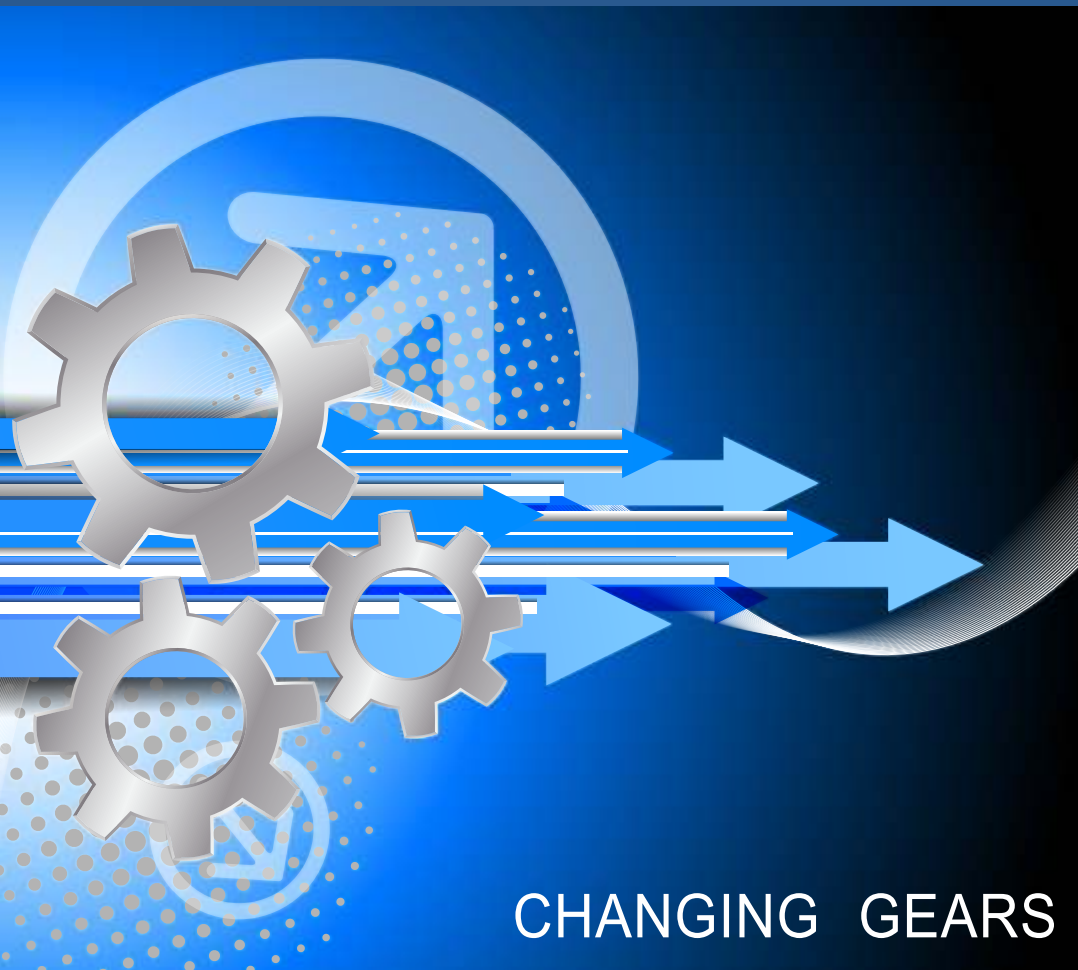




CHANGING GEARS

**65th
Annual Report
2014-2015**

Ten Year Consolidated Financial Highlights

(₹ Lacs)

	2005	2006	2007	2008	Jan 2009-Mar 2010 (15 Months)	2010-11	2011-12	2012-13	2013-14	2014-15
Sale of Products (Net)	31788	37292	44083	50162	70222	78075	88434	91539	92298	108433
Operating Profit (Profit Before Interest, Tax & Extraordinary Items)	5368	6865	8244	7892	13107	12621	15237	13853	12495	15671
Profit After Tax and Extraordinary Items	3540	4602	13340 ⁺	5421	8605	8274	10284	9715	8442	10419
Share Capital	1384	2768	2768	2768	2768	2768	2768	2768	2768	2768
Reserves and Surplus *	15579	16590	24749	27589	32352	36853	42966	48487	52670	58480
Total Debts	61	227	227	1647	2611	2105	1891	2237	1641	1491
Net Fixed Assets *	6898	12116	15915	21603	22928	23525	31310	38512	37696	36360
Net Working Capital	6982	4824	7573	8442	12823	16923	15124	14107	18520	25597
Earnings Per Share (₹) #	6.40	8.31	10.19 [^]	9.81	15.60	15.10	18.60	17.58	15.16	18.64
Dividend Per Share (₹) #	2.75	3.50	8.00 [□]	4.00	6.00	6.00	6.50	6.50	6.50	6.50
Book Value Per Share (₹) * #	30.64	34.97	49.71	54.84	63.44	71.57	82.61	92.59	100.14	110.64

KEY RATIOS

Operating Margin (%)	16.89	18.41	18.70	15.73	18.67	16.17	17.12	15.13	13.54	14.45
Asset Turnover	1.83	1.87	1.56	1.52	1.43 [@]	1.81	1.79	1.64	1.55	1.66
Return on Capital Employed (%)	30.84	34.48	29.17	23.94	26.77 [@]	29.20	30.71	24.87	20.92	23.93
Debt Equity Ratio	—	0.01	0.01	0.05	0.07	0.05	0.04	0.04	0.03	0.02
Current Ratio	1.80	1.43	1.51	1.58	1.78	1.89	1.61	1.63	1.80	1.92

Figures re-cast wherever necessary

+ PAT without Extraordinary Item ₹ 5640 Lacs

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

□ Includes special interim dividend of ₹ 4.00

* Without Revaluation Reserve

[^] Based on Profit After Tax without Extraordinary Item

[@] Annualised

Bankers

Deutsche Bank
HDFC Bank
ICICI Bank

Statutory Auditors

Kalyaniwalla & Mistry,
Chartered Accountants

Registrars & Transfer Agents

TSR Darashaw Limited
6-10, Haji Moosa Patrawala
Ind. Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011
Tel. No.: +91 22 6656 8484
Fax No.: +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.
Tel. No.: +91 22 4021 2121
Fax No.: +91 22 4021 2102

E-mail id

sharecmpt.gno@saint-gobain.com

Website

www.grindwellnorton.com

Corporate Identity Number

L26593MH1950PLC008163

Factories

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

DIRECTORS

Mr. PRADIP SHAH
(Chairman)

Ms. MARIE-ARMELLE CHUPIN

Mr. BENOIT d'IRIBARNE
(Alternate Director)

Mr. KEKI M. ELAVIA

Mr. JEAN-PIERRE FLORIS

Mr. PATRICK MILLOT

Mr. MIKHIL NARANG

Mr. SHIVANAND SALGAOCAR

Mr. GUILLAUME TEXIER

Mr. ANAND MAHAJAN
(Managing Director)

MANAGEMENT COMMITTEE

Mr. Deepak Chindarkar
(Finance & IT)

Mr. Krishna Prasad
(Ceramics & Plastics)

Mr. M. Ramarathnam
(Projects & EHS)

Mr. N. Sreedhar
(Abrasives)

Ms. Anupama Vaidya
(HR)

COMPANY SECRETARY

Mr. K. Visweswaran

Contents

Notice	2
Board's Report	7
Management Discussion & Analysis Report	28
Report on Corporate Governance	33
Auditors' Certificate on Corporate Governance	43
Independent Auditor's Report	44
Balance Sheet	48
Statement of Profit & Loss	49
Notes Forming Part of the Financial Statements	50
Cash Flow Statement	72
Salient Features of Financial Statement of Subsidiary	73
Independent Auditor's Report on Consolidated Financial Statements	74
Consolidated Balance Sheet	78
Consolidated Statement of Profit & Loss	79
Notes Forming Part of the Consolidated Financial Statements	80
Consolidated Cash Flow Statement	103



NOTICE

NOTICE is hereby given that the 65th Annual General Meeting of the members of Grindwell Norton Limited will be held on Tuesday, 4th August, 2015 at 3:00 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a. the Audited Financial Statements of the Company for the financial year ended 31st March, 2015, 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 31st March, 2015, together with the Report of the Auditors thereon.
2. To declare a dividend for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Guillaume Texier (Director Identification No. 05103331), who retires by rotation and being eligible, offers himself for re-appointment.
4. Re-appointment of Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration No. 104607W), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration plus service tax and out of pocket expenses at actuals, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

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

SPECIAL BUSINESS

5. Ratification of Remuneration to Cost Auditors

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 all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, the consent of the Members be and is hereby accorded for ratification of remuneration amounting to ₹ 2,00,000 (Rupees Two Lacs Only) plus service tax and out of pocket expenses at actuals, to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), to audit the cost records maintained by the Company for the financial year ended 31st March, 2015.

RESOLVED FURTHER THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, the consent of the Members be and is hereby accorded for ratification of remuneration amounting to ₹ 2,00,000 (Rupees Two Lacs Only) plus service tax and out of pocket expenses at actuals, to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), to audit the cost records maintained by the Company for the financial year ended 31st March, 2016.

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

By Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Mumbai, 14th May, 2015

Registered Office:

5th Level, Leela Business Park

Andheri-Kurla Road, Marol, Andheri (East)

Mumbai 400 059

Tel: +91 22 4021 2121 • Fax: +91 22 4021 2102

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

Website: www.grindwellnorton.com

Corporate Identity Number: L26593MH1950PLC008163

**NOTES:**

- (a) The Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of business set out in Item No. 5 of the accompanying Notice and the relevant details as required under Clause 49 of the Listing Agreement, of person seeking appointment/re-appointment as Director as set out in Item No. 3 of the Notice, is annexed hereto.
- (b) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by Members at the Annual General Meeting.
- (c) **A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight (48) hours before the commencement of AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.**

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

- (d) Members/Proxies should bring the duly filled Attendance Slip to the AGM. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at AGM.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 28th July, 2015 to Tuesday, 4th August, 2015 (both days inclusive), for determining the names of Members eligible for dividend on Equity Shares, if declared at AGM.
 - i. To all Beneficial Owners in respect of shares held in dematerialised form as per the data made available by the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as of the close of business hours on Monday, 27th July, 2015.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Monday, 27th July, 2015.
- (f) Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Services ("NECS"), Electronic Clearing Service ("ECS"), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant(s) ("DP"). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents, TSR Darashaw Limited ("TSRDL") to provide efficient and better services.

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

- (g) 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 DP with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to TSRDL.
- (h) Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSRDL for assistance in this regard.
- (i) Members holding shares in physical form in identical order or names in more than one folio are requested to send to the Company or TSRDL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- (j) In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- (k) Members desirous of seeking any further information about the financial statements and/or operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, at least ten days in advance of AGM, so that the information, to the extent practicable, can be made available at the AGM.

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

Pursuant to Section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, unclaimed/unpaid dividend for the financial year ended 31st December, 2007 (interim dividend) has been transferred to the IEPF established by the Central Government on 6th February, 2015. The unclaimed/unpaid dividend, declared for the financial year ended 31st December, 2007 (final dividend) will be due for transfer to IEPF after 25th May, 2015.

It may be noted that unclaimed/unpaid dividend for the financial year ended 31st December, 2008 shall be due for transfer to IEPF after 28th May, 2016. Members who have not yet encashed their dividend warrant(s) for financial year ended 31st December, 2008 and all subsequent financial years are requested to make their claims without any delay to TSRDL.

(m) The Notice of AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with their 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 who have received the Notice of AGM along with the Annual Report 2014-15 through electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter at the venue to attend the AGM of the Company. As a 'Green Initiative', copies of the Annual Report will not be distributed at AGM.

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

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").
- II. The facility for voting through Ballot Paper shall be made available at the AGM and Members attending AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper.
- III. The remote e-voting period shall commence on Friday, 31st July, 2015 (9:00 a.m.) and end on Monday, 3rd August, 2015 (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, Tuesday, 28th July, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL after Monday, 3rd August, 2015 (5:00 p.m.).
- IV. Once the vote on resolution is cast by the Member through remote e-voting, the Member shall not be allowed to change it subsequently.
- V. The process for remote e-voting is as under:
 - A. In case a Member receives an e-mail from NSDL (for members whose e-mail IDs are registered with the TSRDL/DPs):
 - (i) Open the e-mail and open PDF file viz., 'remote e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - (iii) Click on Shareholder – Login.
 - (iv) Put user ID and password as initial password noted in step (i) above, Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" (E-voting Event Number) of "Grindwell Norton Limited".
 - (viii) Now you are ready for remote e-voting as 'Cast Vote' page opens.



- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to grindwell.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member has received physical copy of the Notice of AGM (for Members whose e-mail IDs are not registered with the Company/DPs or requested physical copy):
- a. EVEN (E-voting Event Number), user ID and password are provided in the Attendance Slip.
 - b. Please follow all steps from A (ii) to A (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of paid up equity share capital of the Company as on the cut-off date, Tuesday, 28th July, 2015.
- X. 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, Tuesday, 28th July, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- If you forgot your password, you can reset password by using “Forgot user details/password” option available on www.evoting.nsdl.com or contact NSDL on toll free no. 1800-222-990.
- XI. The Members who have cast their vote by remote e-voting, may attend and participate at the AGM, but they shall not be entitled to cast their vote at the AGM. If a Member casts votes by remote e-voting and at the AGM through Ballot Paper, then vote cast through remote e-voting shall prevail and vote cast through Ballot Paper at the AGM shall be treated as invalid.
- XII. A person, whose name is recorded in the Register of Members as on the cut-off date, Tuesday, 28th July, 2015 only shall be entitled to avail the facility of remote e-voting or voting at the AGM through Ballot Paper.
- XIII. Mr. P. N. Parikh (Membership No. FCS 327) or failing him Mr. Mitesh Dhabliwala (Membership No. ACS 24539), of M/s. Parikh & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting by remote e-voting and votes cast through Ballot Paper at AGM in a fair and transparent manner.
- XIV. The Chairman shall, at AGM, at the end of the discussion on the resolutions set out in the Notice of AGM, allow voting with the assistance of the Scrutinizer, by use of Ballot Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall, after the conclusion of voting at AGM, 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, not later than three days of the conclusion of AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- XVI. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company, www.grindwellnorton.com, and on the website of NSDL, www.nsdl.co.in, immediately after the declaration of the results 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.

ANNEXURE TO NOTICE

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

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

Item No. 5:

The Board, on the recommendations of the Audit Committee, has appointed M/s. Rao, Murthy and Associates, Cost Accountants (Firm Registration No. 000065) as "Cost Auditors" of the Company, to conduct audit of the cost records for the financial year ended 31st March, 2015 and 31st March, 2016.

The Members, at the 64th Annual General Meeting of the Company held on 23rd July, 2014, accorded authority to the Board of Directors of the Company to fix the remuneration payable to M/s Rao, Murthy & Associates, Cost Auditors of the Company for the financial year ended 31st March, 2015. The Board has approved remuneration amounting to ₹ 2,00,000 (Rupees Two Lacs Only) plus service tax and out of pocket expenses at actuals, incurred in connection with the cost audit of the Company.

The Board, on the recommendations of the Audit Committee, has approved remuneration for financial year ended 31st March, 2016, to M/s. Rao, Murthy & Associates, Cost Auditors, amounting to ₹ 2,00,000 (Rupees Two Lacs Only), plus service tax and out of pocket expenses at actuals, towards audit of the cost records maintained by the Company for the products covered as per the Companies (Cost Records and Audit) Amendment Rules, 2014, dated 31st December, 2014 issued by the Ministry of Corporate Affairs.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors needs to be ratified by the Shareholders of the Company.

Accordingly, approval of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors.

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

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

By Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Mumbai, 14th May, 2015

Registered Office:

5th Level, Leela Business Park

Andheri-Kurla Road, Marol, Andheri (East)

Mumbai 400 059

Tel: +91 22 4021 2121 • Fax: +91 22 4021 2102

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

Website: www.grindwellnorton.com

Corporate Identity Number: L26593MH1950PLC008163

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

Item No. 3:

Name of the Director	Mr. Guillaume Texier
Director Identification Number	05103331
Brief Profile	Mr. Texier, 41, is a graduate in engineering from Ecole Polytechnique, Paris and in business administration from Paris School of Mines. He is the President of the Ceramic Materials Division of Saint-Gobain from September 2011. Before joining the Group, he has held various positions of responsibility with the French government and has served in the French army.
Expertise in specific functional areas	Wide experience in various businesses of Saint-Gobain (including Ceramics) and Corporate Planning.
Directorships held in other companies (excluding foreign companies)	Nil
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
Number of shares held in the Company	Nil



BOARD'S REPORT

The Members,

Your Directors present the 65th Annual Report of the Company along with the audited financial statements for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

(₹ in crores)

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Sale of Products (Gross)	1144.06	974.28	1168.58	997.89
Service & Other Operating Income	50.58	42.24	51.04	42.52
Less: Excise Duty	(84.25)	(74.91)	(84.25)	(74.91)
Revenue from Operations	1110.39	941.61	1135.37	965.50
Operating Profit	149.79	120.32	156.71	124.95
Interest	0.56	0.45	2.91	3.05
Profit before Tax	149.23	119.87	153.79	121.90
Provision for Tax	48.21	37.55	49.60	37.48
Profit for the year	101.02	82.32	104.19	84.42
Less: Share of Minority Interest	—	—	(0.97)	(0.50)
Profit for the year after Minority Interest	—	—	103.22	83.92
Surplus brought forward	120.00	100.00	116.62	95.02
	221.02	182.32	219.84	178.94
Appropriations:				
Proposed Dividend	35.98	35.98	35.98	35.98
Tax on Proposed Dividend	7.33	6.12	7.33	6.12
Transfer to General Reserve	27.71	20.22	27.71	20.22
Surplus Carried to Balance sheet	150.00	120.00	142.82	116.62
	221.02	182.32	219.84	178.94

The Company proposes to transfer an amount of ₹ 27.71 crores to the General Reserve. An amount of ₹ 150 crores is proposed to be retained in the Statement of Profit and Loss.

