax, when control of the goods has been transferred to the customer. Revenue generated by the sale of goods is primarily recognized at the time the goods are delivered to the customer.

(ii) Service income

Revenue generated by the sale of services is recognized when the services have been rendered, or by reference to the stage of completion of the services, as calculated based on costs plus fixed percentage of mark up.

(iii) Dividend

Dividends are recognised 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 amortised cost, interest income is recorded using Effective Interest Rate (EIR), which is the rate 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 recognised when the right to receive them as per terms of the entitlement is established in respect of exports made.

K. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

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.

The obligations are presented as current liabilities in the balance sheet as current or non-current based on the actuary's report.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Defined Benefit Plan - Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated at year-end by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost, excluding Net Interest cost, is included in Employee Benefit Expense in the Statement of Profit and Loss. The net interest cost is included in the Finance Cost in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised 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.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group contributes to Provident Fund, Employee pension schemes 1995, and Superannuation fund under the relevant approved schemes and / or statutes. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(iv) Share-based payments

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

(v) Termination benefits

Termination benefit are recognised as an expense in the period in which they are incurred.

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 are incurred.

M. Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

N. Provisions and Contingencies

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

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be readily estimated.

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 recognised as a finance cost.

- (ii) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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

- (iii) Contingent Assets are disclosed , where the inflow of economic benefits is probable.
- (iv) Where the likelihood of outflow of resource is remote, no provision or disclosure as specified in Ind AS 37-“Provision, Contingent Liabilities and Contingent Assets” is made.

O. Earnings per share

- (i) Basic earnings per share

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, adjusted for bonus elements in equity shares issued during the year.

- (ii) Diluted earnings per share

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

P. Segment reporting

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

The CODM, being the Managing Director, assesses the financial performance and position of the Group and makes strategic decisions.

Q. Government grants

Grants from the government are recognised 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 or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

R. Leases

As a lessee

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.

Payments made under operating leases (net of incentives received from the lessor) are charged to profit or 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 recognised 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.

S. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on the further events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

T. Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs, with upto two decimals as per the requirement of Schedule III, unless otherwise stated.

NOTE: 2

2.1 USE OF JUDGMENTS, ESTIMATES 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 recognised prospectively.

Judgment, estimates and assumptions are required in particular for:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(a) Determination of the estimated useful lives of tangible assets

Useful lives of tangible assets 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 recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

(d) Discounting of long-term 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 subsequently be measured at amortised cost, interest is accrued using the effective interest method.

(e) Fair valuation of employee share options

The fair valuation of the employee share options of the Ultimate Holding Company is based on the Black-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 feasible, 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 the relevant schemes and estimate of likely sales eligible for such discounts and schemes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 (the 'Rules') on March 30, 2019. These rules are effective from April 1, 2019. Relevant disclosures required by Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors for new Ind AS/amendments issued but not yet effective are as follows:

Ind AS 116 - Leases

The Company will apply the following standard for the first time for its annual reporting, period commencing April 1, 2019

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease.

The Company is in the process of assessing the detailed impact of Ind AS 116.

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	Land - Freehold	Land - Leasehold	Buildings *	Leasehold Improvements	Plant and Equipment	Electrical installations and Equipments	Laboratory Equipments	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Total
Gross carrying amount:												
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
Additions	-	-	4,28.71	-	12,04.99	12.72	39.05	2,24.41	63.59	32.85	10.53	20,16.85
Deductions	-	-	-	-	(3,52.96)	-	(0.28)	(13.39)	(3.75)	(12.17)	(15.42)	(3,97.97)
Adjustments for classifications	-	-	(63.52)	(2.62)	(3.15)	-	-	(8.24)	57.65	21.23	(1.35)	-
As at March 31, 2018	19,01.35	78.41	142,01.47	10,06.98	259,59.45	2,79.29	1,52.20	10,53.50	10,00.34	4,99.23	2,09.81	463,42.03
Additions	-	-	5,53.17	-	33,75.30	39.11	5.24	3,44.37	3,00.25	1,05.28	1,43.55	48,66.27
Deductions	-	-	(16.46)	(5.77)	(50.99)	-	-	(28.62)	(10.88)	(5.77)	(52.40)	(1,70.87)
As at March 31, 2019	19,01.35	78.41	147,38.18	10,01.21	292,83.76	3,18.40	1,57.44	13,69.25	12,89.73	5,98.74	3,00.96	510,37.43
Accumulated Depreciation:												
As at March 31, 2017	-	1.89	10,41.35	1,90.80	58,86.01	27.76	16.45	4,10.40	3,07.38	2,02.97	56.80	81,41.81
Depreciation for 2017-18	-	0.97	5,61.35	1,29.72	31,51.36	24.12	15.60	2,56.07	1,31.08	95.86	28.51	43,94.64
On Deductions	-	-	-	-	(2,22.81)	-	(0.28)	(11.58)	(3.62)	(11.99)	(15.42)	(2,65.70)
Adjustments for classifications	-	0.06	(0.55)	0.07	0.54	(0.58)	-	1.57	2.27	(2.02)	(1.36)	-
As at March 31, 2018	-	2.92	16,02.15	3,20.59	88,15.10	51.30	31.77	6,56.46	4,37.11	2,84.82	68.53	122,70.75
Depreciation for the year	-	0.95	5,28.20	1,29.38	32,25.17	25.62	18.48	2,76.58	1,31.42	92.67	34.55	44,63.02
On Deductions	-	-	(0.77)	(4.99)	(29.09)	-	-	(28.61)	(6.20)	(5.75)	(29.00)	(1,04.41)
As at March 31, 2019	-	3.87	21,29.58	4,44.98	120,11.18	76.92	50.25	9,04.43	5,62.33	3,71.74	74.08	166,29.36
Net Carrying amount:												
As at March 31, 2018	19,01.35	75.49	125,99.32	6,86.39	171,44.35	2,27.99	1,20.43	3,97.04	5,63.23	2,14.41	1,41.28	340,71.28
As at March 31, 2019	19,01.35	74.54	126,08.60	5,56.23	172,72.58	2,41.48	1,07.19	4,64.82	7,27.40	2,27.00	2,26.88	344,08.07

* Includes an amount of ₹ 750.00 (March 31, 2018 - ₹ 750.00) representing the value of shares in a co-operative housing society

CAPITAL WORK-IN-PROGRESS

March 31, 2018	24,52.15
March 31, 2019	42,97.00

4 INTANGIBLE ASSETS

	Computer Software	Trade Marks	Non-Compete Fees and Marketing Network	Total	Goodwill
Gross carrying amount:					
As at March 31, 2017	3,62.78	23.97	1,17.87	5,04.62	48.80
Additions	5.87	-	-	5.87	-
Adjustments for classifications	(0.03)	-	0.03	-	-
As at March 31, 2018	3,68.62	23.97	1,17.90	5,10.49	48.80
Additions	10.45	-	-	10.45	-
As at March 31, 2019	3,79.07	23.97	1,17.90	5,20.94	48.80
Accumulated Amortization:					
As at March 31, 2017	2,04.13	-	1,17.87	3,22.00	-
Amortization for 20,17-18	88.88	-	-	88.88	-
Adjustments for classifications	(0.03)	-	0.03	-	-
As at March 31, 2018	2,92.98	-	1,17.90	4,10.88	-
Amortization for the year	60.08	-	-	60.08	-
As at March 31, 2019	3,53.06	-	1,17.90	4,70.96	-
Net Carrying amount:					
As at March 31, 2018	75.64	23.97	-	99.61	48.80
As at March 31, 2019	26.01	23.97	-	49.98	48.80