DIVIDEND

Your Directors are pleased to recommend dividend of ₹ 6.50 per equity share of face value of ₹ 5 each for the financial year ended 31st March, 2015. The cash outgo on account of dividend including dividend distribution tax will be ₹ 43.31 crores as against ₹ 42.10 crores in the previous year.

OPERATIONS

The economy remained weak and the growth of industrial production continued to be low (growth of the Index of Industrial Production was under 3% for the fourth consecutive year). The manufacturing sector remained vulnerable throughout the year. Decline in inflation, led by the steep fall in global oil prices, and a stable Rupee provided some respite for the economy. Meanwhile, with a stable, majority Government at the Centre and improved macro-economic indicators, the overall sentiment has seen a rise and, consequently, so has the stock market. After two years of stagnation, your Company's sales increased by 17% and operating profit by 24% over the previous year.

- **Abrasives**

Partly on account of some increase in demand from certain end-user industries and largely on account of gain in market share, the Abrasives business witnessed double-digit growth during the year. The business focused on new products and new markets to reverse the drop in volumes in the past two years. Higher volumes, a stable Rupee and the management's focus on improving price realization led to a sharp rise in the operating margin. The Non-woven plant at Bengaluru and Bonded Abrasives expansion project at Nagpur, which were commissioned in the previous year, stabilized during the current year and ramp up of production is in progress.

- **Ceramics & Plastics**

Domestic demand for Silicon Carbide ("SiC") continued to be stable, but weak. Exports to Europe declined. Production at your Company's plant at Tirupati was adversely impacted by the stoppage of power generation by Andhra Pradesh Gas Power Corporation Limited ("APGPCL") for nearly four months, due to repairs to the gas pipeline. Meanwhile, increased competition on account of imports from China and Vietnam put a cap on price levels. Consequently, the operating margin declined. The High Performance Refractories business posted strong growth in terms of sales and profit. While the domestic order flow continued to be weak, a few large export orders of high-margin, niche products contributed to the growth. After a disappointing performance in the previous year, the Performance Plastics business saw strong growth in sales and margins, largely due to increase in demand from the seals and health-care business segments.

SUBSIDIARY COMPANY

The Company has one subsidiary in Bhutan, Saint-Gobain Ceramic Materials Bhutan Private Limited. It is not a material subsidiary in terms of Clause 49 of the Listing Agreement.

The operations of your Company's subsidiary in Bhutan were stable. Direct sale of grains from Bhutan has increased by 5% during the year. Despite the increase in power cost by 10% in Bhutan, the cost of electricity is still much lower than the cost at Tirupati.

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

FUTURE PROSPECTS

While expectations of an industrial recovery are high, on the ground, visibility remains poor. Except in pockets, investment demand remains low. The order inflow is, by and large, muted and there is no pull from the channel. Still, the most likely scenario is a gradual recovery in the coming months. As and when growth accelerates, your Company shall stand to gain from the investments made in capacities and capabilities over the last few years. Meanwhile, your Company's management will focus on growing exports, improving price realization and operating performance even as it continues to invest in new products and new markets to sustain growth.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

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



PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

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

HUMAN RESOURCES

Employee relations were cordial at all sites of your Company. At the end of the financial year, there were 1718 employees. Your Directors place on record their appreciation for the contribution made by all employees in the progress of your Company.

The Company follows best practices in hiring and on-boarding of employees. The Company adopts a fair and transparent performance evaluation processes. In order to improve the organizational efficiency and employee engagement, various process change initiatives were undertaken during the year. Your Company believes in conducting its business in a highly transparent and ethical way. To ensure this and also to improve skill levels, employees participate in various training programmes and complete mandated e-learning courses.

Your Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees have a right to be treated with dignity and has zero tolerance towards sexual harassment at the workplace. The Company has a Policy on Sexual Harassment which is widely disseminated. No complaint in this regard has been received during the year.

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

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

PARTICULARS OF EMPLOYEES

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

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

PUBLIC DEPOSITS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year under review, Mr. Benoit d'Iribarne has been appointed as an Alternate Director to Ms. Marie-Armelle Chupin with effect from 22nd October, 2014.

Mr. Benoît d'Iribarne holds an Engineering degree from Ecole Nationale des Ponts et Chaussées, France and a Master of Science in Civil Engineering from the University of Colorado, USA. He joined the Saint-Gobain group in 1985 and has held various positions across the group. Currently, he is the President of the High Performance Materials sector of Compagnie de Saint-Gobain.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Guillaume Texier, Director, retires by rotation and being eligible offers himself for re-appointment.

None of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions with the Company, other than salaries, commission and sitting fees.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation programme for Independent Directors of the Company provides orientation and training at the time of joining to enable them to understand the operations, business and other details of the Company. Details of the familiarisation programme for Independent Directors is available on the website of the Company, www.grindwellnorton.com. The Independent Directors are regularly briefed on 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 the meetings is circulated to the Directors in advance to enable them to plan their schedule and to ensure effective participation.

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

COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has constituted or reconstituted its Committees. Currently, the Board has the following Committees:

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. that in the preparation of the annual financial statements for year ended 31st March, 2015, 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 31st March, 2015, and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual financial statements have been prepared on a 'going concern' basis;
- v. that proper internal financial controls are in place and that such internal financial controls are adequate and are operating effectively;
- vi. that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and are operating effectively.

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



DIRECTOR'S APPOINTMENT AND REMUNERATION

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

ANNUAL EVALUATION OF PERFORMANCE BY THE BOARD

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

RELATED PARTY TRANSACTIONS

All related party transactions entered during the financial year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract/arrangement/transaction with related parties which would be considered material as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The related party transactions are approved by the Audit Committee through an omnibus resolution. The Audit Committee monitors, on a quarterly basis, the related party transactions entered vis-à-vis the related party transactions approved by the omnibus resolution.

The policy on Related Party Transactions, as approved by the Board, is available on the website of the Company, www.grindwellnorton.com.

CORPORATE SOCIAL RESPONSIBILITY

It is your Company's belief that its primary goal is to serve the needs of its customers and, in the process of doing so, to generate employment, livelihood and income for all its stakeholders (suppliers, vendors, service providers, employees, lenders, shareholders etc.) and, at the same time, to contribute to the revenues of Government. Further, it is your Company's belief that by pursuing its primary goal and by ensuring that its business practices meet the highest standards of corporate governance and ethics, it best fulfills its obligations and responsibility to society. Against the backdrop of this belief, your Company is committed to implementing the agenda set out in its CSR policy. The CSR policy and the initiatives taken during the year, in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in Annexure 4 to this Report. In accordance with Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) 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 2014-15 is around 0.56% of the average net profit of the Company during the three immediately preceding financial years.

RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROLS

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

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

WHISTLE-BLOWER POLICY AND VIGIL MECHANISM

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

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

AUDITORS

a. Statutory Auditors

M/s. Kalyaniwalla & Mistry, Chartered Accountants, (Registration No 104607W), Statutory Auditors of your Company, who hold office till the conclusion of 65th Annual General Meeting, are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and Rules framed thereunder, for re-appointment as Statutory Auditors of the Company.

Your Directors on recommendation of the Audit Committee, seek approval of the Shareholders, for appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants, as the Statutory Auditors of the Company, from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be mutually agreed between Board of Directors of the Company and the Auditors, as set out in the resolution included in the Notice convening the Annual General Meeting of the Company.

b. Cost Auditor

In accordance with Section 148 of the Companies Act, 2013 and Rules framed thereunder, the cost audit records are maintained by the Company in respect of the products which are required to be audited. Your Directors, on recommendation of the Audit Committee, appointed M/s. Rao, Murthy & Associates, Cost Accountants, to audit the cost accounting records maintained by the Company for the financial year ended 31st March, 2015.

c. Secretarial Auditor

In accordance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Parikh & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2015. The Secretarial Audit Report for the financial year ended 31st March, 2015 in Form No. MR-3 is set out in Annexure 5 to this Report.

COMMENTS ON AUDITORS' REPORT

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

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

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement, the Report on Corporate Governance with the Auditors Certificate thereon and the Management Discussion & Analysis Report are annexed and form part of this Report.

ACKNOWLEDGMENTS

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 Bankers and the loyalty of the large family of the Company's Dealers, Suppliers and valued Shareholders.

For and on behalf of the Board of Directors

PRADIP SHAH
Chairman

ANAND MAHAJAN
Managing Director

Mumbai, 14th May, 2015



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 by IMS. These certifications are a recognition of the sustained efforts made by your Company in improving Environment, Health and Safety ("EHS") at all its sites.

The Company has taken various measures to conserve energy and resources. Two examples are given below:

Measures	Impact
Biomass thermopac – fuel savings project	Utilising the heat generated by incineration of waste biomass in the furnace, to reduce the furnace oil consumption.
Utilising waste heat	The waste heat from kilns is utilised in dryers to dry the products before firing in Bonded Abrasives.

The Company has not made any capital investment towards these measures during the financial year.

(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 centres, as well as other manufacturing locations, your Company has kept itself informed on the latest trends in technology related to the businesses 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:

- patented backings for coated abrasives
- premium cutting and grinding wheels

Improvements in:

- product safety and quality
- EHS at manufacturing site by change of resin systems
- better cutting rate, longer life and versatility of the grinding wheels

3. Future plans of action:

- (a) Technology adoption from Saint-Gobain Abrasives and other Saint-Gobain plants in identified priority areas, for development of new and improved products.
- (b) Development and utilisation of advanced tools facilitated with enhanced grinding system solutions at the customer's end.

4. Expenditure on R&D for the year ended 31st March, 2015:

	(₹ in crores)
(a) Capital	Nil
(b) Recurring	3.78
(c) Total	3.78
(d) Total R&D expenditure as % of Total turnover	0.34

(C) Foreign exchange earnings and outgo:

Total earnings in foreign exchange for the financial year ended 31st March, 2015 were ₹ 180.78 crores and the total outflow was ₹ 342.46 crores. Details are given in notes no. 20.2, 30, 32 and 33.

ANNEXURE 3

NOMINATION AND REMUNERATION POLICY

(I) Policy for appointment of Director, Key Managerial Personnel (“KMP”) and Senior Management

Appointment Criteria, Performance Evaluation and Removal:

1. The Director, KMP and Senior Management shall possess adequate qualification, experience and expertise and the following attributes/skills:
 - a) Cultural fit and Personal values.
 - b) Vision and strategic management.
 - c) Change management and ability to influence change.
2. An Independent director shall have an impeccable reputation of integrity, deep expertise, insights and complementary skills and shall meet the requirements prescribed under the Companies Act, 2013 and the Listing Agreement.
3. The Nomination and Remuneration Committee (“Committee”) shall carry out an evaluation of performance of every Director, KMP and Senior Management on a yearly basis.
4. Due to any reasons for disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board, with reasons recorded in writing, the removal of a Director, KMP or Senior Management [subject to the provisions and compliance of the said Act, Rules and Regulations].

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

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

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

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

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

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

The Remuneration Policy of the Company recognizes and is based on position and performance. It is aimed at attracting and retaining high-caliber talent. The quantum of an employee’s remuneration and its components varies across grades and is determined by industry practices and comparisons, qualifications, experience, responsibilities and performance. Most employees are covered by an incentive plan which is linked to 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 adapted it to the Indian context. For the Group, CSR impacts every aspect of how it conducts its 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, and
- 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 programs are available on the website of the Company, www.grindwellnorton.com.

2. Composition of the CSR Committee:

Mr. Keki M. Elavia, Chairman

Mr. Jean-Pierre Floris

Mr. Anand Mahajan

3. Average net profit of the Company for the last three financial years: ₹ 134,96.72 Lacs

4. Prescribed CSR Expenditure (two percent, of the amount as in item 3 above): ₹ 269.93 Lacs

5. Details of CSR spent during the financial year:

- Total amount provided for expenditure on CSR for the financial year was ₹ 76.17 lakhs, out of which ₹ 54.12 Lacs were spent and an unspent amount of ₹ 22.05 Lacs will be paid to Saint-Gobain India Foundation in the financial year 2015-16.
- The manner in which the amount has been spent during the financial year is detailed below:

Sl. No.	CSR programs/ project / activity identified	Sector in which the programs/ projects are covered	Projects/ programs		Amount outlay (budget) project / programs wise	Amount spent on the projects/programs		Cumulative expenditure up to the reporting period	Amount spent	
			Area	State		Direct Expenditure	Overheads		Direct	Agency
1.	Contribution to the corpus of Saint-Gobain India Foundation	Promotion of education	NA	NA	76.17 Lacs	54.12 Lacs	—	54.12 Lacs	54.12 Lacs	—
	TOTAL					54.12 Lacs				

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 profits to the corpus of the SGIF, is represented on the Board of SGIF and its management is involved in the working of SGIF.



7. In 2014-15, the Company has undertaken the implementation and monitoring of the CSR Policy as per the CSR agenda and Policy of the Company.
8. **Details of a few of the Programs (near the Company's offices or sites) undertaken through the Saint-Gobain India Foundation:**
- a. Akanksha Foundation is an NGO that works primarily in the field of education for underprivileged children through Akanksha schools. Under this model, Akanksha adopts, manages and operates government schools in Mumbai. Saint-Gobain India Foundation supports 60 children in two classes of Grade II & III 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 is working with Aseema to improve education for a pre-primary class of 30 underprivileged children in Santacruz (West) Municipal School, Mumbai. Scientifically designed educational material is provided to them to meet their developmental needs. Children are taken on trips to learn new things and co-relate their class room training with practical learning.
 - c. Parikrama aims at creating a sustainable model by effecting a fundamental change in the way the poor and marginalized children are educated. They manage the entire education cycle from kindergarten to college for every child. Saint-Gobain India Foundation supports 36 students of Grade IV and 34 students of Grade V in two schools in Bangalore.

For **Grindwell Norton Limited**

ANAND MAHAJAN
Managing Director

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

KEKI M. ELAVIA
Chairman

ANNEXURE 5

FORM No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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 Grindwell Norton Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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 Grindwell Norton Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 1992; and
- (vi) Other laws applicable to the Company as per the representation made by the Company.

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

- (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are not in force as on the date of this report.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanations and clarifications given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except that the Company has an unspent amount during the year in the amount to be spent 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 at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent 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 as represented by the Company and relied upon by us 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 etc:

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: 14.05.2015

MITESH DHABLIWALA
Partner
ACS: 24539 CP: 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: 14.05.2015

MITESH DHABLIWALA
Partner
ACS: 24539 CP: 9511

ANNEXURE 6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[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. CIN : L26593MH1950PLC008163
- ii. Registration Date : 31st July, 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 Registrar and Transfer Agent, if any : TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011
Tel.: +91 22 6656 8484
Fax: +91 22 6656 8494
E-mail: csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Abrasives	23993	70.8%

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	
	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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individuals / HUF	4114352	0	4114352	7.43	4114352	0	4114352	7.43	0.00
b. Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	150000	0	150000	0.27	150000	0	150000	0.27	0.00
e. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):	4264352	0	4264352	7.70	4264352	0	4264352	7.70	0.00
(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 Corp.	28414,000	0	28414000	51.33	28414000	0	28414000	51.33	0.00
d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):	28414000	0	28414000	51.33	28414000	0	28414000	51.33	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	32678352	0	32678352	59.03	32678352	0	32678352	59.03	0.00
B. Public Shareholding									
1. Institutions									
Mutual Funds	4815880	0	4815880	8.70	5348383	0	5348383	9.66	0.96
Banks / FI	400	3400	3800	0.01	2440	3400	5840	0.01	0.00
Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	15381	0	15381	0.03	0	0	0	0.00	-0.03
FII's	1122030	600	1122630	2.03	1761286	600	1761886	3.18	1.15
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (FPIs-Corp)	0	0	0	0.00	425907	0	425907	0.77	0.77
Sub-total (B)(1):	5953691	4000	5957691	10.76	7538016	4000	7542016	13.62	2.86
2. Non-Institutions									
a. Bodies Corp.									
i) Indian	2309565	7000	2316565	4.18	2461916	7000	2468916	4.46	0.28
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	3726335	740975	4467310	8.07	3531396	692109	4223505	7.63	-0.44
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9098069	43,920	9141989	16.51	6209857	43920	6253777	11.30	-5.22
c. Other (specify)									
Non Resident Indian	138193	800	138993	0.25	1374008	800	1374808	2.48	2.23
Trusts	659100	0	659100	1.19	818626	0	818626	1.48	0.29
Sub-total (B)(2):	15931262	792695	16723957	30.21	14395803	743829	15139632	27.35	-2.86
Total Public Shareholding (B)=(B)(1)+ (B)(2)	21884953	796695	22681648	40.97	21933819	747829	22681648	40.97	0.00
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)	54563305	796695	55360000	100.00	54612171	747829	55360000	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		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.	14817760	26.77	0.00	14817760	26.77	0.00	0.00
2.	Societe De Participations Financieres et Industrielles	13596240	24.56	0.00	13596240	24.56	0.00	0.00
3.	Saint-Gobain India Private Limited (erstwhile Saint-Gobain Glass India Limited)	150000	0.27	0.00	150000	0.27	0.00	0.00
	Indian Promoters							
4.	Mrs. V. A. Mahajan	647800	1.17	0.00	647800	1.17	0.00	0.00
5.	Mrs. K. M. Narang	555000	1.00	0.00	555000	1.00	0.00	0.00
6.	Mr. Anand Mahajan	498422	0.90	0.00	498422	0.90	0.00	0.00
7.	Mrs. A. N. Sidhva	448668	0.81	0.00	890272	1.61	0.00	0.80
8.	Late Mr. N. D. Sidhva	441604	0.80	0.00	0.00	0.00	0.00	-0.80
9.	Mr. Aakil A. Mahajan	402079	0.73	0.00	402079	0.73	0.00	0.00
10.	Ms. Ashaita A. Mahajan	381779	0.69	0.00	381779	0.69	0.00	0.00
11.	Mr. Mikhil M. Narang	335500	0.61	0.00	335500	0.61	0.00	0.00
12.	Mr. Danesh M. Narang	334500	0.60	0.00	334500	0.60	0.00	0.00
13.	Mr. Malvinder C. Narang	69000	0.12	0.00	69000	0.12	0.00	0.00
	Total	32678352	59.03	0.00	32678352	59.03	0.00	0.00