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS		
<u>Quoted Investments</u>		
<u>Investment in Equity Instruments (at Fair Value through Other Comprehensive Income)</u>		
John Oakey & Mohan Ltd.	0.16	0.16
1,900 (March 31, 2018 : 1,900) equity shares of ₹ 10/- each fully paid up		
<u>Investment in Government Securities (at Amortized cost)</u>		
8.20% 10 Years NHAI Tax Free Bonds	74.17	74.17
<u>Unquoted Investments</u>		
<u>Investment in Equity Instruments (at fair value through other comprehensive income)</u>		
Andhra Pradesh Gas Power Corporation Ltd.	9,60.00	10,38.00
21,86,880 (March 31, 2018 : 21,86,880) equity shares of ₹ 10/- each fully paid up		
Shivalik Solid Waste Management Ltd.	2.00	2.00
20,000 (March 31, 2018 : 20,000) equity shares of ₹ 10/- each fully paid up		
In Fellow Subsidiaries :		
Saint-Gobain India Pvt. Ltd.	143,88.00	138,22.00
28,50,074 (March 31, 2018 : 28,50,074) equity shares of ₹ 10/- each fully paid up		
Saint-Gobain India Foundation	0.01	0.01
100 (March 31, 2018 : 100) equity shares of ₹ 10/- each fully paid up		
<u>Investment in Mutual Fund (at Fair Value through Profit and Loss)</u>		
Aditya Birla Sunlife FTP - Series NR - Dir Growth	-	11,28.60
* (March 31, 2018 :1,00,00,000 units)		
UTI FTIF - Series XXVIII - Plan 6 - Dir - Growth	10,90.66	10,14.81
1,00,00,000 units (March 31, 2018 : 1,00,00,000 units)		
ICICI Prudential FMP - S 84 - 1293 Days - Plan D - Dir - Growth	5,36.10	-
50,00,000 units (March 31, 2018 : Nil)		
	170,51.10	170,79.75
Aggregate amount and market value of quoted investments	74.33	74.33
Aggregate amount of unquoted investments	169,76.77	170,05.42
*In current year classified as Current Investment		
6 NON-CURRENT FINANCIAL ASSETS - LOANS		
<u>Loans Receivables considered good - Unsecured</u>		
Loan to Director	2,17.70	2,65.62
Loan to Employees	1,25.77	1,08.70
Security Deposits	9,66.38	8,11.40
	13,09.85	11,85.72
7 NON-CURRENT - OTHER FINANCIAL ASSETS		
<u>Considered good - Unsecured</u>		
Bank Deposits		
(Deposit with maturity of more than 12 months)	-	11.46
<u>Unsecured and considered doubtful</u>		
Advances recoverable in cash or in kind	40.49	40.49
Less: Provision for doubtful advances	(40.49)	(40.49)
	-	11.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
8 DEFERRED TAX ASSETS (NET)		
Deferred tax assets (Net)	3,98.89	4,62.78
	<u>3,98.89</u>	<u>4,62.78</u>
9 OTHER NON-CURRENT ASSETS		
Capital advances	7,96.05	11,28.45
Advances other than capital advances:		
- Deposits with Government Authorities	93.94	82.67
- Prepaid Expenses	11.51	16.16
Deferred Rent Asset	75.81	78.73
Balances with Government Authorities	4,73.64	21.47
	<u>14,50.95</u>	<u>13,27.48</u>
10 CURRENT ASSETS - INVENTORIES		
Raw Materials	124,33.82	94,28.88
Raw Materials in Transit	28,78.82	32,34.73
Work-in-Progress	72,58.60	56,20.44
Finished Goods *	64,80.44	53,46.77
Stock-in-Trade	23,53.77	22,74.88
Stores and Spares	14,46.53	12,74.91
Loose Tools	6.08	8.72
	<u>328,58.06</u>	<u>271,89.33</u>
* Includes in transit - ₹ 7,29.96 lakhs (March 31, 2018 - ₹ 7,00.77 lakhs)		
11 CURRENT FINANCIAL ASSETS - INVESTMENTS		
<u>Investment in Mutual Fund (at Fair Value through Profit and Loss)</u>		
Aditya Birla Sunlife FTP - Series NR - Dir Growth 1,00,00,000 units (March 31, 2018 : *)	12,13.72	-
	<u>12,13.72</u>	<u>-</u>
*In March 31, 2018, included in Non - Current Investment		
12 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES		
<u>Unsecured and considered good</u>		
Trade Receivables	184,52.14	136,04.93
Receivables from Related Parties (Refer Note No. 47)*	21,09.38	41,04.11
	<u>205,61.52</u>	<u>177,09.04</u>
Trade Receivables - credit impaired	6,17.31	5,85.20
	<u>211,78.83</u>	<u>182,94.24</u>
Less: Loss Allowance	(6,17.31)	(5,85.20)
	<u>205,61.52</u>	<u>177,09.04</u>
*This includes ₹ 1,65.30 lakhs (March 31, 2018 - ₹ 4,67.59 lakhs) due from a private company in which the Director of the Company is a Director		
13 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS		
Balances with Banks		
- in Current Accounts	17,01.91	22,82.59
- in Deposit Accounts with maturity of less than 3 months	12.25	5,00.00
Cash Balances	24.93	31.20
Liquid Investments - Mutual Funds	214,77.84	242,43.55
	<u>232,16.93</u>	<u>270,57.34</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
14 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	-	3.65
- Margin Money Deposit (Security for Bank Guarantees and Lien with Excise Authorities)	33.87	30.00
Unpaid Dividend	1,24.50	1,03.18
Gratuity Fund	36.64	28.42
	1,95.01	1,65.25
15 CURRENT FINANCIAL ASSETS - LOANS		
<u>Loans Receivables considered good - Unsecured</u>		
Loan to Director	52.28	49.98
Loan to Employees	49.14	44.69
Security Deposits	89.63	-
	1,91.05	94.67
15.1 The Company has not provided any loans and advances in the nature of loans to its Subsidiary during the year (March 31, 2018 - ₹ Nil) and hence disclosure requirement under regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 is not applicable.		
16 CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS		
Derivatives - Foreign-exchange forward contracts	5,02.34	-
Employee Advances	2,05.47	1,76.40
Others*	13,68.23	6,50.57
	20,76.04	8,26.97

*Includes receivable from Related Parties - ₹ 11,76.42 lakhs (March 31, 2018 - ₹ 5,18.79 lakhs)

	March 31, 2019	March 31, 2018
17 OTHER CURRENT ASSETS		
Prepaid expenses	1,77.76	1,00.64
Gratuity (Refer Note 34.1)	37.43	-
Deferred Rent Assets	10.19	10.84
Balances with Government Authorities	25,18.04	19,32.40
Export benefit receivable	5,25.45	2,62.39
Advances to Suppliers*	23,31.42	22,90.64
	56,00.29	45,96.91
18 EQUITY SHARE CAPITAL		
AUTHORISED		
11,20,00,000 (March 31, 2018 : 11,20,00,000) Equity Shares of ₹ 5/- each	56,00.00	56,00.00
ISSUED SUBSCRIBED AND PAID UP		
11,07,20,000 (March 31, 2018 : 11,07,20,000) Equity Shares of ₹ 5/- each fully paid-up	55,36.00	55,36.00
	55,36.00	55,36.00

*Includes advance to Related Parties - ₹ 1,88.33 lakhs (March 31, 2018 - Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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

	March 31, 2019		March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Saint-Gobain Abrasives Inc.	2,96,35,520	26.8%	2,96,35,520	26.8%
Societe de Participations Financieres et Industrielles	2,71,92,480	24.5%	2,71,92,480	24.5%
Saint-Gobain India Private Limited	3,00,000	0.3%	3,00,000	0.3%
	5,71,28,000	51.6%	5,71,28,000	51.6%

(b) Movement in Equity Share Capital:
Authorised Share Capital

	Number of shares	Equity Shares Capital par value
As at March 31 2017	11,20,00,000	56,00.00
Increased during the year	-	-
As at March 31, 2018	11,20,00,000	56,00.00
Increased during the year	-	-
As at March 31, 2019	11,20,00,000	56,00.00

Issued and paid-up share capital

	Number of shares	Equity share capital (par value)
As at March 31, 2017	11,07,20,000	55,36.00
Increased during the year	-	-
As at March 31, 2018	11,07,20,000	55,36.00
Increased during the year	-	-
As at March 31, 2019	11,07,20,000	55,36.00

(c) 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.

- (d) (i) 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 55,36,00,00 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. The company has not allotted bonus shares other than noted above during five years immediately preceding the date of balance sheet.
- (ii) The Company has not allotted any equity shares pursuant to contract without payment being received in cash nor bought back shares during five years immediately preceding the date of balance sheet.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
19 OTHER EQUITY		
Reserves and Surplus (Refer Note 19 (a))	930,09.33	828,73.74
Other Reserves (Refer Note 19 (b))	112,46.47	106,42.58
	1,042,55.80	935,16.32
19(a) RESERVES AND SURPLUS		
Securities Premium	27,90.82	27,90.82
General reserve	402,01.34	402,01.34
Retained earnings	500,17.17	398,81.58
	930,09.33	828,73.74
i) SECURITIES PREMIUM		
Opening balance	27,90.82	27,90.82
	27,90.82	27,90.82
ii) GENERAL RESERVE		
Opening balance	402,01.34	394,65.54
Add: Transfer from Surplus in the Statement of Profit and Loss	-	7,35.80
	402,01.34	402,01.34
iii) RETAINED EARNINGS		
Opening balance	398,81.58	311,23.44
Net profit for the period	168,72.19	150,88.65
Less: Share of Non-controlling Interest in Current Profit	(1,47.71)	(1,14.15)
<u>Items of other comprehensive income recognised directly in retained earnings</u>		
Remeasurement of post employment benefit obligation (net of tax)	85.05	(1,50.16)
<u>Appropriations</u>		
General Reserve	-	(7,35.80)
Dividend	(55,36.00)	(44,28.80)
[Dividend per share ₹ 5/- (Previous Year ₹ 4/-)]		
Dividend Distribution Tax	(11,37.94)	(9,01.60)
	500,17.17	398,81.58

19(b) OTHER RESERVES

	FVOCI Equity Investment Reserve	Stock Compensation Reserve	Revaluation Reserve	Total
As at March 31, 2017	97,89.17	2,61.58	3,35.34	103,86.09
Equity instruments at fair value (net of tax)	1,36.00	-	-	1,36.00
Share based payments	-	1,20.49	-	1,20.49
As at March 31, 2018	99,25.17	3,82.07	3,35.34	106,42.58
Equity instruments at fair value (net of tax)	4,43.24	-	-	4,43.24
Share based payments	-	1,60.65	-	1,60.65
As at March 31, 2019	103,68.41	5,42.72	3,35.34	112,46.47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Nature and purpose of reserves:

(i) Securities Premium

Securities premium is used to record the premium on issue of shares. This is to be utilised in accordance with the provisions of the Act.

(ii) FVOCI - Equity Investments Reserve

The Company has elected to recognize changes in the Fair Value of certain Equity investments in Other Comprehensive Income. These changes are accumulated within the FV OCI - Equity Investments Reserve within Equity. The company transfers the amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

(iii) Stock Compensation Reserve

The stock compensation 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.

	March 31, 2019	March 31, 2018
20 NON-CURRENT LIABILITIES - PROVISIONS		
Compensated Absence (Refer Note 26.1)	20,31.52	19,96.47
Gratuity (Refer Note 34.1)	-	38.75
	20,31.52	20,35.22
21 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Depreciation	32,23.73	33,82.50
Financial assets at FVOCI	10,41.85	9,97.09
Total Deferred tax Liabilities	42,65.58	43,79.59
Deferred tax asset		
The balance comprises temporary differences attributable to:		
Provision for employee benefits	(12,51.95)	(12,03.19)
Others	(2,93.21)	(5,81.44)
Total Deferred tax Asset	(15,45.16)	(17,84.63)
	27,20.42	25,94.96

Movement in Deferred Tax Liabilities & Asset

	Depreciation	Provision for employee benefits	Financial Assets at FVOCI	Others	Total	Depreciation and Other items in Another Jurisdiction
As at March 31, 2017	35,21.00	(9,98.64)	7,46.09	(4,86.25)	27,82.20	(4,85.41)
Charged/(credited):						
- to profit or loss	(1,38.50)	(1,25.07)	-	(95.19)	(3,58.76)	22.63
- to other comprehensive income	-	(79.48)	2,51.00	-	1,71.52	-
As at March 31, 2018	33,82.50	(12,03.19)	9,97.09	(5,81.44)	25,94.96	(4,62.78)
Charged/(credited):						
- to profit or loss	(1,58.77)	(48.76)	-	2,88.23	80.70	63.89
- to other comprehensive income	-	-	44.76	-	44.76	-
As at March 31 2019	32,23.73	(12,51.95)	10,41.85	(2,93.21)	27,20.42	(3,98.89)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
22 NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES		
Deferred Income Liability	1,25.55	1,55.93
	1,25.55	1,55.93
23 CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Secured		
Bank of Bhutan	-	3.63
(Secured by way of mortgage/hypothecation charge created on all movable and immovable properties (present and future) of the Subsidiary. 35% of the sanctioned amount is guaranteed by the Company)		
	-	3.63
24 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES		
Total outstanding due to Micro Enterprises and Small Enterprises (Refer Note 24.1)	2,14.82	1,80.74
Total outstanding due to creditors other than Micro Enterprises and Small Enterprises	150,79.19	163,86.30
Total outstanding due to Related Parties (Refer Note 47)	27,77.85	29,13.14
	180,71.86	194,80.18

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:

	March 31, 2019	March 31, 2018
a) the principal amount remaining unpaid to the supplier at the end of each accounting year;	2,14.82	1,80.74
b) the interest due thereon and remaining unpaid to the supplier at the end of each accounting year;	1.94	0.26
c) the principal amount paid by the buyer during the year to the supplier beyond the appointed day;	44.61	6,62.96
d) the amount of interest paid by the buyer during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);	7.54	-
e) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	0.85	4.49
f) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	2.79	7.54
g) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
h) Interest paid/payable in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 debited to statement of profit and loss	2.79	4.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
25 CURRENT - OTHER FINANCIAL LIABILITIES		
Trade / Security Deposits *	9,75.65	7,66.15
Unclaimed Dividend **	1,24.50	1,03.18
Commission due to directors	3,29.50	2,92.03
Payable for Discounts to Dealers	10,34.81	10,98.62
Derivatives - Foreign-exchange forward contracts	-	97.97
Capital Creditors	6,02.21	83.23
Employee related payables	19,47.66	16,33.89
	50,14.33	40,75.07
* Includes deposit from Related Parties - Nil (March 31, 2018 - ₹ 39.00 lakhs)		
** There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.		
26 CURRENT LIABILITIES - PROVISIONS		
Compensated Absence (Refer Note 26.1)	7,39.90	6,70.90
Gratuity (Refer Note 34.1)	-	4,73.85
Others (Refer Note 26.2)	8,83.08	9,28.66
	16,22.98	20,73.41
26.1 Details of Provision for Compensated Absence		
Opening Balance - Long Term	19,96.47	17,28.14
Opening Balance - Short Term	6,70.90	5,67.58
Provision made during the year	3,46.96	5,44.62
Utilisation during the year	(2,42.91)	(1,72.97)
Closing Balance - Long Term	20,31.52	19,96.47
Closing Balance - Short Term	7,39.90	6,70.90
26.2 Details of Other Provisions		
Opening Balance	9,28.66	4,65.06
Provision made during the year	2,72.97	4,63.60
Utilisation during the year	(3,18.55)	-
Closing Balance	8,83.08	9,28.66
The Group has made provisions towards probable liabilities arising out of pending claims/disputes with various authorities. The timing of the outflow with regard to the said matters depends on the exhaustion of remedies available to the Group under the law and hence the Group is not able to reasonably ascertain the timing of the outflow resulting in they being disclosed at their potential undiscounted values.		
27 CURRENT TAX LIABILITIES	9,35.98	11,98.03
Income Tax (Net of advance tax)	9,35.98	11,98.03



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
28 OTHER CURRENT LIABILITIES		
Statutory Liabilities	17,16.81	15,92.71
Deferred Income Liability	32.76	42.39
Contract Liability-Advance from customer	14,77.69	8,36.84
	32,27.26	24,71.94
29 REVENUE FROM OPERATIONS		
Sale of products (Refer Note 29.1 and 29.2)	1,478,56.33	1,355,48.32
Service Income	104,32.03	90,42.42
Other operating revenue	15,18.00	7,87.48
	1,598,06.36	1,453,78.22
29.1 Sale of products		
Abrasives	967,55.12	897,83.44
Ceramics & Plastics	467,84.91	405,97.47
Others	43,16.30	51,67.41
	1,478,56.33	1,355,48.32
The sales value mentioned above includes sale of trading goods of ₹ 116,96.13 lakhs (March 31, 2018 - ₹ 135,59.43 lakhs)		

29.2 Pursuant to the introduction of Goods and Services Tax Act (GST) with effect from July 1, 2017, Central Excise, Value Added Tax etc. have been subsumed into GST. In accordance with Accounting requirements unlike Excise Duty, GST is not part of Revenue. Accordingly the revenue figures for the year ended March 31, 2018 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding:

	March 31, 2019	March 31, 2018
Sale of Products (A)	1,478,56.33	1,355,48.32
Excise duty on Sales (B)	-	22,80.69
Sales of Product excluding excise duty on sales [C = (A-B)]	1,478,56.33	1,332,67.63
29.3 Reconciliation of revenue recognised with contract price		
Revenue from contracts with customers at Contract Price	1,598,00.35	1,459,90.88
Less : Discounts on Sale of Products	15,11.99	14,00.14
	1,582,88.36	1,445,90.74
Other operating revenue	15,18.00	7,87.48
Revenue from operations	1,598,06.36	1,453,78.22
30 OTHER INCOME		
Interest income	95.10	2,40.93
Interest Income on defined benefit obligation (net)	-	1.49
Gain on Redemption of Mutual Funds	17,18.45	11,43.52
Interest income from financial asset at amortised cost	18.83	24.02
Unwinding of discount on security deposits	25.98	27.34
Fair value gain on financial instruments at fair value through profit or loss	1,04.72	4,37.46
Net gain on foreign currency transactions	4,74.84	41.08
Other Non-operating income	10,97.75	7,78.77
	35,35.67	26,94.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
31 COST OF MATERIALS CONSUMED		
Opening Stock of		
Raw Materials	94,28.88	70,16.87
Raw Materials in Transit	32,34.73	18,04.54
	<u>126,63.61</u>	<u>88,21.41</u>
Add : Purchases	655,41.42	548,87.46
Less: Closing Stock of		
Raw Materials	(124,33.82)	(94,28.88)
Raw Materials in Transit	(28,78.82)	(32,34.73)
	<u>(153,12.64)</u>	<u>(126,63.61)</u>
	<u><u>628,92.39</u></u>	<u><u>510,45.26</u></u>
32 PURCHASE OF STOCK IN TRADE		
Abrasives	62,93.29	69,09.16
Ceramics & Plastics	25,27.51	21,33.36
Others	20,90.91	15,98.59
	<u>109,11.71</u>	<u>106,41.11</u>
33 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS		
Opening stock of		
Finished Goods	53,46.77	66,87.92
Traded Goods	22,74.88	22,21.33
Work-In-Progress	56,20.44	53,93.68
	<u>132,42.09</u>	<u>143,02.93</u>
Closing stock of		
Finished Goods	64,80.44	53,46.77
Traded Goods	23,53.77	22,74.88
Work-In-Progress	72,58.60	56,20.44
	<u>160,92.81</u>	<u>132,42.09</u>
Excise duty expense on increase/ (decrease) of finished goods	-	(3,92.63)
	<u>(28,50.72)</u>	<u>6,68.21</u>
34 EMPLOYEE BENEFITS EXPENSE		
Salaries Wages and Bonus	161,38.30	148,64.61
Shared Based Payments	1,60.65	1,20.49
Contribution to provident and other funds and Gratuity (Refer Note 34.1)	13,38.80	12,33.73
Staff welfare	16,20.29	14,60.35
	<u>192,58.04</u>	<u>176,79.18</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