(iii) Change in Promoters' Shareholding:

Sl. No.		Shareholding at the beginning of the year 01.04.2014		Cummulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	32678352	59.03		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	#	#	32678352	59.03
	At the end of the year	32678352	59.03		

Note: There is no change in the total shareholding of the promoters between 01.04.2014 and 31.03.2015

Inter-se Transfer among promoters

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Date	Reason	Increase / Decrease	Cummulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	Mrs. A. N. Sidhva	448668	0.81	25.03.2015	Transmission	441604	890272	1.61
2.	Late Mr. N. D. Sidhva	441604	0.80	25.03.2015	Transmission	-441604	0.00	0.00



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

Sl. No.		Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	HDFC Trustee Company Limited						
	At the beginning of the year			3611058	6.52		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	04.04.2014	Transfer	206792	0.37	3817850	6.90
		11.04.2014	Transfer	(4000)	(0.01)	3813850	6.89
		18.04.2014	Transfer	(106000)	(0.19)	3707850	6.70
		23.05.2014	Transfer	(392814)	(0.71)	3315036	5.99
		30.05.2014	Transfer	(50000)	(0.09)	3265036	5.90
		13.06.2014	Transfer	(82850)	(0.15)	3182186	5.75
		20.06.2014	Transfer	(17000)	(0.03)	3165186	5.72
		30.06.2014	Transfer	(1000)	(0.00)	3164186	5.72
		22.08.2014	Transfer	(101578)	(0.18)	3062608	5.53
		29.08.2014	Transfer	(12000)	(0.02)	3050608	5.51
		12.09.2014	Transfer	(175000)	(0.32)	2875608	5.19
		19.09.2014	Transfer	(1000)	(0.00)	2874608	5.19
		14.11.2014	Transfer	(6500)	(0.01)	2868108	5.18
		12.12.2014	Transfer	(347)	(0.00)	2867761	5.18
		09.01.2015	Transfer	(2153)	(0.00)	2865608	5.18
		27.02.2015	Transfer	(32400)	(0.06)	2833208	5.12
		13.03.2015	Transfer	(23500)	(0.04)	2809708	5.08
		20.03.2015	Transfer	(10000)	(0.02)	2799708	5.06
		31.03.2015	Transfer	(387065)	(0.70)	2412643	4.36
	At the end of the year			2412643	4.36		
2.	Sundaram Mutual Fund						
	At the beginning of the year						
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):			809005	1.46		
		18.04.2014	Transfer	(53109)	(0.10)	755896	1.37
		02.05.2014	Transfer	(1093)	(0.00)	754803	1.36
		22.08.2014	Transfer	(6160)	(0.01)	748643	1.35
		12.09.2014	Transfer	(9452)	(0.02)	739191	1.34
		19.09.2014	Transfer	109452	0.20	848643	1.53
		07.11.2014	Transfer	100000	0.18	948643	1.71
		21.11.2014	Transfer	14507	0.03	963150	1.74
		12.12.2014	Transfer	625000	1.13	1588150	2.87
		19.12.2014	Transfer	6698	0.01	1594848	2.88
		31.12.2014	Transfer	20016	0.04	1614864	2.92
		02.01.2015	Transfer	25689	0.05	1640553	2.96
		09.01.2015	Transfer	(316)	(0.00)	1640237	2.96
		16.01.2015	Transfer	(132)	(0.00)	1640105	2.96
		30.01.2015	Transfer	(1552)	(0.00)	1638553	2.96
		27.02.2015	Transfer	37352	0.07	1675905	3.03
	At the end of the year			1675905	3.03		
3	Goldman Sachs India Fund Limited						
	At the beginning of the year			0	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	23.05.2014	Transfer	267207	0.48	267207	0.48
		06.06.2014	Transfer	20596	0.04	287803	0.52
		13.06.2014	Transfer	83285	0.15	371088	0.67
		20.06.2014	Transfer	41031	0.07	412119	0.74
		05.09.2014	Transfer	254	0.00	412373	0.74
		12.09.2014	Transfer	178379	0.32	590752	1.07
		14.11.2014	Transfer	23173	0.04	613925	1.11
		21.11.2014	Transfer	7409	0.01	621334	1.12
		28.11.2014	Transfer	6673	0.01	628007	1.13
		05.12.2014	Transfer	3149	0.01	631156	1.14
		12.12.2014	Transfer	2900	0.01	634056	1.15
		30.01.2015	Transfer	14754	0.03	648810	1.17
		06.02.2015	Transfer	7703	0.01	656513	1.19
		13.02.2015	Transfer	129911	0.23	786424	1.42
	At the end of the year			786424	1.42		

Sl. No.		Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cummulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
4.	Yasmen Soarab Mehta						
	At the beginning of the year			678080	1.22		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):		Nil movement during the year	0	0	678080	1.22
	At the end of the year			678080	1.22		
5.	Meheru Soarab Mehta						
	At the beginning of the year			643040	1.16		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):		Nil movement during the year	0	0	643040	1.16
	At the end of the year			643040	1.16		
6.	Sudarshan Securities Private Limited						
	At the beginning of the year			626040	1.13		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):		Nil movement during the year	0	0	626040	1.13
	At the end of the year			626040	1.13		
7.	Nina G. Bharucha						
	At the beginning of the year			587232	1.06		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	11.04.2014	Transfer	(1664)	0.00	585568	1.06
	At the end of the year			585568	1.06		
8.	Mayank Jashwantlal Shah						
	At the beginning of the year			562000	1.02		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):		Nil movement during the year	0	0	562000	1.02
	At the end of the year			562000	1.02		
9.	Naushad Sorab Mehta						
	At the beginning of the year			675440	1.22		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	13.02.2014	Transfer	(128000)	.023	546940	0.99
	At the end of the year			546940	0.99		
10.	Gagandeep Credit Capital Pvt. Ltd.						
	At the beginning of the year			523344	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.):		Nil movement during the year	0	0	523344	0.95
	At the end of the year			523344	0.95		



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		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	498422	0.90		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	—	—	498422	0.90
	At the end of the year	498422	0.90		
2.	Mr. Mikhil Narang , Director				
	At the beginning of the year	335500	0.61		
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	—	—	335500	0.61
	At the end of the year	335500	0.61		
3.	Mr. Deepak Chindarkar , Chief Financial Officer				
	At the beginning of the year	Nil	—	—	—
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	—	—	Nil	—
	At the end of the year	Nil	—	—	—
4.	Mr. K. Visweswaran , Company Secretary				
	At the beginning of the year	Nil	—	—	—
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	—	—	Nil	—
	At the end of the year	Nil	—	—	—

V. INDEBTEDNESS

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

(₹ Lacs)

	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	224.65	Nil	224.65
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	224.65	Nil	224.65
Indebtedness at the end of the financial year				
(i) Principal Amount	Nil	224.65	Nil	224.65
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	1.91	Nil	1.91
Total [(i)+(ii)+(iii)]	Nil	226.55	Nil	226.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ Lacs)

Sl. No.	Particulars of Remuneration	Anand Mahajan (Managing Director)	J. A. J. Pereira* (Alternate Director)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	235.72	35.98	271.71
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	25.43	0.28	25.71
	(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	150.34		150.34
	• others, specify	—	—	—
5.	Others, please specify	—	—	—
	Total (A)	411.49	36.26	447.75
	Ceiling as per the Act	5% of net profit		

* upto 10/04/2014

B. Remuneration to other directors:

(₹ Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Pradip Shah	Shivanand Salgoacar	Keki M. Elavia	Mikhil Narang	
	Fee for attending board/committee meetings	2.30	1.05	2.60	—	5.95
	Commission	8.33	8.33	8.33	—	24.99
	Others, please specify	—	—	—	—	—
	Total (1)	10.63	9.38	10.93	—	30.94
2.	Other Non-Executive Directors					
	Fee for attending board/committee meetings	—	—	—	1.65	1.65
	Commission	—	—	—	23.59	23.59
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	25.24	25.24
	Total (B) = (1+2)					56.18
	Total Managerial Remuneration					501.95
	Overall Ceiling as per the Act	11% of net profits				

The Company has not paid any sitting fees and/or commission to Mr. Jean-Pierre Floris, Mr. Patrick Millot, Ms. Marie-Armelle Chupin, Mr. Guillaume Texier and Mr. Benoit d'Iribarne (Alternate Director to Ms. Marie-Armelle Chupin), Non-Executive Directors of the Company, who are employees of Saint-Gobain Group.



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

(₹ Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		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	105.01	42.69	147.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.86	0.66	6.52
	(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	110.87	43.35	154.22

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

NIL

MANAGEMENT DISCUSSION & ANALYSIS REPORT

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchanges)

GENERAL REVIEW

Grindwell Norton Limited ("GNO") is one of the subsidiaries of Compagnie de Saint-Gobain ("Saint-Gobain"), a transnational group with its headquarters in Paris and with sales of Euro 41.1 billion in 2014. Saint-Gobain's businesses fall into five broad sectors of activity: Construction Products, Flat Glass, High Performance Materials, Building Distribution and Packaging. GNO's businesses are a part of the High Performance Materials sector of activity. In GNO, the businesses are divided into two major segments:

1. Abrasives
2. Ceramics & Plastics

BUSINESS ENVIRONMENT

2014-15 was the fourth consecutive year of low industrial growth (IIP increase of less than 3%) and though there are some signs of a recovery, it is too early to say whether the recovery will be weak or strong or whether it will be sustained. Low inflation (largely on account of the decline in global oil prices) and a stable Rupee (vis-à-vis the USD) are the positive aspects of the economy and could fuel a cyclical upturn of industrial activity. Under the current circumstances, a gradual industrial revival is the most likely scenario.

ABRASIVES SEGMENT REVIEW

The major sectors of activities within the Abrasives segment are Bonded Abrasives (including Thin Wheels), Coated Abrasives (including Non-Woven) and Super Abrasives.

Products & Plants

Bonded Abrasives, most commonly in the form of wheels but also in other shapes such as segment, sticks etc., are used for various applications ranging from polishing or lapping to removing high quantities of materials. Bonded Abrasives are used in precision applications such as lapping, honing, super-finishing, race grinding, thread grinding, fluting, OD grinding, ID grinding, surface grinding etc. They are also used in rough applications such as snagging, cutting-off, burr removal, weld preparation etc. Bonded Abrasives are used by a very large number of users. The variety is very high. GNO makes over 15,000 different products in a year.

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

Coated Abrasives products are engineered composites comprising of a backing, a bond system and abrasive grains and are designed for material removal and surface generation. Coated Abrasives products are available in various shapes like discs, belts, rolls etc. to suit a wide gamut of applications.

GNO offers the widest range of cutting-edge Abrasive products to the Indian market, made in India or sourced from other plants of Saint-Gobain. Saint-Gobain, having its own in-house, strong Research and Development (R&D), is uniquely positioned in the Abrasives industry, as it can leverage the capability of developing grain technologies suited for Abrasives applications.

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

Industry

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



Development & Outlook

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

The year under review was better compared to the previous year, but it was not without its difficulties and challenges. Industrial output registered some growth, but this was on a low base and much below expectations. Investment demand was non-existent and project activity remained at a very low level. Under these circumstances, the business delivered a strong performance with improvements in several areas. Abrasives sales registered significant growth over the previous year, primarily on account of new products, penetration of new markets and gains in market share. Product prices were also increased, but the increase was below expectations and the business is yet to recover the significant cost increases of the previous two years. As a result, while the business margin expanded in the current fiscal (thanks to higher volumes, higher price levels and stable input costs), it was still lower than in 2011-12.

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

Looking ahead, the outlook for 2015-16 is positive. Although not visible, a gradual recovery in the coming months is the most likely scenario. Under the circumstance, the business will focus on growing volumes (new products, new markets – domestic and export) and on holding/increasing prices while continuing to focus on operational excellence, implementing various marketing programmes and the Next Level initiatives.

Risks & Concerns

- (i) **Industry & Market:** The Abrasives business caters to a number of industries such as Steel, Automobiles, Auto Components, General Metal Fabrication and Woodworking. The dependence on any single industry segment is less than 15%. Demand for Abrasive products can get affected if all sub-segments of the industry perform badly at the same time (as has been the case in the last few years). Normally, this happens in an economic slowdown. There are a number of large customers serviced directly and there are several dealers to service small and medium customers. The largest customer, accounts for less than 2% of the total sales and the largest dealer, accounts for less than 3% of the total sales. In order to minimize the impact of a domestic downturn, GNO has been putting in efforts to develop export markets and will continue to do so. Export sales are not concentrated in any single country, but are spread over several countries.
- (ii) **Technology:** Abrasives have been used over a very long period of time and technological changes in terms of applications are gradual. GNO Abrasives is well positioned to anticipate and take advantage of these technological changes as Saint-Gobain is a World Leader in Abrasives with a very strong R&D Centre in the USA with regional R&D centres located elsewhere (including a new Centre in India). Both basic and applied research takes place at these R&D centers. GNO has full access to all the research and technology developments.
- (iii) **Competition:** The Abrasives Market has clearly been evolving from two major players to multi-players. The competitive landscape has become much more dynamic. With the economies in Europe growing very slowly, the attention of many global major players has turned towards India and China. Some of them are setting up their manufacturing operations in India and many of them are expanding their current infrastructure. On the other hand, cheap imports from China and increased participation in the markets by Power Tool players will make the market more challenging. To meet the growing challenges in the market, the business will have to continue to invest in technology, provide superior solutions and at the same time focus on improving cost competitiveness by improving operational efficiencies.

CERAMICS & PLASTICS SEGMENT

The main businesses in this segment are:

- (i) Silicon Carbide;
- (ii) High Performance Refractories;
- (iii) Performance Plastics.

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

Product & Plant

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

Industry

In the domestic market there are three main players (including GNO) in the SiC business. GNO is the market leader. This market is also catered to by imports, mainly from China and, more recently, from 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

Domestic demand in 2014-15 was stable, but weak. Exports to Europe witnessed an increase in the first half, but declined as the year progressed. The depreciation of the Euro was the main cause. Although, for the most part, the business managed to hold prices, the availability of low priced imports from China and Vietnam put increasing downward pressure on prices. On the cost side, there was a substantial increase in the electricity tariff [mainly, Andhra Pradesh Gas Power Corporation Limited (APGPCL)] and a significant reduction in the availability of gas power in view of stoppage of gas supply to APGPCL for four months on account of an accident in the GAIL pipeline. Both these factors led to a substantial increase in the cost at Tirupati. The electricity tariff in Bhutan also saw an increase.

The outlook for the business in 2015-16 is uncertain. Demand is likely to remain at the current level. While costs will rise (the electricity cost from the grid in Andhra Pradesh has increased by 5.2%), product prices will not increase and margins will be under pressure. Given this scenario, the focus in 2015-16 would be on price and cost management. The business needs to find an economically viable source of crude to grow this business.

Risks & Concerns

The major short term risk is posed by aggressive pricing by competitors from China and Vietnam. Regarding input costs, electricity costs across India are expected to rise, making it unviable to produce SiC crude in Tirupati (or elsewhere in India) based on grid power.

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

Product & Plant

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

Industry

The main markets are the Ceramic industry, the Metallurgical industry – non-ferrous (Copper, Aluminium etc.), Foundries, Iron & Steel, Energy, and Heat treatment. In the domestic market, there are two major manufacturers (including GNO) for silicon carbide refractories. The key requirements for success are technology, installation service and consistency in quality. Manufacturing is relatively capital intensive and this, coupled with technology, are the barriers to entry.

Development & Outlook

In 2014-15, the HPR business witnessed growth due to a substantial increase in exports. Domestic growth was relatively weak due to low demand for Ceramic and Wear Resistant Technology products (which are driven by the Power and Mining sectors) and, later in the year, due to foundry sector being in the doldrums.

In 2015-16, the focus will be on developing export markets and introduction of new products in the domestic market. The plant at Halol has the capacity and the capability to address a number of growth opportunities in export markets.

**Risks & Concerns**

General slow-down in new investments will adversely impact growth. The optimal and economical usage of the production facilities at Bengaluru and Halol coupled with competitive price strategies would be critical for the business.

(iii) PERFORMANCE PLASTICS (PPL)**Product, Plant & Industry**

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

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

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

Development & Outlook

The major growth drivers are:

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

The PPL business had a good year helped by strong growth in Pharma & Bio Pharma and Oil & Gas segments of the market. One of the key markets for the Plastics business is the automotive passenger vehicle market; this market remained stagnant in 2014-15. The focus has been to defend the share in conventional applications, while trying to grow into new applications. This has yielded positive results and helped the business grow even in this segment. In 2015-16, the main aim of the business would be to strengthen its position in existing markets while accelerating growth in new markets in the industrial, healthcare and construction segments. The outlook for 2015-16 is positive.

The key for growth of the PPL business is to have a well-trained technical sales/application engineering organization with good market coverage to identify and develop new applications and thus deliver high growth. Building such a team will continue to be a key priority through intensified focus on talent retention initiatives.