34.1 Disclosure as required under Ind AS 19 - Employee Benefits

I. Defined Contribution Plans:

Contribution to Defined Contribution Plans recognised as expense for the year are as under:

Employer's Contribution to Provident Fund

Employer's Contribution to Superannuation Fund

March 31, 2019	March 31, 2018
6,52.01	6,70.42
1,15.75	1,08.88

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 and HDFC Group Term Plan Scheme of the HDFC Life Insurance Company Limited a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on 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 recognised in the Company's financial statements as at March 31 2019:

i) Change in present value of defined benefit obligation

Present Value of defined benefit obligation at the beginning of the year

Interest Cost

Current service cost

Benefits paid

Remeasurements

Actuarial changes arising from changes in financial assumptions

Actuarial changes arising from experience assumptions

Present Value of defined benefit obligation at the end of the year

March 31, 2019	March 31, 2018
55,79.90	48,35.63
4,34.12	3,51.07
4,41.29	3,79.60
(2,78.03)	(2,25.28)
(1,65.07)	1,54.11
21.24	84.77
60,33.45	55,79.90
ii) Change in fair value of plan assets	
50,67.30	48,56.23
3,94.24	3,52.56
9,00.47	74.55
(2,78.03)	(2,25.28)
(13.10)	9.24
60,70.88	50,67.30

Fair Value of plan assets at the beginning of the year

Interest Income

Contributions paid by the employer

Benefits paid from the fund

Remeasurements

Return on plan assets excluding amounts included in interest expense/ (income)

Fair Value of plan assets at the end of the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
iii) Net asset / (liability) recognised in the Balance Sheet		
Present Value of defined benefit obligation at the end of the year	(60,33.45)	(55,79.90)
Fair Value of plan assets at the end of the year	60,70.88	50,67.30
Amount recognised in the balance sheet	37.43	(5,12.60)
Net Asset / (Liability) recognised - current	37.43	(4,73.85)
Net Asset / (Liability) recognised - non current	-	(38.75)
iv) Expense recognised in the statement of profit and loss for the year		
Current service cost	4,41.29	3,79.60
Interest (income) / cost on defined benefit obligation	39.88	(1.49)
Total expenses included in statement of profit and loss	4,81.17	3,78.11
v) Recognised in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	(1,65.07)	1,54.11
Actuarial changes arising from experience assumptions	21.24	84.77
Actuarial Losses on Obligation for the period	(1,43.82)	2,38.88
Return on plan assets excluding amounts included in interest income	13.10	(9.24)
Recognised in other comprehensive income	(1,30.72)	2,29.64
vi) Actuarial Assumptions		
Expected return on plan assets	7.75%	7.78%
Rate of Discounting	7.75%	7.78%
Rate of Salary Increase	9.50%	10.00%
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	60,33.45	55,79.90
Delta Effect of +0.5% Change in Rate of Discounting	(1,68.89)	(1,65.67)
Delta Effect of -0.5% Change in Rate of Discounting	1,79.92	1,76.77
Delta Effect of +0.5% Change in Rate of Salary Increase	1,76.12	1,72.28
Delta Effect of -0.5% Change in Rate of Salary Increase	(1,67.01)	(1,63.15)
Delta Effect of +0.5% Change in Rate of Employee Turnover	(21.57)	(26.22)
Delta Effect of -0.5% Change in Rate of Employee Turnover	22.53	27.50
Methodology Adopted for Asset Liability Management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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 on undiscounted basis is as follows:

Projected Benefits Payable in Future Years From the Date of Reporting:

	March 31, 2019	March 31, 2018
1st Following Year	11,23.45	10,62.91
2nd Following Year	8,35.28	5,17.98
3rd Following Year	3,95.33	5,40.22
4th Following Year	5,87.59	3,60.13
5th Following Year	3,49.41	5,32.83
Sum of Years 6 To 10	26,73.44	24,16.18
Sum of Years 11 and above	50,44.27	51,36.83

ix) Major categories of plan assets are as follows:

Insurer managed funds	60,70.88	50,67.30
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x) Risk exposure:

The Company's Defined Benefit Plan is Funded with Life Insurance Corporation of India and HDFC Life Insurance Company Limited. Company's Benefit Plan is exposed to risk such as investment risk interest rate risk salary escalation risk and demographic risk. Any change in these factors would impact the contribution to the fund.

35 FINANCE COSTS

	March 31, 2019	March 31, 2018
Interest Expense	1,10.08	1,53.25
Interest Cost on defined benefit obligation (net)	39.88	-
	<u>1,49.96</u>	<u>1,53.25</u>

36 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of Property Plant and Equipment	44,63.02	43,94.64
Amortisation of Intangible Assets	60.08	88.88
	<u>45,23.10</u>	<u>44,83.52</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
37 OTHER EXPENSES		
Consumption of Stores and Spares	39,14.70	30,91.76
Processing charges	37,63.48	33,24.98
Power & Fuel	81,77.84	70,01.37
Freight Octroi and packing expenses	95,77.38	91,84.83
Rent /Lease payment	13,65.72	12,79.57
Repairs & Maintenance		
Building	32.48	26.57
Machinery	5,47.99	5,29.38
Others	3,18.90	2,71.08
	<u>8,99.37</u>	<u>8,27.03</u>
Insurance	1,79.35	2,09.45
Rates and Taxes	1,37.53	3,98.42
Travelling & Conveyance	20,56.64	17,79.14
Commission	3,07.11	1,68.61
Royalties	29,56.92	28,12.29
Loss on assets discarded /sold (net)	35.80	1,01.61
External Service charges	48,76.64	41,29.46
Bad debts & Advances written off	3.26	17.15
Provision for Doubtful Debts & Advances	32.11	1,97.28
Miscellaneous expenses (Refer Note 37.1 & 37.2)	41,29.39	38,51.96
	<u>424,13.24</u>	<u>383,74.91</u>
37.1 Miscellaneous expenses include:		
Amounts paid to Auditors:		
(i) Audit Fees	23.00	21.50
(ii) Tax Audit	2.00	2.00
(iii) Certification	2.25	-
(iv) Reimbursement of expenses	1.88	1.12

37.2 Corporate social responsibility expenditure

- (a) Amount prescribed under the Act to be spent during the year on CSR activities is ₹ 3,59.79 lakhs (March 31, 2018 - ₹ 3,14.14 lakhs)
- (b) The contribution during the year to Saint Gobain India Foundation (Related Party as per Ind AS 24) is ₹ 1,13.65 lakhs (March 31, 2018 - ₹ 1,01.19 lakhs) which is spent on purposes other than Construction / acquisition of any assets.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
38 TAX EXPENSE		
(a) Income Tax Expense		
Current tax		
Current tax on profits for the year	90,27.53	80,06.53
Total current tax expense	90,27.53	80,06.53
Deferred Tax		
Decrease / (increase) in deferred tax assets	3,03.36	(2,09.98)
(Decrease) / increase in deferred tax liabilities	(1,58.77)	(1,38.50)
Total deferred tax expense/(benefit)	1,44.59	(3,48.48)
Income tax expense	91,72.12	76,58.05
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	260,44.31	227,46.70
Tax at the Indian tax rate of 34.94% (2016-2017 – 34.61%)	91,00.92	78,72.18
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure (net of 80G benefit)	27.47	17.65
Interest income from interest free bond exempt under section 10(34)	(2.13)	(2.08)
Difference in overseas tax rates	(10.26)	(22.39)
Other items	56.12	(2,07.31)
Income tax expense	91,72.12	76,58.05
39 EARNINGS PER SHARE		
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	15.11	13.52
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	15.11	13.52
(c) Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share	15.11	13.52
Profit attributable to equity holders of the company used in calculating basic earnings per share	167,24.48	149,74.50
Diluted earnings per share	15.11	13.52
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	167,24.48	149,74.50
(d) Weighted average number of equity shares used as the denominator in calculating Basic earnings per share	11,07,20,000	11,07,20,000
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	11,07,20,000	11,07,20,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

40 FAIR VALUE MEASUREMENTS

Financial instruments by category

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019		March 31, 2018			
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	153,50.17	-	-	148,62.17	-
- Mutual funds	243,18.32	-	-	263,86.96	-	-
- Government Securities	-	-	74.17	-	-	74.17
Trade receivables	-	-	205,61.52	-	-	177,09.04
Loan to directors	-	-	2,69.98	-	-	3,15.60
Loan to employees	-	-	1,74.91	-	-	1,53.39
Cash and Bank	-	-	19,34.10	-	-	29,90.50
Security deposits	-	-	10,56.01	-	-	8,11.40
Employee Advances	-	-	2,05.47	-	-	1,76.40
Foreign Exchange Forward Contracts	5,02.34	-	-	-	-	-
Other receivables (Unsecured)	-	-	13,68.23	-	-	6,50.57
Total Financial Assets	248,20.66	153,50.17	256,44.39	263,86.96	148,62.17	228,81.07
Financial liabilities						
Trade / Security Deposits	-	-	9,75.65	-	-	7,66.15
Unclaimed Dividend	-	-	1,24.50	-	-	1,03.18
Borrowings	-	-	-	-	-	3.63
Trade payables	-	-	180,71.86	-	-	194,80.18
Capital creditors	-	-	6,02.21	-	-	83.23
Foreign Exchange Forward Contracts	-	-	-	97.97	-	-
Other financial liabilities	-	-	33,11.97	-	-	30,24.53
Total Financial Liabilities	-	-	230,86.19	97.97	-	234,60.90

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised 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 TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL; Mutual Funds	5, 11, 13	243,18.32	-	-	243,18.32
Financial Investments at FVOCI;					
Unquoted Equity Investments	5	-	-	153,50.17	153,50.17
Derivatives not designated as hedges;					
Foreign- exchange forward contracts	16	-	5,02.34	-	5,02.34
Total Financial Assets		243,18.32	5,02.34	153,50.17	401,70.83
Total Financial Liabilities		-	-	-	-

Assets and Liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	80.85	-	-	80.85
Loans					
Loans to employees	6, 15	-	-	1,46.00	1,46.00
Loan to directors	6, 15	-	-	2,31.56	2,31.56
Security deposits	6, 15	-	-	10,86.62	10,86.62
Total Financial Assets		80.85	-	14,64.18	15,45.03
Total Financial Liabilities		-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVTPL; Mutual Funds	5, 13	263,86.96	-	-	263,86.96
Financial Investments at FVOCI;					
Unquoted Equity Investments	5	-	-	148,62.17	148,62.17
Total Financial Assets		263,86.96	-	148,62.17	412,49.13
Financial Liabilities					
Derivatives not designated as hedges;					
Foreign- exchange forward contracts	25	-	97.97	-	97.97
Total Financial Liabilities		-	97.97	-	97.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Assets and Liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Investments					
Government securities	5	82.36	-	-	82.36
Loans					
Loans to employees	6, 15	-	-	1,17.61	1,17.61
Loan to directors	6, 15	-	-	2,94.55	2,94.55
Security deposits	6, 15	-	-	8,77.15	8,77.15
Total Financial Assets		82.36	-	12,89.31	13,71.67
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 as 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 TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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, 2019 & March 31, 2018.

Unquoted Equity Shares

As on March 31, 2017	1,44,75.17
Acquisitions	-
Gains (Net) recognised in other comprehensive income	3,87.00
As on March 31, 2018	1,48,62.17
Acquisitions	-
Gains (Net) recognised in other comprehensive income	4,88.00
As on March 31, 2019	1,53,50.17

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	
Unquoted equity shares : Saint-Gobain India Pvt. Ltd. (SGIPL)	143,88.00	138,22.00	Long term growth rate for cash flows for subsequent years	4% - 6% (5%)	4% - 6% (5%)	1% Increase in the long-term growth rate would result in increase in stake value to ₹ 158,02.00 lakhs (March 31, 2018 ₹ 158,53.00 lakhs). 1% Decrease in the long-term growth rate would result in decrease in stake value to ₹ 132,87.00 lakhs (March 31, 2018 ₹ 130,14.00 lakhs). 1% Increase in the WACC would result in decrease in stake value to ₹ 128,61.00 lakhs (March 31, 2018 ₹ 125,65.00 lakhs). 1% Decrease in the WACC would result in Increase in stake value to ₹ 163,48.00 lakhs (March 31, 2018 ₹ 164,35.00 lakhs).
			Weighted Average Cost of Capital (WACC)	12% - 14% (13%)	11.6% - 13.6% (12.6%)	

Particulars	Fair value as at		Significant Unobservable Inputs	Probable - weighted range		Sensitivity
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	
Unquoted equity shares : Andhra Pradesh Gas Power Corporation Ltd. (APGPCL)	9,60.00	10,38.00	Discount Rate	13.5% - 15.5% (14.5%)	14.2% - 16.2% (15.2%)	1% Increase in the discount rate would result in decrease in stake value to ₹ 9,45.00 lakhs (March 31, 2018 ₹ 10,19.00 lakhs). 1% Decrease in the discount rate would result in Increase in stake value to ₹ 9,76.00 lakhs (March 31, 2018 ₹ 10,59.00 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:

For valuation of Saint-Gobain India Pvt. Ltd. discounted cash flow method is used and discount rates are determined using Weighted Average Cost of Capital (WACC) to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Growth rate is estimated based on overall economic growth expected, our understanding of the industry and expected long-term inflation.

For valuation of Andhra Pradesh Gas Power Corporation Ltd., discount rate is determined considering prevailing yield of government bonds aligned with residual maturity, market risk premium and beta of similar companies. The cash flow projections are based on cost saving method.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the yearly 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 amortised cost

	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Investment				
Government securities	74.17	80.85	74.17	82.36
Loans				
Loans to employees	1,74.91	1,46.00	1,53.39	1,17.61
Loan to directors	2,69.98	2,31.56	3,15.60	2,94.55
Security deposits	10,56.01	10,86.62	8,11.40	8,77.15
Total Financial Assets	15,75.07	15,45.03	13,54.56	13,71.67

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 and security deposits 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 not 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 Group'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 Group's risk management is carried out by a central Treasury department under policies approved by the Board of Directors. The Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group'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 dealers, cash and cash equivalents, employee advances and security deposits. The Group 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 Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognised 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 Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

We do not believe there are any particular customer or group of customers that would subject us to any significant credit risks in the collection of our Trade receivable.

We have evaluated percentage of allowance for doubtful debts with our trade receivables over the years:

Particulars	March 31, 2019	March 31, 2018
Trade Receivables	211,78.83	182,94.24
Loss Allowance	6,17.31	5,85.20
Percentage	2.91%	3.20%

(ii) Reconciliation of Allowance – Trade receivables

Loss allowance on March 31, 2018	5,85.20
Changes in allowance	32.11
Loss allowance on March 31, 2019	6,17.31

(B) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group 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 Group'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 Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2019	March 31, 2018
Floating rate		
- Expiring beyond one year (bank loans and overdrafts)	54,31.94	36,03.00

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 Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

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:

	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2019						
Non-derivatives						
Trade payables	180,71.86	-	-	-	-	180,71.86
Other financial liabilities	50,14.33	-	-	-	-	50,14.33
Total Non-derivative Liabilities	230,86.19	-	-	-	-	230,86.19
March 31, 2018						
Non-derivatives						
Borrowings	3.63	-	-	-	-	3.63
Trade payables	194,80.18	-	-	-	-	194,80.18
Other financial liabilities	40,75.07	-	-	-	-	40,75.07
Total Non-derivative Liabilities	235,58.88	-	-	-	-	235,58.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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 Group operates internationally and is exposed to foreign exchange risk arising from foreign currency sales and purchases, primarily with respect to EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

The risk is measured through a forecast of foreign currency sales and purchases for the Group's operations. The Group uses foreign exchange forward contracts to manage its exposure in foreign currency risk.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

	Currency	March 31, 2019	March 31, 2018
Trade Receivables	USD	19,87.78	34,13.46
	EUR	41,29.85	46,27.97
	Others	21.82	23.68

	Currency	March 31, 2019	March 31, 2018
Trade Payable	USD	25,23.39	32,25.81
	EUR	10,76.51	8,89.88
	Others	4,44.02	2,48.56

The details of forward contracts outstanding at the year ended expressed in ₹ are as follows:

	Currency	March 31, 2019	March 31, 2018
Forward Contracts (Sell)	USD	53,67.68	45,68.17
	EUR	72,21.48	80,55.83
	Others	25.49	59.81

	Currency	March 31, 2019	March 31, 2018
Forward Contracts (Buy)	USD	74,47.38	36,48.88
	EUR	31,02.92	12,26.88
	Others	3,97.22	3,20.51

42 CAPITAL MANAGEMENT

(a) Risk management

The Group'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 no borrowings and operations are being funded through internal accruals.

(b) Dividends

(i) Equity shares

Dividend paid during the year ₹ 5/- per fully paid up share (March 31, 2018 - ₹ 4/- per fully paid up share)

	March 31, 2019	March 31, 2018
	55,36.00	44,28.80



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Dividends not recognised 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 ₹ 6/- each per fully paid equity share (March 31, 2018 – ₹ 5/-). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

43 CONTINGENT LIABILITIES

(i) Contingent Liabilities

	March 31, 2019	March 31, 2018
(a) Excise, Service Tax & Custom Duty demands pending with the appropriate authorities and disputed by the Parent Company	8,64.74	10,18.86
(b) Sales Tax demands pending with the authorities and disputed by the Parent Company	44.12	-
(c) Claims against the Company under the Labour Laws disputed by the Parent Company	3,35.25	1,01.49
(d) Guarantees given by Banks, of which ₹ 6,04.89 lakhs (March 31, 2018 - ₹ 6,92.18 lakhs) are counter guaranteed by the Parent Company	6,04.89	6,92.18
(f) Non-Agricultural Land Cess	37.79	37.79
(g) Other Claims against the Parent Company not acknowledged as debts	1,21.81	1,79.33
(h) Demand raised by A.P Transco on increase in power cost, disputed by the Parent Company & subjudice in Honourable Supreme Court	38,61.56	35,99.75
(i) Demand raised by A.P Transco on surplus units allocated, disputed by the Parent Company & subjudice in High Court (Net)	10,63.71	10,43.29
(j) Demand raised by A.P Transco for fuel surcharge adjustment for Financial years 2008-09 & 2009-10 disputed by the Parent Company & subjudice in Honourable Supreme Court	2,64.00	2,64.00
(k) Income tax liability on account of disputed disallowances	88.32	1,34.51

- (ii) The Parent Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
44 COMMITMENTS		
(a) Capital Commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, Plant and Equipment	19,24.75	37,85.23
(b) Operating Leases		
<u>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</u>		
Within one year	9,26.48	9,20.72
Later than one year but not later than five years	16,44.13	24,34.24
Later than five years	-	-
<u>Commitments for minimum lease receipts in relation to non-cancellable operating leases are receivable as follows:</u>		
Within one year	2,02.68	1,73.99
Later than one year but not later than five years	26.88	-
Later than five years	-	-
<u>Rental expense relating to operating leases</u>		
Minimum Lease Payments	13,65.72	12,79.57
Total rental expense relating to operating leases	13,65.72	12,79.57

45 SEGMENT INFORMATION

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

The CODM, being the Managing Director assesses the financial performance and position of the Company and makes strategic decisions.