Risks & Concerns

Demand stagnation due to the uncertain economic environment is the 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. GNO's foreign currency exposure on account of imports and exports are appropriately hedged. GNO has a well-defined and structured treasury operation, with the emphasis being on security.

2. Legal & Statutory

- (i) Contingent Liabilities: Details of Contingent Liabilities are in the Notes forming part of the Financial Statements.
- (ii) Statutory Compliance: GNO ensures statutory compliance of all applicable laws and is committed to timely payment of all statutory dues.

HUMAN RESOURCES (HR)

During 2014-15, the focus has been on implementation of key HR initiatives in order to promote Employee Engagement (for example, the “Living our values” programme and the “Stepathalon Challenge” aimed at reinforcing the values and promoting health and fitness), People Development (for example, ‘Impact’, a programme aimed at improving people management skills) and Employee Connect. GNO will continue to invest in training people in Environment, Health and Safety and World Class Manufacturing and to provide an environment in which employees can give their best and realize their full potential.

OVERALL PERFORMANCE

For the year ended 31st March, 2015, GNO’s sales have increased by 17%. With increase in volumes, improved operational efficiency and higher price realisation, the operating profit has increased by 24%.

INTERNAL CONTROL SYSTEM

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

SEGMENT FINANCIALS

GNO has identified two segments in line with the Accounting Standards on Segment Reporting (AS-17). The segments are Abrasives and Ceramics & Plastics.

CAUTIONARY STATEMENT

The Management Discussion & 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 future. Hence, it is cautioned that the actual results may differ from those indicated, expressed or implied in this Report.



REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

1. CORPORATE GOVERNANCE AT GRINDWELL NORTON LIMITED (“GNO” or “Company”)

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 31st March, 2015, the Company has nine Directors of which eight (88.89%) are Non-Executive Directors. Three (33.33%) of the eight Directors are Independent Directors. The Chairman of the Board is an Independent, Non-Executive Director. The Company has one Alternate Director.

The Board has an optimal mix of professionalism, knowledge and experience. None of the Directors of the Company are related inter-se. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

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:

23rd May, 2014; 23rd July, 2014; 22nd October, 2014; 4th December, 2014 and 29th January, 2015.

Necessary quorum was present for all the meetings.

During the year, information as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

None of the Directors on the Board hold directorships in more than twenty companies or in more than ten public companies. The Independent Directors do not hold office as an Independent Director in more than seven listed companies.

None of the Directors is a Member of more than ten committees or Chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding their directorship and committee positions in companies as on 31st March, 2015, have been made by the Directors.

Details of attendance of each Director at the Board Meetings during the year and at the last Annual General Meeting (“AGM”) as also the number of Directorships and Memberships/Chairmanships of Committees, as on 31st March, 2015, are given below:

Name of the Director	Category	Number of Board Meetings during the year 2014-15		Whether attended last AGM held on 23 rd July, 2014	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	8	1	7
Ms. Marie-Armelle Chupin DIN 00066499	Non-Executive	5	1	No	1	—	—	—
Mr. Keki M. Elavia DIN 00003940	Independent, Non-Executive	5	5	Yes	10	3	5	4
Mr. Benoit d'Iribarne** DIN 01610383 (Alternate Director)	Non-Executive, Alternate Director	3	—	NA	1	—	—	—
Mr. Jean-Pierre Floris DIN 02504627	Non-Executive	5	1	No	1	1	—	—
Mr. Patrick Millot DIN 00066275	Non-Executive	5	1	No	1	—	—	—
Mr. Mikhil Narang DIN 02970255	Promoter, Non-Executive	5	5	Yes	1	1	—	1
Mr. Shivanand Salgaocar DIN 00001402	Independent, Non-Executive	5	4	Yes	2	17	1	—
Mr. Guillaume Texier DIN 05103331	Non-Executive	5	1	No	1	—	—	—
Mr. Anand Mahajan DIN 00066320 (Managing Director)	Promoter, Executive	5	5	Yes	5	5	1	2

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

Excluding Foreign Companies.

* 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 Clause 49 of the Listing Agreement.

** Mr. Benoit d'Iribarne was appointed as Alternate Director to Ms. Marie-Armelle Chupin w.e.f 22nd October, 2014. Ms. Marie-Armelle Chupin attended one meeting through audio visual means.

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee is constituted in line with the provisions of Section 177 of the Companies Act, 2013 ("Act") and Clause 49 of the Listing Agreement.

Terms of Reference:

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

- To discuss with statutory auditors, before the audit commences about the nature and scope of audit and post-audit, to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee.
- To review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- To have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- To seek information and have direct access to any employees, directors, key managerial personnel's to perform its functions effectively.
- To secured attendance of outsiders with relevant expertise, if it considered necessary.
- To invite such of the executives as it consider appropriate to be present at the meetings, but on occasion may also meet without the presence of any executives of the Company.
- To review the appointment, removal and terms of appointment of Chief Internal Auditor.
- The Committee shall also conduct an annual review of the adequacy of the Terms of Reference and recommend any proposed changes to the Board for approval.

Composition:

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2014-15	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	5	5
Mr. Pradip Shah	Independent, Non-Executive	5	5
Mr. Anand Mahajan	Promoter, Executive	5	4

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

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

Mr. Keki M. Elavia, Chairman of the Committee was present at the previous Annual General Meeting ("AGM") of the Company held on 23rd July, 2014.

Meetings of the Audit Committee:

During the year ended 31st March, 2015, five Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

23rd May, 2014; 23rd July, 2014; 29th September, 2014; 22nd October, 2014 and 29th January, 2015.

Necessary quorum was present for all the meetings.

Minutes of proceedings of the Audit Committee Meetings are circulated to the Directors and taken note of at the next Board Meeting of the Company.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted on 23rd May, 2014, in line with the provisions of Section 178 of the Act and Clause 49 of the Listing Agreement.

Terms of Reference:

- To formulate criteria for appointment of Directors and remuneration including criteria for determining qualification, positive attributes and independence of a Director.
- To formulate evaluation criteria for assessment of performance of Board and its Committees.
- To formulate, review and recommend Nomination and Remuneration Policy to the Board.
- To recommend to the Board, the commission payment to Non-Whole Time Directors (other than the Nominee Directors of Compagnie de Saint-Gobain ("CSG")) and to the Executive Directors.
- To identify candidates who are qualified to become Directors or who may be appointed in Senior Management positions and recommending to the Board their appointment and/or removal.
- To review and determine all elements of the remuneration package of Executive Directors.
- Such other matters as the Board may, from time to time, request the Committee to examine and recommend/ approve.

Composition:

The composition of the Nomination and Remuneration Committee and details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2014-15	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	1	1
Mr. Pradip Shah	Independent, Non-Executive	1	1
Mr. Jean-Pierre Floris	Non-Executive	1	—

Meetings of the Nomination and Remuneration Committee:

One meeting of the Nomination and Remuneration Committee was held during the year on 29th January, 2015.

Nomination and Remuneration Policy:

In accordance with Section 178 of the Act, the Committee has framed a Nomination and Remuneration Policy and the same is set out as Annexure 3 to the Board Report.

Details of the Remuneration to the Directors for the financial year ended 31st March, 2015 are given below:

Executive Directors:

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

Mr. Anand Mahajan: ₹ 411.49 Lacs

Mr. Joseph Pereira : ₹ 36.26 Lacs (up to 10th April, 2014)

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

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

(iii) Stock Option:

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



Non-Executive Directors:

The Non-Executive Directors other than the Nominee Directors of CSG are paid a sitting fee of ₹ 30,000/- (the fee was ₹ 5000 upto July, 2014) per meeting of the Board or its Committees.

The Shareholders of the Company at the 62nd Annual General Meeting held on 26th July, 2012, have approved payment of Commission up to 1% of the net profits of the Company to its Non-Executive Directors (other than Nominee Directors of CSG) for a period of five years commencing from 1st April, 2013. Out of the total commission payable, about 50% of the amount is paid to the Non-Independent Director(s) and the balance 50% 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:

(₹ Lacs)

Name	Sitting Fees	Profit Commission	Total
Mr. Pradip Shah	2.30	8.33	10.63
Mr. Keki M. Elavia	2.60	8.33	10.93
Mr. Shivanand Salgaocar	1.05	8.33	9.38
Mr. Mikhil Narang	1.65	23.59	25.24

Equity Shares held by Non-Executive Directors:

Mr. Mikhil Narang holds 3,35,000 equity shares of the Company, which represents 0.61% of total paid-up capital of the Company. No other Non-Executive Director hold any equity shares in the Company.

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

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

Mr. Mikhil Narang is a member of the Indian Promoters' Group. Mr. Jean-Pierre Floris, Mr. Patrick Millot, Ms. Marie-Armelle Chupin, Mr. Guillaume Texier and Mr. Benoit d'Iribarne (Alternate Director to Ms. Marie-Armelle Chupin) are employees of the Saint-Gobain Group.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

In accordance with Section 178 of the Act and Clause 49 of the Listing Agreement, the Shareholders/ Investors Grievance Committee has been renamed by the Board of Directors on 23rd May, 2014 as the "Stakeholders Relationship Committee".

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 2014-15	
		Held	Attended
Mr. Shivanand Salgaocar (Chairman)	Independent, Non-Executive	2	2
Mr. Mikhil Narang	Promoter, Non-Executive	2	2
Mr. Anand Mahajan	Promoter, Executive	2	2

Meetings of Stakeholders Relationship Committee:

During the year ended 31st March, 2015, two meetings of the Stakeholders Relationship Committee were held on 23rd July, 2014 and 29th January, 2015.

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 2014-15 are as follows:

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with Section 135 of the Act, the Corporate Social Responsibility (“CSR”) Committee was constituted on 23rd May, 2014. 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 Report and also disseminated through the website of the Company, www.grindwellnorton.com.

Composition:

The composition of Corporate Social Responsibility Committee and details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2014-15	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	1	1
Mr. Jean-Pierre Floris	Non-Executive	1	—
Mr. Anand Mahajan	Promoter, Executive	1	1

Meetings of the Corporate Social Responsibility Committee:

One meeting of the Corporate Social Responsibility Committee was held during the year on 29th January, 2015.

E. RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted on 23rd July, 2014, in line with the Clause 49 of the Listing Agreement. The Committee has formulated the Risk Management Policy of the Company which is integrated with internal control system in line with the Saint-Gobain internal control and risk management system. The broad framework of the Committee is to identify and analyse main identifiable risks, control activities proportionate to the risks, communication and implementation, and on-going monitoring and a regular review of the process.

Composition:

The composition of Risk Management Committee and details of meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2014-15	
		Held	Attended
Mr. Jean-Pierre Floris (Chairman)	Non-Executive	1	—
Mr. Mikhil Narang	Promoter, Non-Executive	1	1
Mr. Anand Mahajan	Promoter, Executive	1	1

Meetings of the Risk Management Committee:

One meeting of the Risk Management Committee was held during the year on 29th January, 2015.

F. SHARE TRANSFER COMMITTEE

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

Necessary quorum was present for all the meetings.

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

G. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 29th January, 2015, 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
26 th July, 2012 at 12 Noon	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikushru Dubash Marg, (Rampart Row), Mumbai 400 001	Approved Commission payable to Non-Executive Directors other than nominees of Compagnie de Saint-Gobain or its subsidiaries for a period of five years from 1 st April, 2013 in addition to sitting fees and out of pocket expenses.
24 th July, 2013 at 3.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikushru Dubash Marg, (Rampart Row), Mumbai 400 001	None
23 rd July, 2014 at 3.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikushru Dubash Marg, (Rampart Row), Mumbai 400 001	None

(b) Postal Ballot:

No Postal Ballot was conducted during the year 2014-15.

5. 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 Accounting Standard (AS) – 18, are disclosed in Note 36 of Notes forming part of financial statements.

(b) Compliance:

The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on all matters relating to capital markets, and no penalty or strictures were imposed on the Company during the last three years, 2011-12, 2012-13 and 2013-14.

(c) Whistle Blower Policy and Vigil Mechanism:

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

(d) Mandatory and Non-mandatory requirements:

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure XIII to the Clause 49 of the Listing Agreement:

- (i) The financial statements of the Company are unqualified.
- (ii) The position of Chairman and Managing Director are separate.
- (iii) The Internal Auditor directly reports to the Audit Committee.

6. 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 terms of Clause 41 of the Listing Agreements in the Economic Times and the Maharashtra Times.

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

7. GENERAL SHAREHOLDERS' INFORMATION

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

Day & Date	Tuesday, 4 th August, 2015
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 : April 2015 – March 2016:

Calendar of Financial Results for 2015-16:

(i) First Quarter Results	: July/August, 2015
(ii) Half-yearly Results	: October/November, 2015
(iii) Third Quarter Results	: January/February, 2016
(iv) Results for the year ending 31 st March, 2016	: May, 2016

(c) Date of Book Closure:

Tuesday, 28th July, 2015 to Tuesday, 4th August, 2015 (both days inclusive).

(d) Date of payment of Dividend:

The dividend, if declared, shall be paid/credited on and from Friday, 7th August, 2015.

(e) Listing on Stock Exchange(s):

BSE Limited ("BSE").

National Stock Exchange of India Limited ("NSE").

The annual listing fees of BSE and NSE have been paid for the year 2015-2016.

(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	BSE		NSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	Sensex High	Sensex Low
April 2014	331.35	285.15	328.20	285.40	22876.54	22277.23
May 2014	378.45	298.80	378.00	300.05	24716.88	22323.90
June 2014	421.70	390.55	421.60	393.80	25583.69	24684.85
July 2014	424.85	404.25	422.55	406.05	26271.85	25006.98
August 2014	479.75	417.50	481.00	418.10	26638.11	25329.14
September 2014	530.90	473.60	536.20	474.45	27319.85	26468.36
October 2014	531.65	490.05	529.45	489.80	27865.83	25999.34
November 2014	560.00	513.55	561.95	513.45	28693.99	27860.38
December 2014	616.85	550.35	616.40	555.80	28562.82	26710.13
January 2015	627.40	587.30	630.75	590.05	29681.77	26908.82
February 2015	719.90	629.05	720.30	629.00	29462.27	28227.39
March 2015	706.95	671.65	711.50	671.60	29593.73	27457.58

(i) Registrars and Transfer Agents:

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 ID : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

(j) Share Transfer System:

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

(k) Shareholding Pattern as on 31st March, 2015:

Category	Number of Shareholders	Number of Shares	Percentage
Promoters:			
Foreign	2	28414000	51.33
Indian	18	4264352	7.70
Insurance Companies & Banks	7	5840	0.01
UTI & Mutual Funds	38	5348383	9.66
NRIs, OCBs FIIs and FPI	253	3562601	6.43
Domestic Companies and Trusts	275	3287542	5.94
Resident Individuals	11538	10477282	18.93
Total	12131	55360000	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	853711	1.54	7901	65.13
251 to 500	1027157	1.86	2606	21.48
501 to 1000	633784	1.14	813	6.70
1001 to 5000	1249053	2.26	583	4.81
5001 to 10000	511244	0.92	69	0.57
10001 to 100000	3695380	6.68	101	0.83
100001 and above	47389671	85.60	58	0.48
Total	55360000	100.00	12131	100.00

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

98.65% of the paid-up capital has been dematerialised as on 31st March, 2015.

(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 31st March, 2015, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

(o) **Plant Locations:**

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

(p) **Address for correspondence:**

Grindwell Norton Limited
5th Level, Leela Business Park
Andheri-Kurla Road, Marol, Andheri (East)
Mumbai 400 059
Tel: +91 22 4021 2121 • Fax: +91 22 4021 2102
Designated e-mail address for Investor Services: sharecmpt.gno@saint-gobain.com
Website: www.grindwellnorton.com

8. PROMOTERS' GROUP

i. **Indian Promoters:**

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

ii **Foreign Promoters (Collaborators):**

- (a) Saint-Gobain Abrasives Inc., USA
- (b) Societe de Participations Financieres et Industrielles, France

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

- (a) Saint-Gobain Crystals & Detectors India Limited
- (b) Saint-Gobain India Private Limited (erstwhile Saint-Gobain Glass India Limited)
- (c) Saint-Gobain India Foundation (Section 25 Company)
- (d) Saint-Gobain Sekurit India Limited
- (e) SEPR Refractories India Private Limited
- (f) Saint-Gobain Research India Private Limited
- (g) Accuramech Industrial Engineering Private Limited



9. OTHER INFORMATION

(a) CEO/CFO certification :

Pursuant to the provisions of sub-clause IX of the Clause 49 of the Listing Agreements, 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 31st March, 2015.

(b) Code of Conduct :

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

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

This is to confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2015.

For Grindwell Norton Limited

ANAND MAHAJAN
Managing Director

Mumbai; 14th May, 2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
GRINDWELL NORTON LIMITED

We have examined the compliance of conditions of Corporate Governance by Grindwell Norton Limited (the Company) for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the record maintained by the Stakeholders Relationship Committee.

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

FOR **KALYANIWALLA & MISTRY**
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W

ERMIN K. IRANI
Partner

Mumbai; 14th May, 2015

(Membership No. 35646)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRINDWELL NORTON LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Financial Statements of **GRINDWELL NORTON LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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, 2015, and its profit and cash flows for the year ended on that date.



Emphasis of Matters

We draw attention to the Note 11.1 & 11.2 to the financial statements, consequent to Schedule II to the Companies Act, 2013 becoming applicable with effect from April 01, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. This has resulted in the depreciation expenses for year ended March 31, 2015 being higher by ₹ 749.55 Lacs. Depreciation of ₹ 180.60 Lacs (net of Deferred Tax) on account of assets whose useful life is already exhausted as on April 01, 2014, has been adjusted to General Reserve.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the Directors as on March 31, 2015 and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KALYANIWALLA & MISTRY**
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W

ERMIN K. IRANI
Partner
Membership No. 35646

Place: Mumbai
Dated: May 14, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Standalone Financial Statements of the Company for the year ended March 31, 2015;

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account.
- (2) (a) The Management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (3) (a) The Company has granted unsecured loans to one party covered in the register maintained under Section 189 of the Act. The maximum amount outstanding at any time during the period was ₹ 120 Lacs and year-end balance of loans granted to such party was ₹ 90 Lacs.
- (b) The payment of principal amount and interest are regular.
- (c) There is no overdue amount in respect of loans granted to the party listed in the register maintained under Section 189 of the Act.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there are no major weaknesses in internal control system.
- (5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public hence the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- (6) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India, for maintenance of cost records under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie the prescribed accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.
- (7) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of the above as at March 31, 2015 for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has generally been regular in depositing undisputed statutory dues including



Income Tax, Sales Tax, Wealth Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess with the appropriate authorities except:

Name of Statute	Name of Dues	Amount (₹ Lacs)	Period to which the Amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956, and State Sales Tax / VAT Acts	Sales Tax	281.87	1995-1996 to 2011-2012	Deputy Commissioner (Appeals) / Joint Commissioner (Appeals) / Additional Commissioner (Appeals) / Commissioner (Appeals) / Tribunal
Central Excise Act, 1944	Excise Duty	203.52	2001-2002 to 2012-2013	Commissioner (Appeals) / Tribunal / Supreme Court
Customs Act, 1962	Custom Duty	31.30	2014-2015	Commissioner (Appeals)
Non Agricultural Land Act	Non Agricultural Land Cess	37.79	1995	Revenue Department
Income Tax Act, 1961	Income Tax	165.00	2006-2007 to 2010-2011	Commissioner (Appeals)

- (c) According to information and explanations given to us, there is no amount required to be transferred to Investor Education and Protection Fund.
- (8) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses in the current year and immediately preceding financial years.
- (9) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions or debenture holders.
- (10) According to the information and explanations given to us and based on the documents and records produced to us, the Company has given corporate guarantee for loans taken by the subsidiary from banks. The terms and conditions of the guarantee are not prejudicial to the interest of the Company.
- (11) According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the term loan has been applied for the purpose for which the loans were obtained.
- (12) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **KALYANIWALLA & MISTRY**
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W

ERMIN K. IRANI
Partner
Membership No. 35646

Place: Mumbai
Dated: May 14, 2015

BALANCE SHEET AS AT 31st MARCH, 2015

	Notes	(₹ Lacs)	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2	27,68.00		27,68.00
Reserves and Surplus	3	589,34.07	617,02.07	533,59.95
				561,27.95
NON-CURRENT LIABILITIES				
Deferred Tax Liability (Net)	4	21,45.92		21,56.58
Other Long Term Liabilities	5	6,08.35		5,65.70
Long Term Provisions	6	14,49.93	42,04.20	15,96.09
				43,18.37
CURRENT LIABILITIES				
Short Term Borrowings	7	2,26.55		—
Trade Payables	8	85,59.67		72,33.35
Other Current Liabilities	9	113,59.21		85,86.74
Short Term Provisions	10	47,70.32	249,15.75	45,71.67
			908,22.02	203,91.76
				808,38.08
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	11	323,36.86		332,38.09
Intangible Assets		3,38.23		5,17.46
Capital Work In Progress		6,68.54	333,43.63	4,18.53
				341,74.08
Non-Current Investments	12		55,49.16	55,49.16
Long Term Loans & Advances	13		14,59.14	14,93.69
Other Non-Current Assets	14		—	—
CURRENT ASSETS				
Inventories	15	212,83.77		178,19.37
Trade Receivables	16	119,57.79		85,75.33
Cash & Bank Balances	17	113,11.06		84,38.18
Short Term Loans & Advances	18	43,65.93		33,83.72
Other Current Assets	19	15,51.54	504,70.09	14,04.55
			908,22.02	396,21.15
				808,38.08
Significant Accounting Policies	1			

The accompanying notes (1 to 37) are an integral part of the financial statements.

As per our Report of even date

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

ERMIN K. IRANI
Partner
Membership No. 35646
Mumbai: 14th May, 2015

For and on behalf of board of directors of
Grindwell Norton Limited

PRADIP SHAH	Chairman	DIN No. 00066242
ANAND MAHAJAN	Managing Director	DIN No. 00066320
DEEPAK CHINDARKAR	Chief Financial Officer	
K. VISWESWARAN	Company Secretary	

Mumbai: 14th May, 2015



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Notes	(₹ Lacs)	(₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
INCOME					
Revenue from Operations (Gross)			1,194,64.13		1,016,52.34
Less: Excise Duty			(84,24.88)		(74,90.92)
				1,110,39.25	941,61.42
Other Income				20,02.08	14,79.01
Total Revenue	20			1,130,41.33	956,40.43
EXPENSES					
Cost of Materials Consumed	21		428,08.50		369,88.30
Purchases of Trading Goods	22		83,86.84		76,55.13
Changes in Inventories of Finished Goods, Work-In-Process and Trading Goods	23		(9,01.80)		(13,88.48)
Employee Benefits Expense	24		130,60.13		112,11.64
Finance Costs	25		55.58		44.52
Depreciation/Amortisation Expense	11	35,50.72			26,10.84
Less: Transfer from Revaluation Reserve		(16.74)			(16.73)
			35,33.98		25,94.11
Other Expenses	26		311,75.03		265,47.81
Total Expenses				981,18.26	836,53.03
Profit Before Tax				149,23.07	119,87.40
Tax Expenses :					
(1) Current Tax			47,38.24		30,97.12
(2) Deferred Tax			82.34		6,58.26
				48,20.58	37,55.38
Profit for the year				101,02.49	82,32.02
Basic & Diluted Earnings Per Share (in ₹)	27			18.25	14.87
Significant Accounting Policies	1				

The accompanying notes (1 to 37) are an integral part of the financial statements.

As per our Report of even date

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

ERMIN K. IRANI
Partner
Membership No. 35646
Mumbai: 14th May, 2015

For and on behalf of board of directors of
Grindwell Norton Limited

PRADIP SHAH	Chairman	DIN No. 00066242
ANAND MAHAJAN	Managing Director	DIN No. 00066320
DEEPAK CHINDARKAR	Chief Financial Officer	
K. VISWESWARAN	Company Secretary	

Mumbai: 14th May, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 1

SIGNIFICANT ACCOUNTING POLICIES :

Method of Accounting :

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on-going concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / the Companies Act, 1956, as applicable.

Use of Estimates :

Certain estimates and assumptions are required to be made for the presentation of financial statements in conformity with generally accepted accounting principles. These estimates & assumptions affect the reported amount of assets and liabilities, revenues and expenses, and disclosure of contingent liabilities for the reporting period. These estimates and assumptions are reviewed on an on-going basis.

Actual results may differ from these estimates and assumptions; such differences are recognised in the period in which the results materialise/are known.

Fixed Assets :

Fixed Assets are stated at cost; except those Tangible Assets which were revalued as on 30th June, 1988 are stated at revalued amounts.

Expenditure on New Projects :

Expenditure directly relating to the construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of indirect construction cost to the extent to which the expenditure is related to the construction or is incidental thereto. Income attributable to the project is deducted from the total of the indirect expenditure.

Depreciation/Amortisation :

On Tangible Assets :

- (a) Depreciation on cost of assets is provided on Straight Line Method in accordance with the useful life prescribed under Schedule II of the Companies Act, 2013, except for the following assets where the useful life is different, based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience:
 - (i) Servers and Networks are depreciated over 4 years,
 - (ii) Specific Kilns are depreciated over 5 to 10 years based on the estimated useful life.
- (b) Depreciation on revalued amounts is provided on Straight Line Method based on the residual life of the said assets and adjusted to Revaluation Reserve.
- (c) Leasehold improvements is depreciated over the lease period or over its useful life if less than the lease period.
- (d) Cost of Leasehold Land is amortised over the period of the lease.
- (e) Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition as their useful life is expected to be less than one year.

On Intangible Assets :

Intangible assets 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) Goodwill | : 10 Years |
| (iii) Technical Know-how | : 5 Years |
| (iv) Trademark | : Licence Period/10 Years (whichever is lower) |
| (v) Other Intangibles | : 10 Years |

Impairment :

The cash generating units are evaluated at the Balance Sheet date to ascertain the estimated recoverable amount/value in use as against the Written Down Value. Impairment loss, if any, is recognised whenever the Written Down Value exceeds estimated recoverable amount/value in use.

Investments :

- (a) Non-current Investments are valued at cost less provision for diminution in value, if the diminution is other than temporary.
- (b) Current Investments are stated at lower of cost and fair value.

Inventories :

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

Revenue Recognition :

Sales are recognised at the point of despatch of goods to Customers. Sales are inclusive of Excise Duty but net of Trade Discounts and VAT/Sales Tax. Service Income is recognised when the service is rendered. Export entitlements are recognized when the right to receive credit as per terms of the entitlement is established in respect of the exports made.

Foreign Currency Transactions :

Transactions in foreign currency are translated at rates of exchange prevailing on the date the transactions are recorded. The outstanding amounts are converted at the year end at the rates prevailing on that date and the difference arising on conversion is accounted for in the books of account. In case of forward exchange contracts, the difference between the transaction rate and the rate on the date of contract is recognised as exchange difference and the premium on forward contracts is recognised over the life of the contract.

Employee Benefits :

(a) Short-term employee benefits :

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

(b) Post-employment benefits :

(i) Defined Contribution Plans :

Payments made to defined contribution plans such as Provident Fund and Superannuation Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans :

The cost of providing benefit i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on net basis.

Past service cost is recognised as an expense on a straight-line basis over the average period until the benefit becomes vested.

(iii) Other long-term employee benefit :

Other long-term employee benefit viz., leave encashment is recognised as an expense in the Statement of Profit and Loss as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefit are charged to the Statement of Profit and Loss.

Research & Development :

(a) Revenue expenditure on Research & Development is charged under respective heads of account.

(b) Capital expenditure on Research & Development is included as part of the relevant Fixed Assets.

Borrowing Costs :

Borrowing costs incurred by the Company on an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset.

Tax on Incomes :

Current tax is the amount of tax payable for the year, determined as per the provisions of the tax law.

Deferred Tax :

Deferred tax assets and liabilities are based on timing differences between the values of assets and liabilities recorded in the financial statements and those used for tax purposes. Tax rates applicable to future periods are used to calculate year-end deferred income tax amounts.

Provisions and Contingencies :

(a) 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.

(b) Contingent liabilities not provided for as per (a) above are disclosed in notes forming part of the financial statements and Contingent assets are not recognised.

Earnings Per Share :

Basic and Diluted Earnings Per Share are computed by dividing the net profit attributable to equity shareholders for the year, with the weighted average number of equity shares outstanding during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 2

SHARE CAPITAL

AUTHORISED

5,60,00,000 Equity Shares of ₹ 5/- each

ISSUED, SUBSCRIBED AND PAID-UP

5,53,60,000 Equity Shares of ₹ 5/- each, fully paid-up
 (Refer Notes 2.1 to 2.5)

As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
28,00.00	28,00.00
27,68.00	27,68.00
27,68.00	27,68.00

Note : 2.1

Shares held by Subsidiaries of Ultimate Holding Company (Compagnie de Saint-Gobain) are as below :

Saint-Gobain Abrasives Inc.

Societe de Participations Financieres et Industrielles

Saint-Gobain India Pvt. Ltd. (formerly Saint-Gobain Glass India Ltd.)

Total

As at 31st March, 2015		As at 31st March, 2014	
Number of Shares held	% of Holding	Number of Shares held	% of Holding
1,48,17,760	26.8%	1,48,17,760	26.8%
1,35,96,240	24.5%	1,35,96,240	24.5%
1,50,000	0.3%	1,50,000	0.3%
2,85,64,000	51.6%	2,85,64,000	51.6%
—	—	36,11,058	6.5%

Note : 2.2

Shareholders holding more than 5% shares in the Company (in addition to those included in Note 2.1 above) are as below :

HDFC Trustee Company Ltd. (Refer Note 2.5)

Note : 2.3

There is no movement in the number of shares outstanding during the year ended 31st March, 2014 & year ended 31st March, 2015.

Note : 2.4

Rights and restrictions attached to the shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹ 5 per share. 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.

Note : 2.5

As on 31st March, 2015, HDFC Trustee Company Ltd. holds 24,12,643 Shares (4.4%).



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 3

RESERVES AND SURPLUS

1. SECURITIES PREMIUM ACCOUNT

As per last Balance Sheet

34,82.82

As at
31st March,
2014
(₹ Lacs)

34,82.82

2. REVALUATION RESERVE

As per last Balance Sheet

3,52.08

3,68.81

Less: Transfer to Depreciation

(16.74)

(16.73)

3,35.34

3,52.08

3. GENERAL RESERVE

As per last Balance Sheet

375,25.05

355,02.98

Less: Adjustment as per Schedule II of Companies Act, 2013
(Refer Note 11.1)

(1,80.60)

—

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

27,71.46

20,22.07

401,15.91

375,25.05

4. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS

As per last Balance Sheet

120,00.00

100,00.00

Add: Net Profit for the current year

101,02.49

82,32.02

Less: Appropriations :

Proposed Dividend

(35,98.40)

(35,98.40)

[Dividend proposed per share ₹ 6.50 (Previous Year ₹ 6.50)]

Provision for Tax on Proposed Dividend

(7,32.63)

(6,11.55)

Transfer to General Reserve

(27,71.46)

(20,22.07)

15000.00

120,00.00

589,34.07

533,59.95

Note : 4

DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability :

Depreciation on Fixed Assets

31,29.70

32,25.77

Deferred Tax Asset :

Provision for Doubtful Debts and Advances

(1,02.85)

(1,28.30)

Provision for Contingencies

—

(48.85)

Others

(8,80.93)

(8,92.04)

21,45.92

21,56.58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 5

OTHER LONG TERM LIABILITIES

Trade/Security Deposits

Other Liabilities

As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
5,94.97	5,52.32
13.38	13.38
6,08.35	5,65.70

Note : 6

LONG TERM PROVISIONS

Income Tax (Net of Advance Tax)

Leave Encashment (Refer Note 10.1)

Power Liabilities (Refer Note 6.1)

3,79.14	3,72.40
10,70.79	10,96.90
—	1,26.79
14,49.93	15,96.09

Note : 6.1

Details of Provision made for 'Power Liabilities' :

Opening Balance

Provision made during the year

Provision reversed during the year

Provision utilised during the year

Closing Balance

1,26.79	3,90.00
—	7.57
(2.45)	—
(1,24.34)	(2,70.78)
—	1,26.79

Note : 7

SHORT TERM BORROWINGS

Unsecured

Loan Repayable on Demand

From HDFC Bank Ltd.

2,26.55	—
----------------	---

(Repayment to be made in a year with interest of 10% per annum as per the terms agreed upon between the Company and the Bank)

Note : 8

TRADE PAYABLES

Due to Micro and Small Enterprises (Refer Note 8.1)

Others

6.27	1.07
85,53.40	72,32.28
85,59.67	72,33.35



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 8.1

Due to Micro and Small Enterprises :

Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under:

	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Principal amount due and remaining unpaid	6.27	1.07
Interest due on above and the unpaid interest	0.03	—
Interest paid	—	—
Payment made beyond the appointed day during the year	69.97	2,01.79
Interest due and payable for the period of delay	1.11	1.82
Interest accrued and remaining unpaid	2.93	1.82
Amount of further interest remaining due and payable in succeeding years	2.93	1.82

Note : 9

OTHER CURRENT LIABILITIES

Trade/Security Deposits	1,43.36	48.17
Unclaimed Dividend*	85.82	84.29
Commission due to Directors	1,98.92	1,74.39
Statutory Liabilities	12,42.84	10,96.79
Other Liabilities	96,88.27	71,88.10
	<u>113,59.21</u>	<u>85,86.74</u>

* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.