(a) Description of segments and principal activities

The Group is organised into the following business segments, namely:

- (a) Abrasives
- (b) Ceramics & Plastics
- (c) 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Adjusted EBIT

Segments results for all segments

- (a) Abrasives
- (b) Ceramics & Plastics
- (c) Others

Total adjusted EBIT

Reconciliation of EBIT to Profit before Income Tax is as follows:

Total segment result

- Finance costs
- Interest income from investments
- Unallocated Interest and other Income
- Profit before income tax**

March 31, 2019	March 31, 2018
134,47.52	125,04.00
75,23.07	60,19.57
34,45.84	25,23.00
244,16.43	210,46.57
244,16.43	210,46.57
(1,49.96)	(1,53.25)
1,52.23	2,40.93
16,25.61	16,12.45
260,44.31	227,46.70

(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 or loss.

	March 31, 2019			March 31, 2018		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
(a) Abrasives	975,24.67	-	975,24.67	907,09.41	-	907,09.41
(b) Ceramics & Plastics	495,48.29	19,61.31	475,86.98	419,89.72	12,19.69	407,70.03
(c) Others	146,94.71	-	146,94.71	138,98.78	-	138,98.78
Total segment revenue	1,617,67.67	19,61.31	1,598,06.36	1,465,97.91	12,19.69	1,453,78.22

There is no single customer with more than 10% share in revenue

(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.

	March 31, 2019	March 31, 2018
(a) Abrasives	508,34.43	480,51.00
(b) Ceramics & Plastics	356,10.49	279,28.55
(c) Others	91,43.85	61,05.00
Total segment assets	955,88.77	820,84.55
<u>Unallocated:</u>		
Investments	416,76.77	443,02.34
Others	76,61.72	79,91.65
Total assets as per the balance sheet	1,449,27.26	1,343,78.54

Investments held by the Group are not considered to be segment assets, but are managed by the treasury function.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(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 Group's borrowings are not considered to be segment liabilities, but are managed by the treasury function.

	March 31, 2019	March 31, 2018
(a) Abrasives	161,66.43	160,50.00
(b) Ceramics & Plastics	80,77.03	72,44.98
(c) Others	46,87.99	23,09.00
Total segment liabilities	289,31.45	256,03.98
<u>Unallocated:</u>		
Deferred tax liabilities	27,20.42	25,94.96
Current tax liabilities	9,35.98	11,98.03
Other	11,62.05	46,91.40
Total liabilities as per the balance sheet	337,49.90	340,88.37

B. Information about Geographical Segments

(a) The Distribution of the Group's sales by geographical market is as under:

Net Sales & Service Income

	March 31, 2019	March 31, 2018
India	1,305,86.86	1,211,32.11
Outside India	292,19.50	242,46.11
	1,598,06.36	1453,78.22

(b) The geographical location of the assets and liabilities is as follows:

Particulars	Total Assets		Total Liabilities	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
India	1,402,26.74	1,297,88.69	335,78.25	335,39.00
Outside India	47,00.52	45,89.85	1,71.65	5,49.37
	1,449,27.26	1,343,78.54	337,49.90	340,88.37

46 SHARE BASED PAYMENTS

(a) Performance Share Plan

Certain employees of the Parent 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Summary of Share options granted under plan:

	March 31, 2019	March 31, 2018
	Number of options	Number of options
Opening balance	35,440	31,160
Granted during the year	9,680	10,340
Exercised during the year	(5,171)	(5,458)
Forfeited during the year	(2,009)	(602)
Total	37,940	35,440

(b) Expense arising from share based payment transaction

	March 31, 2019	March 31, 2018
Performance Share Plan	1,60.65	1,20.49
	1,60.65	1,20.49

47 RELATED PARTY TRANSACTIONS (AS PER IND AS 24 RELATED PARTY DISCLOSURES)

1 Relationships:

(i) HOLDING COMPANY :

Compagnie de Saint-Gobain, France

(ii) FELLOW SUBSIDIARIES:

Certainteed Corporation, USA	Saint Gobain America, S.A. De C.V., Mexico
Saint-Gobain Services Construction Products GmbH, Germany	Saint-Gobain Building Distribution Deutschland GmbH, Germany
L.M.Van Moppes Diamond Tools India Pvt. Ltd., India	Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd, China
Lapeyre, France	Saint-Gobain Colombia SAS, Colombia
Pt. Saint-Gobain Abrasives Diamas, Indonesia	Saint-Gobain Diamantwerkzeuge GmbH, Germany
Saint-Gobain Performance Plastics Corporation, USA	Saint-Gobain Distribution Bâtiment France S.A.S., France
Saint-Gobain Ceramics & Plastics, Inc, USA	Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Abrasives (Suzhou) Co., Ltd, China	Saint-Gobain Do Brasil Produtos Industriais E Para Construção Ltda, Brazil
Saint-Gobain Abrasives BV, Netherlands	Saint-Gobain Glass Egypte S.A.E., Egypt
Saint-Gobain Abrasives GmbH, Germany	Saint-Gobain HPM Polska sp.z o.o, Poland
Saint-Gobain Achats, France	Saint-Gobain Industrial Ceramics Pty Ltd, Australia
Saint-Gobain Adfors, France	SG Industrial Ceramics Ltd, UK
Saint-Gobain Building Distribution-UK	Saint-Gobain Industriekeramik Rodental GmbH, Germany
SG Ceramic Materials AS, Norway	Saint-Gobain K.K., Japan
Saint-Gobain Corporation, France	Saint-Gobain Materiales Ceramicos, Venezuela
Saint-Gobain Dsi Groupe, France	Saint-Gobain Materiaux Ceramiques, France
Saint-Gobain Glass, France	Saint-Gobain Nordic A/S, Denmark

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

Saint-Gobain India Private Limited, India	Saint-Gobain Pipes-France
Saint-Gobain Innovative Materials Belgium, Belgium	Saint-Gobain Performance Plastics (Shanghai) Co Ltd,China
Saint-Gobain Solar Gard, LLC,USA	Saint-Gobain Sekurit India Ltd,India
Saint-Gobain Norpro,USA	Saint-Gobain Sekurit (Thailand) Co Lt,Thailand
Saint-Gobain (sea) Pte. Ltd., Philippines	Saint-Gobain Inovatif Malzemeler Ve Asindirici Sanayi Ticaret Anonim Sirketi, Turkey
Saint-Gobain Abrasifs,UAE	Saint-Gobain Technical Fabrics, S.A. De,Mexico
Saint-Gobain Abrasifs S.A. (Maroc),Morocco	Saint-Gobain Vietnam Ltd.,Vietnam
Saint-Gobain Abrasifs, France,	Savoie Refractaires, France
Saint-Gobain Abrasives Limited,New Zealand	Societe Europeenne Des Produits Refractaires - S.E.P.R., France
Saint-Gobain Abrasives (Pty.) Ltd.,South Africa	Saint-Gobain Consulting Information and Organisation, France
Saint-Gobain Abrasives (Thailand) Ltd.,Thailand	Saint-Gobain Distribuição Brasil Ltda, Brazil
Saint-Gobain Abrasives Ltd, UK	Saint-Gobain Info Sys Gmbh, Germany
Saint-Gobain Abrasives Limited,England	Saint-Gobain Isover, France
ST-Gobain Abrasives Pty. Ltd.,Australia	Saint-Gobain Materiaux Ceramiques, Belgium
Saint-Gobain Abrasives S.A.,Luxembourg	Saint-Gobain Performance Plastics Corby,UK
Saint-Gobain Abrasives (Shanghai) Co Ltd, China	Saint-Gobain Performance Plastics Korea Co Ltd,Korea
Saint-Gobain Abrasives, Inc.,USA	Saint-Gobain Performance Plastics Pampus Gmbh, Germany
Saint-Gobain Abrasivi SPA,Italy	Saint-Gobain Performance Plastics Ireland, Ireland
Saint-Gobain Abrasivos LDA. - (Portugal), Portugal	Saint-Gobain Performance Plastics Rencol Limited, UK
Saint-Gobain Abrasivos S.A.(ESPAÑA), Spain	Saint-Gobain Technology Services, France
Saint-Gobain Advanced Ceramics(Shanghai) Co Ltd, China	Thai Gypsum Products PCI, Thailand
Saint-Gobain Gyproc Emirates Industries LLC, UAE	Saint-Gobain Centre De Recherche Et D'Etudes Europeen, France
Saint-Gobain Adfors Cz S.R.O., Czech Republic	Saint-Gobain Abrasivos Limitada, Chile
Saint-Gobain Solar Gard Australia Pty. Ltd.	Saint-Gobain Distribution The Netherlands BV, Netherlands
Saint-Gobain Advanced Materials (Taiwan) Co Ltd	Saint-Gobain Adfors America, Inc, USA
Saint-Gobain Rigips Alci Sanayi Ve Ticaret Anonim Sirketi, Turkey	Saint-Gobain Adfors Austria Gmbh, Austria
Sanitas Troesch Ag, Switzerland	Toyoda Van Moppes Ltd
Saint-Gobain Performance Plastics Mg Silikon Gmbh, Germany	Saint-Gobain Performance Plastics L+S Gmbh, Germany