Note : 10

SHORT TERM PROVISIONS

Dividend Distribution Tax	7,32.63	6,11.55
Proposed Dividend	35,98.40	35,98.40
Leave Encashment (Refer Note 10.1)	4,39.29	3,61.72
	<u>47,70.32</u>	<u>45,71.67</u>

Note : 10.1

Details of Provision for Leave Encashment :

Opening Balance – Long Term	10,96.90	8,77.00
Opening Balance – Short Term	3,61.72	4,08.60
Provision made during the year	2,18.46	3,44.39
Utilisation during the year	(1,67.00)	(1,71.37)
Closing Balance – Long Term	10,70.79	10,96.90
Closing Balance – Short Term	4,39.29	3,61.72

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 11

FIXED ASSETS

(₹ Lacs)

ASSETS	GROSS BLOCK			As at 31.03.2015	DEPRECIATION / AMORTISATION				Upto 31.03.2015	NET BLOCK	
	As at 01.04.2014	Additions	Deductions		Upto 01.04.2014	Trf to General Reserve (Note 11.1)	For the Year (Note 11.2)	On Sales		As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS											
Land – Freehold	16,20.79	2,80.56	—	19,01.35	—	—	—	—	—	19,01.35	16,20.79
Land – Leasehold	96.52	—	—	96.52	17.14	—	0.97	—	18.11	78.41	79.38
Buildings #	127,48.90	1,19.83	3.53	128,65.20	23,98.48	—	3,50.64	1.07	27,48.05	101,17.15	103,50.42
Leasehold Improvements	3,70.83	2,96.87	—	6,67.70	67.52	—	56.22	—	1,23.74	5,43.96	3,03.31
Plant & Machinery	313,77.57	17,87.27	6,42.06	325,22.78	120,84.33	7.88	23,27.03	3,65.41	140,53.83	184,68.95	192,93.24
Electrical Installation & Equipments	—	9.26	—	9.26	—	—	0.05	—	0.05	9.21	—
Laboratory Equipments	—	35.03	—	35.03	—	—	0.73	—	0.73	34.30	—
Computers	16,60.55	1,52.55	89.18	17,23.92	13,01.68	21.81	2,32.27	89.18	14,66.58	2,57.34	3,58.87
Furniture & Fixtures	11,71.47	1,71.72	17.49	13,25.70	5,47.62	15.43	1,75.47	15.84	7,22.68	6,03.02	6,23.85
Office Equipment	8,19.20	86.41	39.65	8,65.96	3,04.79	2,27.57	1,59.41	38.78	6,52.99	2,12.97	5,14.41
Vehicles	1,81.31	61.68	32.96	2,10.03	87.49	0.90	29.58	18.14	99.83	1,10.20	93.82
Sub-total	500,47.14	30,01.18	8,24.87	522,23.45	168,09.05	2,73.59	33,32.37	5,28.42	198,86.59	323,36.86	332,38.09
INTANGIBLE ASSETS											
Computer Software	4,96.68	39.12	—	5,35.80	3,01.32	—	86.89	—	3,88.21	1,47.59	1,95.36
Goodwill	3,23.92	—	—	3,23.92	2,42.73	—	32.39	—	2,75.12	48.80	81.19
Technical Know-how	3,54.29	—	—	3,54.29	3,54.29	—	—	—	3,54.29	—	—
Trade Marks	2,03.95	—	—	2,03.95	1,59.58	—	20.40	—	1,79.98	23.97	44.37
Non-Compete Fees & Marketing Network	7,86.69	—	—	7,86.69	5,90.15	—	78.67	—	6,68.82	1,17.87	1,96.54
Sub-total	21,65.53	39.12	—	22,04.65	16,48.07	—	2,18.35	—	18,66.42	3,38.23	5,17.46
Total	522,12.67	30,40.30	8,24.87	544,28.10	184,57.12	2,73.59	35,50.72	5,28.42	217,53.01	326,75.09	
Previous Year's Total	447,06.36	78,74.51	3,68.20	522,12.67	160,92.71	—	26,10.84	2,46.43	184,57.12		337,55.55
Capital Work In Progress										6,68.54	4,18.53
										333,43.63	341,74.08

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

NOTE 11.1 :

The Company has revised the depreciation rate on certain fixed assets as per useful life specified in the Companies Act, 2013. Depreciation of ₹ 1,80.60 lacs (net of deferred tax ₹ 92.99 lacs) on account of assets whose useful life is already exhausted as on 1st April, 2014 have been adjusted to General Reserve.

NOTE 11.2 :

The Company has revised the depreciation rate on certain fixed assets as per useful life specified in the Companies Act, 2013, consequently the Depreciation expenses for the year ended 31st March, 2015 is higher by ₹ 7,49.55 lacs.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Nos.	Face Value (₹)	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Note : 12				
NON-CURRENT INVESTMENTS				
AT COST				
<u>TRADE INVESTMENTS</u>				
EQUITY SHARES (fully paid-up)				
Unquoted :				
Andhra Pradesh Gas Power Corporation Ltd.	21,86,880	10	2,73.36	2,73.36
Shivalik Solid Waste Management Ltd.	20,000	10	2.00	2.00
<u>In Subsidiary Company :</u>				
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	20,29,597	100	20,34.36	20,34.36
<u>NON TRADE INVESTMENTS</u>				
EQUITY SHARES (fully paid-up)				
Quoted :				
John Oakey & Mohan Ltd.	1,900	10	0.16	0.16
Unquoted :				
<u>In Fellow Subsidiaries :</u>				
Saint-Gobain India Pvt. Ltd. (formerly Saint-Gobain Glass India Ltd.)	25,00,000	10	24,99.99	24,99.99
Saint-Gobain Research India Pvt. Ltd.	27,87,924	10	6,65.11	6,65.11
Saint-Gobain India Foundation	100	10	0.01	0.01
OTHER INVESTMENTS				
Quoted :				
TAX FREE BONDS				
8.20% 10 Years NHAI Tax Free Bonds	7,417	1,000	74.17	74.17
			55,49.16	55,49.16
NOTES :				
1. COST				
Quoted			74.33	74.33
Unquoted			54,74.83	54,74.83
2. MARKET VALUE				
Quoted			81.59	77.37

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ Lacs)	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Note : 13			
LONG TERM LOANS & ADVANCES (Refer Note 18.1)			
<u>(Unsecured and considered good)</u>			
Capital Advances		2,53.80	1,55.25
Loans due from Directors of the Company		60.00	90.00
Deposits		7,56.96	8,25.89
Advances recoverable in cash or in kind		3,88.38	4,22.55
<u>(Unsecured and considered doubtful)</u>			
Advances recoverable in cash or in kind	40.49		55.45
Less: Provision for doubtful advances	(40.49)		(55.45)
		<u>14,59.14</u>	<u>14,93.69</u>
Note : 14			
OTHER NON-CURRENT ASSETS			
Trade Receivables			
<u>(Unsecured and considered doubtful)</u>			
Overdue by six months		1,44.53	2,48.68
Others		1,20.26	73.34
		2,64.79	3,22.02
Less: Provision for doubtful debts		(2,64.79)	(3,22.02)
		<u>—</u>	<u>—</u>
Note : 15			
INVENTORIES			
Raw Materials		78,70.96	55,98.95
Raw Materials in Transit		12,48.47	10,43.88
Work-In-Process		49,92.19	51,46.33
Stores and Spare Parts		7,91.77	7,05.77
Finished Goods :			
Manufactured	49,46.70		42,25.24
Trading	14,33.68		10,99.20
		63,80.38	53,24.44
		<u>212,83.77</u>	<u>178,19.37</u>
Note : 16			
TRADE RECEIVABLES			
<u>(Unsecured and considered good)</u>			
Overdue by six months		2,61.86	3,95.34
Others		116,95.93	81,79.99
		<u>119,57.79</u>	<u>85,75.33</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 17

CASH & BANK BALANCES

Cash & Cash Equivalents

Cash and Cheques on hand

14,41.35

15,16.51

With Banks :

Current Account

6,91.75

12,94.12

Deposit Account

2.50

71.83

With Liquid Mutual Funds

90,15.92

53,41.84

111,51.52

82,24.30

Other Bank Balances

Margin money

73.72

1,29.59

Earmarked balances with Banks :

Unpaid dividend

85.82

84.29

1,59.54

2,13.88

113,11.06

84,38.18

Note : 18

SHORT TERM LOANS & ADVANCES (Refer Note 18.1)

(Unsecured and considered good)

Advance Tax (Net of Provision for Income Tax)

5,08.11

1,76.29

Loans due from Directors of the Company

30.00

1,15.00

Advances recoverable in cash or in kind

20,67.71

18,98.88

Balances with Government Authorities

17,60.11

11,93.55

43,65.93

33,83.72

Note : 18.1

The Company has not provided any loans and advances in the nature of loans to its Subsidiary during the year (Previous Year – ₹ Nil) and hence disclosure under clause 32 of the listing agreement is not required.

Note : 19

OTHER CURRENT ASSETS

Accrued Interest

32.41

40.56

Other Receivables

15,19.13

13,63.99

15,51.54

14,04.55

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 20

TOTAL REVENUE

Revenue from Operations

Sale of Products (Gross) (Refer Note 20.1)	1,144,05.84	974,27.96
Service Income	43,61.33	35,37.66
Other Operating Revenue	6,96.96	6,86.72

Less: Excise Duty

Other Income

Interest Income

From Long term Investments (Non trade)	6.08	6.08
From Others	89.44	86.70

Dividend Income from Liquid Mutual Funds / Shares	95.52	92.78
Profit on sale of Investments	14.98	1,25.96
Other Non-operating income	3,57.93	1,41.52
	15,33.65	11,18.75
	20,02.08	14,79.01
	1,130,41.33	956,40.43

Note : 20.1

Sale of Products (Gross)

Abrasives	809,72.74	688,62.73
Ceramics & Plastics	298,75.56	255,84.74
Others	35,57.54	29,80.49
	1,144,05.84	974,27.96

The sales value mentioned above includes sale of trading goods of ₹ 116,28.68 Lacs (Previous Year – ₹ 92,66.99 Lacs).

Note : 20.2

Earnings in Foreign Exchange :

(i) Exports of goods on FOB Basis	137,54.67	102,77.64
(ii) Freight on Exports	1,27.92	96.86
(iii) Commission	22.49	15.55
(iv) Export of Services	39,34.09	31,62.72
(v) Other Income	2,38.91	2,52.16

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
Note : 22			
PURCHASES OF TRADING GOODS			
Abrasives		53,40.85	46,05.00
Ceramics & Plastics		16,04.80	11,14.20
Others		14,41.19	19,35.93
		<u>83,86.84</u>	<u>76,55.13</u>
Note : 23			
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND TRADING GOODS			
Opening Stock of			
Finished Goods :			
– Manufactured	42,25.24		37,37.33
– Trading	10,99.20		10,81.95
Work-In-Process	51,46.33		42,63.01
		104,70.77	90,82.29
Less: Closing Stock of			
Finished Goods :			
– Manufactured	(49,46.70)		(42,25.24)
– Trading	(14,33.68)		(10,99.20)
Work-In-Process	(49,92.19)		(51,46.33)
		(113,72.57)	(104,70.77)
		<u>(9,01.80)</u>	<u>(13,88.48)</u>
Note : 24			
EMPLOYEE BENEFITS EXPENSE (Refer Note 24.1)			
Salaries, Wages, Bonus and Gratuity		111,58.96	95,08.11
Contribution to Provident and Other Funds		6,11.57	5,81.64
Staff Welfare		12,89.60	11,21.89
		<u>130,60.13</u>	<u>112,11.64</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 24.1

Disclosure under AS-15 :

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

II. Defined Benefit Plan

Contribution to Gratuity Fund

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on superannuation, death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy, whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2015 :

Change in present value of obligation

Opening Balance

Interest cost

Service cost

Benefits paid

Cost of plan amendment

Actuarial (gain)/loss on obligation

Closing Balance

Change in plan assets

Opening Balance

Expected return on plan assets

Contributions

Benefits paid

Actuarial gain/(loss) on plan assets

Closing Balance

Net gratuity cost for the year

Current service cost

Interest cost

Expected return on plan assets

Past service cost

Net Actuarial (gain)/loss to be recognised

Net Gratuity Cost

Amount recognised in the Balance Sheet

Present value of obligation

Fair value of plan assets

Net Obligation

Assumptions used in accounting for the gratuity plan

Discount Rate

Salary Escalation Rate

Expected Rate of Return on plan assets

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets.

For the
Year Ended
31st March,
2015
(₹ Lacs)

For the
Year Ended
31st March,
2014
(₹ Lacs)

3,44.49
1,29.76

3,60.08
1,17.85

For the
Year Ended
31st March,
2015
(₹ Lacs)

For the
Year Ended
31st March,
2014
(₹ Lacs)

34,51.00
3,21.98
1,95.01
(5,32.18)
—
1,85.81
36,21.62

30,24.47
2,49.52
1,55.81
(2,74.83)
—
2,96.03
34,51.00

31,93.88
2,77.87
6,29.27
(5,32.18)
(16.36)
35,52.48

30,83.50
2,68.27
1,19.97
(2,74.83)
(3.03)
31,93.88

1,95.01
3,21.98
(2,77.87)
—
2,02.17
4,41.29

1,55.81
2,49.52
(2,68.27)
—
2,99.07
4,36.13

36,21.62
(35,52.48)
69.14

34,51.00
(31,93.88)
2,57.12

%

8.00

8.00

8.00

%

9.33

8.00

8.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 25

FINANCE COSTS

	(₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
Interest Expense		46.75	44.52
Other Borrowing Costs		8.83	—
		55.58	44.52

Note : 26

OTHER EXPENSES

Consumption of Stores and Spare Parts (Refer Note 26.1)		27,65.99	20,69.23
Processing Charges		23,99.47	21,00.80
Power and Fuel (Refer Note 6.1)		60,49.05	57,78.32
Freight, Octroi and Packing Expenses		65,42.81	53,89.88
Rent/Lease Payments		6,92.99	5,48.46
Repairs and Maintenance :			
Buildings	1,39.89		51.30
Machinery	3,30.46		3,27.39
Others	3,85.85		3,26.36
		8,56.20	7,05.05
Insurance		1,68.05	1,73.53
Rates and Taxes		2,26.99	2,36.17
Travelling and Conveyance		13,75.62	12,56.47
Commission and Discount on Sales		28,26.55	25,53.59
Royalties		9,31.25	7,37.83
Loss on assets discarded/sold (Net)		17.32	84.85
External Service Charges		25,19.42	20,32.87
Bad Debts & Advances written off		55.35	62.43
Provision for Doubtful Debts & Advances written back		(59.53)	(66.36)
Miscellaneous Expenses (Refer Note 26.2, 26.3 & 26.4)		38,07.50	28,84.69
		311,75.03	265,47.81

Note : 26.1

Value of Stores & Spares Consumed :

		For the Year Ended 31st March, 2015 %	(₹ Lacs)		For the Year Ended 31st March, 2014 %	(₹ Lacs)
(i) Imported Stores & Spares	5.91		1,63.55	4.07		84.24
(ii) Indigenous Stores & Spares	94.09		26,02.44	95.93		19,84.99
	100.00		27,65.99	100.00		20,69.23



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 26.2

Miscellaneous Expenses include :

Amounts paid to Auditors :

	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
(i) Audit Fees	17.00	17.00
(ii) Audit under other Statutes	2.00	2.00
(iii) Tax representation before Authorities	1.38	0.75
(iv) Certification	8.34	5.36
(v) Reimbursement of Expenses	1.84	1.30

Note : 26.3

Excise duty deducted from turnover represents amount of excise duty collected by the Company on sale of goods manufactured by the Company. Excise duty of ₹ 2,19.43 Lacs (Previous Year – ₹ 1,91.23 Lacs), being the difference between the opening and closing stock of finished goods is debited to Miscellaneous Expenses.

Note: 26.4

Miscellaneous expenses include ₹ 76.17 Lacs incurred towards Corporate Social Responsibility.

Note : 27

EARNINGS PER SHARE :

	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Profit for the year (₹ Lacs)	101,02.49	82,32.02
(b) Weighted average number of Equity Shares outstanding (Nominal value of Shares ₹ 5)	5,53,60,000	5,53,60,000
(c) Earnings per share (Basic & Diluted) in ₹	18.25	14.87

Note : 28

COMMITMENTS :

Capital Commitments

	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Capital Commitments	2,17.30	7,80.21

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 29

CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
(a) Excise & Custom Duty demands/show-cause notices pending with the appropriate authorities and disputed by the Company	6,83.97	8,61.50
(b) Sales Tax demands pending with the Commissionerate/High Court and disputed by the Company	2,81.87	4,17.85
(c) Claims against the Company under the Labour Laws for disputed cases	1,14.00	1,42.60
(d) Guarantees given by Banks, of which ₹ 6,61.73 Lacs (Previous Year – ₹ 9,91.18 Lacs) are counter guaranteed by the Company	6,61.73	9,91.18
(e) Guarantees given on behalf of Subsidiary against loan taken by Subsidiary	9,44.33	9,44.33
(f) Non-Agricultural Land Cess	37.79	37.79
(g) Other Claims against the Company not acknowledged as debts	1,91.86	1,95.56
(h) Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court	30,06.51	30,04.89
(i) Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)	9,25.09	9,14.53
(j) Demand raised by A.P Transco for fuel surcharge adjustment for Financial years 2008-09 & 2009-10 disputed by the Company & subjudice in Honourable Supreme Court	2,59.80	2,59.80
(k) Income tax liability on account of disputed disallowances	1,65.32	2,26.90

Note : 30

VALUE OF IMPORTS ON CIF BASIS :

	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
(i) Raw Materials & Trading Goods	280,65.64	259,17.19
(ii) Stores & Spare Parts	4,61.30	4,15.86
(iii) Capital Goods	5,39.79	7,82.66
(iv) Others	20,13.40	15,40.17

Note : 31

Exchange difference arising on foreign currency transactions amounting to net gain – ₹ 5,37.76 Lacs (Previous Year net loss ₹ 32.27 Lacs) has been accounted under respective heads.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 32

EXPENDITURE IN FOREIGN CURRENCY :

	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
(i) Export Sales Commission	98.16	82.80
(ii) Foreign Travel	77.25	59.16
(iii) Royalties	9,31.33	7,37.83
(iv) Others	2,12.54	2,84.44

Note : 33

AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF :

Dividend (₹ Lacs)	18,46.91	18,46.91
Number of Non-Resident Shareholders	2	2
Number of Shares held	2,84,14,000	2,84,14,000
Year to which Dividend relates	2013-14	2012-13

Note : 34

The Company uses forward contracts to hedge its risk associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The Company does not enter into forward exchange contracts which are intended for speculative purposes.

The following are the outstanding forward contracts as at 31st March, 2015 :

Currency	No. of Contracts	Value (in Lacs)	Equivalent (₹ Lacs)
USD	46 (58)	93.70 (47.70)	58,61.38 (28,62.13)
EURO	51 (35)	49.51 (18.84)	33,22.71 (15,45.94)
GBP	2 (1)	0.49 (0.44)	44.89 (43.31)
JPY	5 (3)	1,31.94 (30.11)	69.32 (17.88)
AUD	1 (1)	0.40 (0.19)	19.02 (10.53)

Previous year's figures are in brackets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 34 (Continued) :

The Indian Rupee equivalent is arrived at by converting the forward contracts at the spot rate as at 31st March, 2015. Foreign currency exposure (net) not hedged by forward contracts as at 31st March, 2015 is ₹ 36.23 Lacs (Previous Year – ₹ 3,47.00 Lacs).