(iii) OTHER RELATED PARTIES :

Grindwell Norton Employees Gratuity Trust
Grindwell Norton Employees Superannuation Trust

(iv) KEY MANAGEMENT PERSONNEL

Mr. Anand Mahajan, Managing Director
Mr. Krishna Prasad, Alternate Director
Mr. Pradip Shah, Independent Director (upto March 31, 2019)
Mr. Shivanand Salgaocar,Independent Director
Mr. Keki M. Elavia, Independent Director
Mr. Mikhil Narang, Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(v) (a) Parent entities

The Group is controlled by following entity:

Name of entity	Type	Place of business	Ownership interest held by the Gross	
			March 31, 2019	March 31, 2018
Compagnie de Saint-Gobain	Ultimate Holding Co*	Les Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	51.6%	51.6%
* The Ultimate Holding Company ("Saint-Gobain") holds shares in the Company through the following subsidiaries				
Saint-Gobain Abrasives Inc	Fellow Subsidiary	1 New Bond Street, P.O Box 15008 Worcester MA 01615 USA	26.8%	26.8%
Societe de Participations Financieres et Industrielles	Fellow Subsidiary	Les Miroirs 18 Avenue d'Alsace F-92400 Courbevoie, France	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%

(b) Key Management Personnel Compensation

	March 31, 2019	March 31, 2018
Short-term employee benefits	4,50.88	2,96.60
Post-employment benefits	90.75	78.42
Sitting Fees	17.60	14.10
Commission Payable	3,29.50	2,92.03

(c) Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business along with year-end balances as follows :

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Other Related Parties	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Sales	-	-	63,99.76	44,89.94	-	-
2	Agency Commission received	-	-	35.88	29.85	-	-
3	Service Income	2,64.54	2,00.60	101,46.60	87,78.38	-	-
4	Other Income	-	-	3,57.93	3,80.88	-	-
5	Expenses incurred on behalf of group companies	3.43	19.13	8,24.75	19,20.86	-	-
6	Expenses charged by other companies	85.96	55.71	13,06.89	8,80.50	-	-
7	Purchase of Goods	-	-	215,95.30	160,96.38	-	-
8	Royalty Paid	-	-	29,56.92	28,12.29	-	-
9	Other Expenses	-	-	-	1,35.04	-	-
10	Dividend Paid	-	-	28,56.40	22,85.12	-	-
11	Donation Paid	-	-	1,35.17	1,01.19	-	-
12	Trade Receivables*	-	51.54	21,09.38	40,52.57	-	-
13	Other Receivables*	0.91	-	13,63.84	5,18.79	-	-
14	Trade Payables*	-	-	(27,77.85)	(29,13.14)	-	-
15	Outstanding deposits *	-	-	-	39.00	-	-
16	Contribution to Post employment benefit plans	-	-	-	-	10,16.22	1,83.43

* Closing Balance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Loans to/from related parties

Particulars	March 31, 2019	March 31, 2018
Loans to key management personnel		
Beginning of the year	3,40.00	2,50.00
Loans advanced	-	1,50.00
Loan repayments received	(60.00)	(60.00)
Interest charged	9.00	10.35
Interest received	(9.00)	(10.35)
End of the year	2,80.00	3,40.00

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

(e) Terms and conditions

- (i) All related party transactions entered during the year were in ordinary course of business and on arms length basis
- (ii) Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- (iii) The terms and conditions of the loans to Key Managerial Personnel are as per the policy of the Company.
- (iv) 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, 2018 – 10%).
- (v) All outstanding balances are unsecured and are repayable in cash.

(f) Related parties with whom significant transactions were undertaken and included in figures reported in Note No. 47 (v) (c) is as under

Sr. No.	Nature of Transactions	Name of the companies	March 31, 2019	March 31, 2018
1	Service Income	Saint Gobain Dsi Groupe, France	31,82.04	22,14.53
		Saint-Gobain Isover, France	15,41.08	15,64.82
		Saint-Gobain Consulting Information and Organisation, France	27,37.82	25,66.56
2	Purchase of Goods	Saint-Gobain Ceramics & Plastics Inc., USA	21,26.12	98.27
		Saint-Gobain Distribuição Brasil Ltda, Brazil	23,94.24	15,61.31
		Saint-Gobain K.K., Japan	14,44.88	11,54.38
		SG Ceramic Materials AS, Norway	17,54.15	20,30.18
3	Royalty Paid	Saint-Gobain Abrasives Inc., USA	21,70.05	20,10.47
4	Dividend Paid	Saint-Gobain Abrasives Inc., USA	14,81.78	11,85.42
		Societe de Participations Financieres et Industrielles	13,59.62	10,87.70



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

48 Interest in other entities

(a) Subsidiary

The details of Company's Subsidiary as at March 31, 2019 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
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Saint-Gobain Ceramic Materials Bhutan Pvt Ltd.	Bhutan	70%	70%	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 the subsidiary are before inter Company eliminations.

Summarised Balance Sheet

	March 31, 2019	March 31, 2018
Current Assets	28,85.98	26,92.68
Current Liabilities	11,69.00	13,04.71
Net Current Assets	17,16.98	13,87.97
Non-current assets	29,00.68	38,22.63
Non-current liabilities	-	10,85.30
Net Non-current Assets	29,00.68	27,37.33
Net Assets	46,17.66	41,25.30
Accumulated NCI	13,85.56	12,37.85

Summarised Statement of Profit and Loss

Revenue from operation	78,75.96	70,22.50
Other income	0.16	-
Profit for the year	4,92.39	3,80.49
Profit allocated to NCI	1,47.71	1,14.15

Summarised cash flows

Cash flows from operating activities	2,66.77	9,74.86
Cash flows from investing activities	(1,24.31)	(1,84.25)
Cash flows from financing activities	(1.51)	(5,48.88)
Net increase / (decrease) in cash and cash equivalents	1,40.95	2,41.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

49 Additional Information of the Subsidiary required as per Schedule III

Particulars	March 31, 2019								March 31, 2018							
	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	% of Share in Profit	Amount	% of Other Comprehensive Income	Amount	% of Total Comprehensive Income	Amount	% of Consolidated Net assets	Amount	% of Share in Profit	Amount	% of Other Comprehensive Income	Amount	% of Total Comprehensive Income	Amount
Grindwell Norton Ltd	97.76%	1,086,82.85	97.11%	163,83.88	100.00%	5,28.29	97.19%	169,12.17	98.00%	982,83.97	97.53%	147,15.85	100.00%	(14.16)	97.53%	147,01.69
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd (Net of elimination)	1.00%	11,08.95	2.01%	3,40.60	-	-	1.96%	3,40.60	0.77%	7,68.35	1.71%	2,58.65	-	-	1.71%	2,58.65
Non Controlling Interest	1.24%	13,85.56	0.88%	1,47.71	-	-	0.85%	1,47.71	1.23%	12,37.85	0.76%	1,14.15	-	-	0.76%	1,14.15

50 The Subsidiary of the Company has undistributed earnings of ₹ 17,18.24 lakhs (March 31, 2018 - ₹ 12,25.86 lakhs), which if paid out as dividend would be taxable in the hands of the recipient. An assessable temporary difference exists but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from the subsidiary. The subsidiary is not expected to distribute these profits in the foreseeable future.

51 Previous year's figures have been regrouped wherever necessary to confirm with current year's classification.

The accompanying notes (1 to 51) 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 Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Keki M. Elavia

Chairman

DIN 00003940

Anand Mahajan

Managing Director

DIN 00066320

Sachin Parekh
Partner

Deepak Chindarkar

Chief Financial Officer

Membership No. 107038

K. Visweswaran

Company Secretary

Mumbai: May 29, 2019

Mumbai: May 29, 2019



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	260,44.31	227,46.70
Adjustments for;		
Depreciation expense	44,63.02	43,94.64
Amortisation expense	60.08	88.88
Loss on assets discarded / sold (net)	35.80	1,01.61
Gain on Redemption of Mutual Funds	(17,18.45)	(11,43.52)
Unrealised gain on foreign exchange	1,40.14	(57.62)
Interest Income	(95.10)	(2,42.42)
Finance Costs	1,49.96	1,53.25
Share based Payments	1,60.65	1,20.49
Fair value gain on financial instruments at fair value through profit or loss	(1,04.72)	(4,37.46)
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(30,77.55)	(51,13.05)
(Increase)/Decrease in inventories	(56,68.73)	(26,30.92)
(Increase)/Decrease in loans	(2,20.51)	(1,01.09)
(Increase)/Decrease in other financial asset	(12,66.17)	7,86.28
(Increase)/Decrease in other non-current asset	(1,23.47)	(9,04.52)
(Increase)/Decrease in other current asset	(10,03.38)	(3,47.74)
Increase/(Decrease) in trade payables	(13,23.39)	31,22.72
Increase/(Decrease) in provisions	(3,27.04)	11,18.28
Increase/(Decrease) in other non-current liabilities	(30.38)	(42.31)
Increase/(Decrease) in other current liabilities	7,55.31	(2,63.89)
Increase/(Decrease) in other financial liabilities	9,39.26	(7,12.26)
Cash generated from operations	177,89.65	206,36.05
Income taxes paid	(93,35.24)	(72,47.05)
Net cash inflow from operating activities	84,54.41	133,89.00
Cash flows from investing activities		
Payments towards purchase of property, plant and equipment	(67,21.57)	(38,53.63)
Proceeds from Redemption of Mutual Funds (Net)	17,18.45	11,43.52
Proceeds from sale of property, plant and equipment	30.66	30.64
Purchase of investment	(5,00.00)	(20,00.00)
Interest received	93.89	2,42.15
Net cash outflow from investing activities	(53,78.57)	(44,37.32)
Cash flows from financing activities		
Interest paid	(1,49.96)	(1,53.25)
Loan repaid	-	(5,45.19)
Dividend paid	(55,36.00)	(44,28.80)
Dividend distribution tax paid	(11,37.94)	(9,01.60)
Net cash inflow / (outflow) from financing activities	(68,23.90)	(60,28.84)
Net increase / (decrease) in cash and cash equivalents	(37,48.06)	29,22.84
Add - Bank overdraft at the beginning of the year	-	(2,27.19)
Add - Cash and cash equivalents at the beginning of the financial year	270,57.34	240,67.64
Add: changes in Fair value gain on financial instruments at fair value through profit or loss	(92.35)	2,94.05
Cash and cash equivalents at end of the year as reported in balance sheet	232,16.93	270,57.34

As per our Report of even date

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N / N500016
Chartered Accountants

Keki M. Elavia

Chairman

DIN 00003940

Anand Mahajan

Managing Director

DIN 00066320

Sachin Parekh
Partner

Deepak Chindarkar

Chief Financial Officer

Membership No. 107038

K. Visweswaran

Company Secretary

Mumbai: May 29, 2019

Mumbai: May 29, 2019

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SHAREHOLDERS ARE REQUESTED TO SUBMIT THIS FORM TO THE DEPOSITORY PARTICIPANT

To, (Name of the Depository Participant)

Updation of Shareholder Information

I / We request you to record the following information against my /our Folio No. /DP ID /Client ID :

General Information:

Folio No. /DP ID /Client ID :	
Name of the first named Shareholder:	
PAN: *	
CIN / Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I /We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I /we would not hold the Company /RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I /We understand that the above details shall be maintained till I /we hold the securities under the above mentioned Folio No. /beneficiary account.

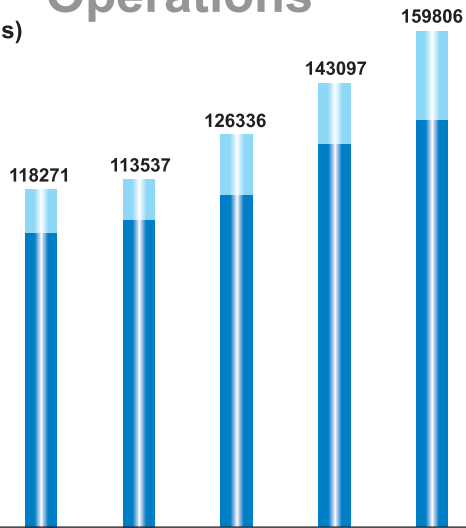
Place :
Date :

Signature of Sole /First holder

FINANCIAL PERFORMANCE

Revenue from Operations

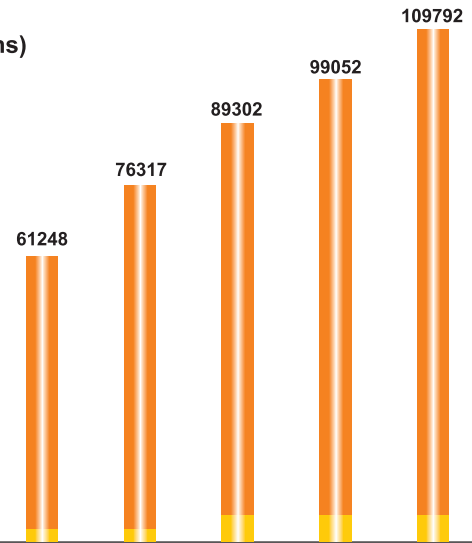
(₹ Lakhs)



Year	2014-15	2015-16	2016-17	2017-18	2018-19
Export	17689	18116	19095	19665	28512
Domestic	100582	95421	107241	123432	131294

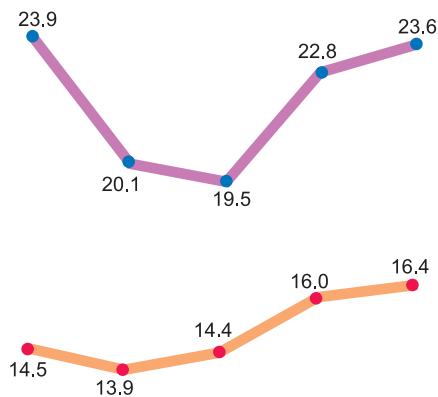
Net Worth

(₹ Lakhs)



Year	2014-15	2015-16	2016-17	2017-18	2018-19
Equity	2768	2768	5536	5536	5536
Reserves*	58480	73549	83766	93516	104256

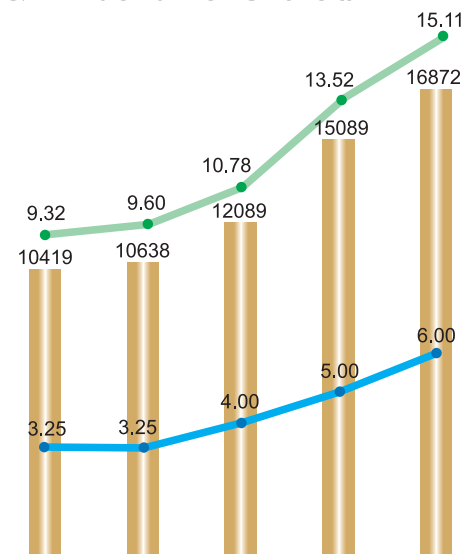
Operating Margin (%), ROI (%) & Asset Turnover



Year	2014-15	2015-16	2016-17	2017-18	2018-19
Asset Turnover	1.66	1.45	1.40	1.43	1.44

Operating Margin ROI

Profit After Tax, § Earning Per Share # & Dividend Per Share



Year	2014-15	2015-16	2016-17	2017-18	2018-19
Profit After Tax (₹ in Lakhs)	10419	10638	12089	15089	16872
Earning Per Share (₹)	9.32	9.60	10.78	13.52	15.11
Dividend Per Share (₹)	3.25	3.25	4.00	5.00	6.00

Based on the enhanced capital

§ Without Other Comprehensive Income

* Excluding Revaluation Reserve except for FY15-16 and FY16-17



ATTENDANCE SLIP

(To be presented at the entrance)

69th Annual General Meeting on Thursday, July 25, 2019 AT 3:00 P.M.

Shareholder's Name:

Serial No.

Address:

I/We hereby record my/our presence at the 69th ANNUAL GENERAL MEETING of the Company on Thursday, July 25, 2019 at 3:00 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001.

.....
(Member's/Folio/DP ID-Client ID No.)

.....
(Member's/Proxy's name in Block Letters)

.....
(Member's/Proxy's Signature)

Notes: 1. Only Member/Proxyholder can attend the Meeting. 2. Member/Proxyholder should bring his / her copy of the Annual Report for reference at the Meeting.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)

Registered address

E-mail Id

I/We, being the member(s) of shares of the Grindwell Norton Limited, hereby appoint

1. Name Address:.....

E-mail Id:..... Signature:or failing him/her

2. Name Address:.....

E-mail Id:..... Signature:or failing him/her

3. Name Address:.....

E-mail Id:..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 69th Annual General Meeting of the Company to be held on Thursday, July 25, 2019 at 3:00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description of Resolution	No. of Equity Shares	Vote (Optional see Note 2)	
			For	Against
Ordinary Business				
1.	To receive, consider and adopt: a. the Audited Financial Statements of the Company for the financial year ended March 31, 2019, 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, 2019, together with the Report of the Auditors thereon			
2.	To declare a dividend on Equity Shares for the financial year ended March 31, 2019			
3.	To appoint a Director in place of Mr. Patrick Millot (Director Identification No. 00066275), who retires by rotation and, being eligible, offers himself for re-appointment			
Special Business				
4.	Appointment of Mr. Sreedhar Natarajan as a Director of the Company			
5.	Appointment of Dr. Archana Niranjan Hingorani as an Independent Director of the Company			
6.	Re-appointment of Mr. Keki M. Elavia as an Independent Director of the Company			
7.	Ratification of Remuneration to Cost Auditor of the Company			

Signed this day of 2019.

.....
(Signature of Shareholder)

.....
(Signature of Proxyholder(s))

Affix
Revenue
Stamp

Notes:

- This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.
- It is optional to indicate your preference, if you leave the "Vote" column blank (for or against) for any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
- Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy Form.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

NOTE: Please read carefully the instructions given in the Notice of the 69th Annual General Meeting under the Heading "Voting through electronic means".