Currency	Year Ending 31.3.2015		Year Ending 31.3.2014	
	Value (in Lacs)	Equivalent (₹ Lacs)	Value (in Lacs)	Equivalent (₹ Lacs)
USD	—	—	3.98	2,37.75
EURO	—	—	0.03	8.28
JPY	—	—	1,00.38	59.62
AUD	0.07	3.12	0.31	16.75
CAD	—	—	0.16	8.79
GBP	63.01	33.11	0.16	15.81
Total		36.23		3,47.00

Note : 35

The segment information is presented under the Notes forming part of the Consolidated Financial Statements as required under the Accounting Standard – 17 on "Segment Reporting".

Note : 36

RELATED PARTY DISCLOSURE :

1. Relationships :

(i) HOLDING COMPANY :

Compagnie de Saint-Gobain

(ii) FELLOW SUBSIDIARIES :

Saint-Gobain Abrasives Inc, USA
Societe de Participations Financieres et Industrielles
ABC Superabrasives, USA
Certainteed Corporation, USA
L.M.Van Moppes Diamond Tools India Pvt. Ltd.
Norton Abrasives PTY Ltd.
PT Saint-Gobain Norton Hampas, Indonesia
PT Saint-Gobain Winter Diamas, Indonesia
PT Saint-Gobain Abrasives Indonesia
Placopatre SA, France
Point.P Development, France
Saint-Gobain Ceramics & Plastics Inc., USA
Saint-Gobain Abrasives, Poland
Saint-Gobain Ceramiques Informatique Et Organisation, France
Saint-Gobain DSI Groupe
Saint-Gobain Industriekeramik Rodental GMBH, Germany
Saint-Gobain Abrasifs, Dubai
Saint-Gobain Abrasifs Maroc, Morocco
Saint-Gobain Abrasifs, France
Saint-Gobain Abrasifs UAE
Saint-Gobain Abrasive International Trading (Shanghai)

Saint-Gobain Diamantwerkzeuge GMBH & Co., Germany
Saint-Gobain Distribution Denmark, Denmark
Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda
Thai Gypsum Products Plc, Thailand
Saint-Gobain Gelva, BV
Saint-Gobain Glass Egypt
Societe Europeenne des Produits Refractaires, France
Saint-Gobain Isover G+H AG, Germany
Saint-Gobain ICASA S.A., Spain
Saint-Gobain Industrial Ceramics Pty Ltd.
Saint-Gobain Industrial Ceramics, UK
Saint-Gobain Industriekeramik Dusseldorf GMBH, Germany
Saint-Gobain Materials Ceramicos Ltda., Brazil
Saint-Gobain Materials Ceramicos, Venezuela
Saint-Gobain Materiaux Ceramics, Belgium
Saint-Gobain PAM, France
Saint-Gobain Performance Plastics, USA
Saint-Gobain PPL Shanghai, China
Saint-Gobain PPL Korean Co, Ltd., South Korea
Saint-Gobain Produtos Industriais E Para Construção Ltda.
Saint-Gobain Sekurit India Ltd.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued) :

Saint-Gobain Abrasives PTY Ltd., Australia	Saint-Gobain Sekurit, Thailand
Saint-Gobain Abrasives (PTY) Ltd., South Africa	Saint-Gobain Sekurit, France
Saint-Gobain Abrasives (Sea) Pte. Ltd.	Saint-Gobain Tech Fab Hongfa (Changzhou) Ltd.
Saint-Gobain Abrasives (Shanghai) Co Ltd., Shanghai	Saint-Gobain Technical Fabrics, S.A.
Saint-Gobain Abrasives (Suzhou) Co. Ltd.	Saint-Gobain Universal Superabrasives, Inc.
Saint-Gobain Abrasives BV., Netherlands	Saint-Gobain Vibros S.A.
Saint-Gobain Abrasives GMBH (CORA)	SG Isover, France
Saint-Gobain Abrasives GMBH, Gerolzhofen., Germany	SEPR Refractories India Pvt. Ltd.
Saint-Gobain Abrasives International Trading (HK) Ltd.	Saint-Gobain Advanced Ceramics (Shanghai) Co. Ltd.
Saint-Gobain Abrasives Inc, Worcester USA	Saint-Gobain Materiaux Ceramiques Benelux SA
Saint-Gobain Abrasives, Korea	Saint-Gobain Performance Plastics - Bristol
Saint-Gobain Abrasives Ltd. – Stafford-UK	Saint-Gobain Performance Plastics Corby, UK
Saint-Gobain Abrasives Ltd., New Zealand	Saint-Gobain Performance Plastics KK, Japan
Saint-Gobain Abrasives Ltda., Brazil	Saint-Gobain Performance Plastics, Les Macon, France
Saint-Gobain Abrasives Ltda., Portugal	Saint-Gobain Performance Plastics Pampus GMBH
Saint-Gobain Abrasives Singapore (PTE) Ltd.	Saint-Gobain Performance Plastics Verneret, France
Saint-Gobain HPM Polska SP. Z.O.O., Poland	Saint-Gobain Performance Plastics, Chaîneux, Belgium
Saint-Gobain Abrasives, Thailand	Saint-Gobain Performance Plastics, Ireland
Saint-Gobain Abrasives, Indonesia	Saint-Gobain Performance Plastics, Kontich, Belgium
Saint-Gobain Abrasives Netherlands B.V.	Saint-Gobain Performance Plastics, Rencol., UK
Saint-Gobain Abrasivi S.P.A., Italy	Saint-Gobain Performance Plastics, Taiwan
Saint-Gobain Abrasivos SA, Argentina	Saint-Gobain Performance Plastics, Gembloux, Belgium
Saint-Gobain Achats, France	Saint-Gobain Research India Pvt. Ltd.
Saint-Gobain Adfors, France	Saint-Gobain Technical Fabrics (Changzhou) Co. Ltd.
Saint-Gobain Advanced Ceramics, Niagara	Saint-Gobain Weber Netservices
Saint-Gobain Advanced Materials (M) SDN BHD	Saint-Gobain Zipro
Saint-Gobain Advanced Materials (Taiwan) Co. Ltd.	Universal Superabrasives, USA
Saint-Gobain Building Distribution Deutschland GMBH, Germany	SAP Competence Center Verallia
Saint-Gobain Building Distribution, UK	Saint-Gobain Centre De Recherches Et Detudes, European
Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd., China	Saint-Gobain Construction Products, Belgium
Saint-Gobain Ceramic Materials, Inc, Canada	SG Distribution Nordic AB, Sweden
Saint-Gobain Ceramic Materials A/S, Norway	Lapeyre, France
SG, Isover AB, Sweden	Saint-Gobain Ceramics Inc, USA
Saint-Gobain Construction Products, SA	Saint-Gobain India Foundation
Saint-Gobain Ceramics & Plastics, Brazil	Saint-Gobain India Pvt. Ltd.
Saint-Gobain Crystals & Detectors India Ltd.	(formerly Saint-Gobain Glass India Ltd.)

Note: Transactions with Saint-Gobain Gyproc India Ltd. and Saint-Gobain Seva Engineering India Ltd. are grouped under Saint-Gobain India Pvt. Ltd. as these companies are merged into Saint-Gobain India Pvt. Ltd. w.e.f. from 1st April, 2013, as per the order of Hon'ble High Court of judicature of Madras dated 11th November, 2014.

(iii) SUBSIDIARY COMPANY :

Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

(iv) KEY MANAGEMENT PERSONNEL :

Anand Mahajan – Managing Director

Joseph Pereira – Executive Director – Human Resources & Corporate Services – retired on 10th April, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued) :

2. The following transactions were carried out with the related parties in the ordinary course of business :

(i) Details relating to parties referred to in items 1(i) (ii) and (iii) above :

(₹ Lacs)

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries		Subsidiary Company	
		For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
1.	Sales	—	—	42,46.13	18,91.29	—	—
2.	Agency Commission received	—	—	22.49	15.55	—	—
3.	Service Income	57.82	—	39,62.06	32,36.15	30.00	—
4.	Other Income	58.50	62.25	4,02.07	4,01.05	1,99.82	2,01.50
5.	Purchase of Goods	—	—	123,00.90	110,64.66	40,68.15	38,28.73
6.	Expenses charged to other companies	25.35	4.86	16,63.30	16,02.67	5.98	5.98
7.	Expenses charged by other companies	2,97.43	2,61.50	4,05.83	4,29.16	0.32	—
8.	Royalty Paid	—	—	9,15.78	6,61.70	—	—
9.	Other Expenses	—	—	18.00	18.00	—	—
10.	Dividend Paid	—	—	18,56.66	18,56.66	—	—
11.	Donation Paid	—	—	84.16	—	—	—
12.	Outstanding Receivables (net of payables)*	(18.13)	(8.56)	2,26.69	(3,05.87)	3,47.90	3,84.09
13.	Other Liabilities	—	—	(2,68.96)	(7,20.92)	—	—
14.	Outstanding Deposits*	—	—	39.00	39.00	—	—
15.	Investments made	—	—	—	4,31.36	—	—

* Closing balance

(ii) Details relating to persons referred to in item 1(iv) above :

(₹ Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Remuneration	4,45.77	5,56.79
Outstanding Loan	90.00	2,05.00
Commission Payable	1,50.34	1,25.81

(iii) Significant transactions with related parties :

(₹ Lacs)

Sr. No.	Nature of Transactions	Name of the Companies	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
1.	Sales	Saint-Gobain Abrasives, Inc. USA	—	3,91.88
		Saint-Gobain HPM Polaska SP. Z.O.O.	5,00.79	4,29.49
		Saint-Gobain Industrial Ceramics Pty Ltd.	—	1,08.34
		Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda	5,18.39	2,71.68
		Saint-Gobain India Pvt. Ltd.	6,56.98	12.36
2.	Agency Commission received	Certainteed Corporation, USA	—	12.55
		Saint-Gobain Adfors, France	22.49	3.00



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued) :

(iii) Significant transactions with related parties (Continued) :

(₹ Lacs)

Sr. No.	Nature of Transactions	Name of the Companies	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
3.	Service Income	Compagnie de Saint-Gobain (Liaison Office)	57.82	—
		Saint Gobain DSI Groupe	7,65.78	7,46.90
		Saint Gobain Ceramiques Informatique Et Organisation	7,60.70	9,94.03
		Saint-Gobain Weber Netservices	—	3,73.44
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	30.00	—
4.	Other Income	Compagnie de Saint-Gobain (Liaison Office)	58.50	62.25
		Saint-Gobain India Pvt. Ltd.	3,25.67	2,39.91
		Saint-Gobain Achats, France	40.23	—
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	1,99.82	2,01.50
5.	Purchase of Goods	Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	40,68.15	38,28.73
6.	Expenses charged to other companies	Compagnie de Saint-Gobain (Liaison Office)	25.35	4.86
		Saint-Gobain India Pvt. Ltd.	12,22.71	5,77.67
		Saint-Gobain Building & Distribution	—	2,27.74
		Saint-Gobain PAM, France	—	1,87.84
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	5.98	5.98
7.	Expenses charged by other companies	Compagnie de Saint-Gobain (Liaison Office)	2,97.43	2,61.50
		Saint-Gobain India Pvt. Ltd.	2,78.35	2,62.33
		Saint-Gobain Centre De Recherches Et Detudes Europeen	—	61.96
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	0.32	—
8.	Royalty Paid	Saint-Gobain Abrasives Inc., USA	4,12.00	4,55.01
		Saint-Gobain Abrasifs, France	3,69.28	1,51.73
		Societe Europeenne des Produits Refractaires, France	1,34.50	—
9.	Other Expenses	Saint-Gobain Abrasifs, France	18.00	18.00
10.	Dividend Paid	Saint-Gobain Abrasives Inc., USA	9,63.15	9,63.15
		Societe de Participations Financieres et Industrielles	8,83.76	8,83.76
11.	Donation Paid	Saint-Gobain India Foundation	84.16	—
12.	Investment made	Saint-Gobain Research India Pvt. Ltd.	—	4,31.36

Note: 37

Previous year's figures have been recast and rearranged wherever necessary.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
	(₹ Lacs)	(₹ Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax after Exceptional Item	149,23.07	119,87.40
Adjustments for :		
Depreciation/Amortisation Expense	35,33.97	25,94.11
Unrealised Foreign Exchange (Gain)/Loss (Net)	(17.65)	21.68
Loss on assets discarded/sold (Net)	17.32	84.85
Profit on Sale of Investments	(3,57.93)	(1,41.52)
Dividend Received	(14.98)	(1,25.96)
Interest (Net)	(39.94)	(48.26)
Operating Profit Before Working Capital Changes	180,43.86	143,72.30
Adjustments for :		
Trade and Other Receivables (Current & Non-current)	(40,40.29)	(5,15.14)
Inventories	(34,64.40)	(25,05.96)
Trade and Other Payables (Current & Non-current)	43,33.66	14,14.29
Cash Generated from Operations	148,72.83	127,65.49
Direct Taxes Paid (Net of Tax Refund)	(50,63.32)	(31,52.54)
Net cash from Operating Activities	98,09.49	96,12.95
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(36,54.90)	(24,29.64)
Proceeds of Sale of Fixed Assets	2,79.14	36.94
Proceeds of Sale of Investments	3,57.93	1,41.52
Purchase of Investments	—	(431.36)
Interest Received	1,03.67	78.89
Dividend Received	14.98	1,25.96
Net cash flow used in Investing Activities	(28,99.18)	(24,77.69)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase/(Decrease) in Borrowing	2,26.55	—
Interest	(55.58)	(44.52)
Dividends Paid	(35,98.40)	(35,98.40)
Tax on Dividend	(6,11.55)	(6,11.55)
Margin Money and Others	55.87	(0.92)
Net cash used in Financing Activities	(39,83.11)	(42,55.39)
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,27.22	28,79.87
CASH AND CASH EQUIVALENTS – OPENING BALANCE		
Cash and Bank Balances	28,82.46	47,86.64
Cash Equivalents (Investment in Liquid Mutual Funds)	53,41.84	5,57.79
CASH AND CASH EQUIVALENTS – CLOSING BALANCE		
Cash and Bank Balances	21,35.60	28,82.46
Cash Equivalents (Investment in Liquid Mutual Funds)	90,15.92	53,41.84
	111,51.52	82,24.30
	29,27.22	28,79.87

As per our Report of even date

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

ERMIN K. IRANI
Partner
Membership No. 35646
Mumbai: 14th May, 2015

For and on behalf of board of directors of
Grindwell Norton Limited

PRADIP SHAH	Chairman	DIN No. 00066242
ANAND MAHAJAN	Managing Director	DIN No. 00066320
DEEPAK CHINDARKAR	Chief Financial Officer	
K. VISWESWARAN	Company Secretary	

Mumbai: 14th May, 2015

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the 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 ₹ Lacs.

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 2014
3. Reporting Currently and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	:	Nugultrum, Exchange rate 1:1
4. Share Capital	:	28,99.42
5. Reserves & Surplus	:	(1,57.61)
6. Total Assets	:	53,75.45
7. Total Liabilities	:	53,75.45
8. Investments	:	Nil
9. Turnover	:	67,47.35
10. Profit before taxation	:	4,68.69
11. Provision for taxation (incl Deferred Tax)	:	70.56
12. Profit after taxation	:	5,39.27
13. Proposed Dividend	:	Nil
14. % of shareholding	:	70%

Note:

- | | | |
|---|---|-----|
| 1. Names of the subsidiaries which are yet to commence operations | : | Nil |
| 2. Names of the subsidiaries which have been liquidated or sold during the year | : | Nil |

Part "B" — Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint ventures.

The Company does not have Associate or Joint venturers for which the details are to be given under Part B of this form.

For and on behalf of board of directors of
Grindwell Norton Limited

PRADIP SHAH	Chairman	DIN No. 00066242
ANAND MAHAJAN	Managing Director	DIN No. 00066320
DEEPAK CHINDARKAR	Chief Financial Officer	
K. VISWESWARAN	Company Secretary	

Mumbai: 14th May, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRINDWELL NORTON LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **GRINDWELL NORTON LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

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 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, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the Note 14.1 & 14.2 to the financial statements, consequent to Schedule II to the Companies Act, 2013 becoming applicable with effect from April 01, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. This has resulted in the depreciation expenses for year ended March 31, 2015 being higher by ₹ 749.55 Lacs. Depreciation of ₹ 180.60 Lacs (net of Deferred Tax) on account of assets whose useful life is already exhausted as on April 01, 2014, has been adjusted to General Reserve.



Other Matter

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 2,926.41 Lacs as at March 31, 2015, total revenues of ₹ 2,266.67 Lacs and net cash flows amounting to ₹ 7.45 Lacs 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, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited 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 matter with respect to our reliance on the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) 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 of pending litigations on the consolidated financial position of the Holding Company – Refer Note 32 to the Consolidated Financial Statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **KALYANIWALLA & MISTRY**
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W

ERMIN K. IRANI
Partner
Membership No. 35646

Place: Mumbai
Dated: May 14, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Consolidated Financial Statements of the Company for the year ended March 31, 2015;

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account.
- (2) (a) The Management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (3) (a) The Company has granted unsecured loans to one party covered in the register maintained under Section 189 of the Act. The maximum amount outstanding at any time during the period was ₹ 120 Lacs and year-end balance of loans granted to such party was ₹ 90 Lacs.
- (b) The payment of principal amount and interest are regular.
- (c) There is no overdue amount in respect of loans granted to the party listed in the register maintained under Section 189 of the Act.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there are no major weaknesses in internal control system.
- (5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public hence the provisions of Section 73 to 76 or any other relevant provisions of the Act are not applicable.
- (6) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India, for maintenance of cost records under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie the prescribed accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.
- (7) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of the above as at March 31, 2015 for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has generally been regular in depositing undisputed statutory dues including



Income Tax, Sales Tax, Wealth Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess with the appropriate authorities except:

Name of Statute	Name of Dues	Amount (₹ Lacs)	Period to which the Amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956, and State Sales Tax / VAT Acts	Sales Tax	281.87	1995-1996 to 2011-2012	Deputy Commissioner (Appeals) / Joint Commissioner (Appeals) / Additional Commissioner (Appeals) / Commissioner (Appeals) / Tribunal
Central Excise Act, 1944.	Excise Duty	203.52	2001-2002 to 2012-2013	Commissioner (Appeals) / Tribunal / Supreme Court
Customs Act, 1962	Custom Duty	31.30	2014-2015	Commissioner (Appeals)
Non Agricultural Land Act	Non Agricultural Land Cess	37.79	1995	Revenue Department
Income Tax Act, 1961.	Income Tax	165.00	2006-2007 to 2010-2011	Commissioner (Appeals)

- (c) According to information and explanations given to us, there is no amount required to be transferred to Investor Education and Protection Fund.
- (8) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses in the current year and immediately preceding financial years.
- (9) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions or debenture holders.
- (10) According to the information and explanations given to us and based on the documents and records produced to us, the Company has given corporate guarantee for loans taken by the subsidiary from banks. The terms and conditions of the guarantee are not prejudicial to the interest of the Company.
- (11) According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the term loan has been applied for the purpose for which the loans were obtained.
- (12) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **KALYANIWALLA & MISTRY**
CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W

ERMIN K. IRANI
 Partner
 Membership Number: 35646

Place: Mumbai
 Dated: May 14, 2015

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

	Notes	(₹ Lacs)	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	4	27,68.00		27,68.00
Reserves and Surplus	5	588,15.15	615,83.15	530,21.81
			8,59.40	557,89.81
MINORITY INTEREST				7,61.80
NON-CURRENT LIABILITIES				
Long Term Borrowings	6	6,38.23		11,76.95
Deferred Tax Liability (Net)	7	18,73.52		18,90.51
Other Long Term Liabilities	8	6,08.35		5,65.70
Long Term Provisions	9	14,58.16	45,78.26	16,06.52
				52,39.68
CURRENT LIABILITIES				
Short Term Borrowings	10	8,53.20		4,64.18
Trade Payables	11	88,72.01		70,62.82
Other Current Liabilities	12	122,32.08		94,55.56
Short Term Provisions	13	47,70.32	267,27.61	45,71.67
			937,48.42	215,54.23
				833,45.52
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets	14			
Tangible Assets		356,84.32		369,78.67
Intangible Assets		3,38.23		5,17.46
Capital Work In Progress		6,73.24		5,52.39
			366,95.79	380,48.52
Non-Current Investments	15		35,14.80	35,14.80
Long Term Loans & Advances	16		14,73.40	15,07.50
Other Non-Current Assets	17		—	—
CURRENT ASSETS				
Inventories	18	225,05.08		184,53.04
Trade Receivables	19	123,02.70		89,95.94
Cash & Bank Balances	20	113,50.27		84,70.78
Short Term Loans & Advances	21	46,16.45		33,70.58
Other Current Assets	22	12,89.93	520,64.43	9,84.36
			937,48.42	402,74.70
				833,45.52
Significant Accounting Policies	3			

The accompanying notes (1 to 38) are an integral part of the financial statements.

As per our Report of even date

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

ERMIN K. IRANI
Partner
Membership No. 35646
Mumbai: 14th May, 2015

For and on behalf of board of directors of
Grindwell Norton Limited

PRADIP SHAH	Chairman	DIN No. 00066242
ANAND MAHAJAN	Managing Director	DIN No. 00066320
DEEPAK CHINDARKAR	Chief Financial Officer	
K. VISWESWARAN	Company Secretary	

Mumbai: 14th May, 2015



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Notes	(₹ Lacs)	(₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
INCOME					
Revenue from Operations (Gross)			1,219,61.64		1,040,41.23
Less: Excise Duty			(84,24.88)		(74,90.92)
				1,135,36.76	965,50.31
Other Income				17,71.24	12,78.10
Total Revenue	23			1,153,08.00	978,28.41
EXPENSES					
Cost of Materials Consumed	24		408,12.30		351,26.50
Purchases of Trading Goods	25		83,86.84		76,55.13
Changes in Inventories of Finished Goods, Work-In-Process and Trading Goods	26		(10,27.37)		(14,83.19)
Employee Benefits Expense	27		132,84.90		114,23.28
Finance Costs	28		2,91.42		3,05.35
Depreciation/Amortisation Expense	14	41,77.69			31,99.62
Less: Transfer from Revaluation Reserve		(16.74)			(16.73)
			41,60.95		31,82.89
Other Expenses	29		340,19.66		294,28.23
				999,28.70	856,38.19
Profit Before Tax				153,79.30	121,90.22
Tax Expenses :					
(1) Current Tax			48,83.99		32,51.47
(2) Deferred Tax			76.01		3,92.19
(3) Provision for Income Tax of earlier years			—		1,04.30
				49,60.00	37,47.96
Profit for the year				104,19.30	84,42.26
Share of Minority Interest				(97.59)	(49.89)
Profit for the year after Minority Interest				103,21.71	83,92.37
Basic & Diluted Earnings Per Share (in ₹)	30			18.64	15.16
Significant Accounting Policies	3				

The accompanying notes (1 to 38) are an integral part of the financial statements.

As per our Report of even date

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

ERMIN K. IRANI
Partner
Membership No. 35646
Mumbai: 14th May, 2015

For and on behalf of board of directors of
Grindwell Norton Limited

PRADIP SHAH	Chairman	DIN No. 00066242
ANAND MAHAJAN	Managing Director	DIN No. 00066320
DEEPAK CHINDARKAR	Chief Financial Officer	
K. VISWESWARAN	Company Secretary	

Mumbai: 14th May, 2015

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 1

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 31st March, 2015 have not been audited and have been considered in the Consolidated Financial Statements based on the unaudited financial statements certified by the Management. The Consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

Note : 2

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 Accounting Standard 21 – Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.
- (b) “Minority 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.
- (c) Intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.

Note : 3

SIGNIFICANT ACCOUNTING POLICIES :

Method of Accounting :

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on-going concern basis in accordance with the Generally Accepted Accounting Principles in India (‘Indian GAAP’) to comply with the Accounting Standards specified under section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Companies Act, 2013 / The Companies Act, 1956, as applicable.

Use of Estimates :

Certain estimates and assumptions are required to be made for the presentation of financial statements in conformity with generally accepted accounting principles. These estimates & assumptions affect the reported amount of assets and liabilities, revenues & expenses, and disclosure of contingent liabilities for the reporting period. These estimates and assumptions are reviewed on an on-going basis.

Actual results may differ from these estimates & assumptions; such differences are recognised in the period in which the results materialise/are known.

Fixed Assets :

Fixed Assets are stated at cost; except those Tangible Assets which were revalued as on 30th June, 1988 are stated at revalued amounts.

Expenditure on New Projects :

Expenditure directly relating to the construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of indirect construction cost to the extent to which the expenditure is related to the construction or is incidental thereto. Income attributable to the project is deducted from the total of the indirect expenditure.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Depreciation/Amortisation :

On Tangible Assets :

- (a) Depreciation on cost of assets is provided on Straight Line Method in accordance with the useful life prescribed under Schedule II of the Companies Act, 2013, except for the following assets where the useful life is different based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience :
 - (i) Servers & Networks are depreciated over 4 years,
 - (ii) Specific Kilns are depreciated over 5 to 10 years based on the estimated useful life.
- (b) Depreciation on revalued amounts is provided on Straight Line Method based on the residual life of the said assets and adjusted to Revaluation Reserve.
- (c) Leasehold improvements is depreciated over the lease period or over its useful life if less than the lease period.
- (d) Cost of Leasehold Land is amortised over the period of the lease.
- (e) Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition as their useful life is expected to be less than one year.

On Intangible Assets :

Intangible assets 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) Goodwill : 10 Years
- (iii) Technical Know-how : 5 Years
- (iv) Trademark : Licence Period/10 Years (whichever is lower)
- (v) Other Intangibles : 10 Years

Impairment :

The cash generating units are evaluated at the Balance Sheet date to ascertain the estimated recoverable amount/value in use as against the Written Down Value. Impairment loss, if any, is recognised whenever the Written Down Value exceeds estimated recoverable amount/value in use.

Investments :

- (a) Non-current Investments are valued at cost less provision for diminution in value, if the diminution is other than temporary.
- (b) Current Investments are stated at lower of cost and fair value.

Inventories :

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

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

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

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

Revenue Recognition :

Sales are recognised at the point of despatch of goods to Customers. Sales are inclusive of Excise Duty but net of Trade Discounts and VAT/Sales Tax. Service Income is recognised when the service is rendered. Export entitlements are recognized when the right to receive credit as per terms of the entitlement is established in respect of the exports made.

Foreign Currency Transactions :

Transactions in foreign currency are translated at rates of exchange prevailing on the date the transactions are recorded. The outstanding amounts are converted at the year end at the rates prevailing on that date and the difference arising on conversion is accounted for in the books of account. In case of forward exchange contracts, the difference between the transaction rate and the rate on the date of contract is recognised as exchange difference and the premium on forward contracts is recognised over the life of the contract.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Employee Benefits :

(a) Short term employee benefits :

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

(b) Post-employment benefits :

(i) Defined Contribution Plans :

Payments made to defined contribution plans such as Provident Fund and Superannuation Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans :

The cost of providing benefit i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on net basis.

Past service cost is recognised as an expense on a straight-line basis over the average period until the benefit becomes vested.

(iii) Other long-term employee benefit :

Other long-term employee benefit viz., leave encashment is recognised as an expense in the Statement of Profit and Loss as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefit is charged to the Statement of Profit and Loss.

Research & Development :

(a) Revenue expenditure on Research & Development is charged under respective heads of account.

(b) Capital expenditure on Research & Development is included as part of the relevant Fixed Assets.

Borrowing Costs :

Borrowing costs incurred by the Company on an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset.

Tax on Incomes :

Current tax is the amount of tax payable for the year, determined as per the provisions of the tax law.

Deferred Tax :

Deferred tax assets and liabilities are based on timing differences between the values of assets and liabilities recorded in the financial statements and those used for tax purposes. Tax rates applicable to future periods are used to calculate year-end deferred income tax amounts.

Provisions and Contingencies :

(a) 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.

(b) Contingent liabilities not provided for as per (a) above are disclosed in notes forming part of the accounts and Contingent assets are not recognised.

Earnings Per Share :

Basic and Diluted Earnings Per Share are computed by dividing the net profit attributable to equity shareholders for the year, with the weighted average number of equity shares outstanding during the year.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 4

SHARE CAPITAL

AUTHORISED

5,60,00,000 Equity Shares of ₹ 5/- each

ISSUED, SUBSCRIBED AND PAID-UP

5,53,60,000 Equity Shares of ₹ 5/- each, fully paid-up

(Refer Notes 4.1 to 4.5)

As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
28,00.00	28,00.00
27,68.00	27,68.00
27,68.00	27,68.00

Note : 4.1

Shares held by Subsidiaries of Ultimate Holding Company (Compagnie de Saint-Gobain) are as below :

Saint-Gobain Abrasives Inc.

Societe de Participations Financieres et Industrielles

Saint-Gobain India Pvt. Ltd. (formerly Saint-Gobain Glass India Ltd.)

Total

As at 31st March, 2015		As at 31st March, 2014	
Number of Shares held	% of Holding	Number of Shares held	% of Holding
1,48,17,760	26.8%	1,48,17,760	26.8%
1,35,96,240	24.5%	1,35,96,240	24.5%
1,50,000	0.3%	1,50,000	0.3%
2,85,64,000	51.6%	2,85,64,000	51.6%
—	—	36,11,058	6.5%

Note : 4.2

Shareholders holding more than 5% shares in the Company (in addition to those included in Note 4.1 above) are as below :

HDFC Trustee Company Ltd. (Refer Note 4.5)

Note : 4.3

There is no movement in the number of shares outstanding during the year ended 31st March, 2014 & year ended 31st March, 2015.

Note : 4.4

Rights and restrictions attached to the shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹ 5 per share. 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.

Note : 4.5

As of 31st March, 2015 HDFC Trustee Company Ltd. holds 24,12,643 Shares (4.4%).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ Lacs)	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Note : 5			
RESERVES AND SURPLUS			
1. SECURITIES PREMIUM ACCOUNT			
As per last Balance Sheet		34,82.82	34,82.82
2. REVALUATION RESERVE			
As per last Balance Sheet	3,52.08		3,68.81
Less: Transfer to Depreciation	(16.74)		(16.73)
		3,35.34	3,52.08
3. GENERAL RESERVE			
As per last Balance Sheet	375,25.05		355,02.98
Less: Adjustment as per Schedule II of Companies Act, 2013 (Refer Note 14.1)	(1,80.60)		—
Add: Transfer from Surplus in the Statement of Profit and Loss	27,71.46		20,22.07
		401,15.91	375,25.05
4. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS			
As per last Balance Sheet	116,61.86		95,01.51
Add: Net Profit for the current year	103,21.71		83,92.37
Less: Appropriations :			
Proposed Dividend	(35,98.40)		(35,98.40)
[Dividend proposed per share ₹ 6.50 (Previous Year ₹ 6.50)]			
Provision for Tax on Proposed Dividend	(7,32.63)		(6,11.55)
Transfer to General Reserve	(27,71.46)		(20,22.07)
		148,81.08	116,61.86
		588,15.15	530,21.81
Note : 6			
LONG TERM BORROWINGS			
Secured			
Secured by way of mortgage/hypothecation charge created/to be created on all fixed assets of the Subsidiary and Corporate Guarantees given by the Company upto 35% of the sanctioned loan.			
Term loans			
from Banks			
(a) Bank of Bhutan		1,58.83	7,07.30
(b) Bhutan National Bank		4,79.40	4,69.65
Repayment to be made in quarterly installments with interest of 12% per annum as per the terms agreed upon between the Company and the Banks.			
		6,38.23	11,76.95



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 7

DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability :

Depreciation on Fixed Assets

Deferred Tax Asset :

Provision for Doubtful Debts and Advances

Provision for Contingencies

Others

As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
28,93.29	30,37.61
(1,02.85)	(1,28.30)
—	(48.85)
(9,16.92)	(9,69.95)
18,73.52	18,90.51

Note : 8

OTHER LONG TERM LIABILITIES

Trade/Security Deposits

Other Liabilities

5,94.97	5,52.32
13.38	13.38
6,08.35	5,65.70

Note : 9

LONG TERM PROVISIONS

Income Tax (Net of Advance Tax)

Leave Encashment (Refer Note 13.1)

Gratuity Payable

Power Liabilities (Refer Note 9.1)

3,79.14	3,72.40
10,70.79	10,96.90
8.23	10.43
—	1,26.79
14,58.16	16,06.52

Note : 9.1

Details of Provision made for 'Power Liabilities' :

Opening Balance

Provision made during the year

Provision reversed during the year

Provision utilised during the year

Closing Balance

1,26.79	3,90.00
—	7.57
(2.45)	—
(1,24.34)	(2,70.78)
—	1,26.79

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 10

SHORT TERM BORROWINGS

Secured

Loan Repayable on Demand

From Bank of Bhutan

(Secured by way of Hypothecation charge created on all stocks and book debts and an extension charge on all fixed assets of the Subsidiary)

Unsecured

Loan Repayable on Demand

From HDFC Bank Ltd.

(Repayment to be made in a year with interest of 10% per annum as per the terms agreed upon between the Company and the Bank)

As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
--	--

6,26.65	4,64.18
---------	---------

2,26.55	—
---------	---

8,53.20	4,64.18
---------	---------

Note : 11

TRADE PAYABLES

Due to Micro and Small Enterprises (Refer Note 11.1)

Others

6.27	1.07
------	------

88,65.74	70,61.75
----------	----------

88,72.01	70,62.82
----------	----------

Note : 11.1

Due to Micro and Small Enterprises :

Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under:

As at 31st March, 2014 (₹ Lacs)	As at 31st March, 2013 (₹ Lacs)
--	--

Principal amount due and remaining unpaid	6.27	1.07
---	------	------

Interest due on above and the unpaid interest	0.03	—
---	------	---

Interest paid	—	—
---------------	---	---

Payment made beyond the appointed day during the year	69.97	2,01.79
---	-------	---------

Interest due and payable for the period of delay	1.11	1.82
--	------	------

Interest accrued and remaining unpaid	2.93	1.82
---------------------------------------	------	------

Amount of further interest remaining due and payable in succeeding years	2.93	1.82
--	------	------



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 12

OTHER CURRENT LIABILITIES

	As at 31st March, 2014 (₹ Lacs)	As at 31st March, 2013 (₹ Lacs)
Trade/Security Deposits	1,43.36	48.17
Unclaimed Dividend*	85.82	84.29
Commission due to Directors	1,98.92	1,74.39
Statutory Liabilities	12,51.75	11,06.47
Other Liabilities	105,52.23	80,42.24
	122,32.08	94,55.56

* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.

Note : 13

SHORT TERM PROVISIONS

	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Dividend Distribution Tax	7,32.63	6,11.55
Proposed Dividend	35,98.40	35,98.40
Leave Encashment (Refer Note 13.1)	439.29	3,61.72
	47,70.32	45,71.67

Note : 13.1

Details of Provision for Leave Encashment :

Opening Balance – Long Term	10,96.90	8,77.00
Opening Balance – Short Term	3,61.72	4,08.60
Provision made during the year	2,18.46	3,44.39
Utilisation during the year	(1,67.00)	(1,71.37)
Closing Balance – Long Term	10,70.79	10,96.90
Closing Balance – Short Term	4,39.29	3,61.72

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 14

FIXED ASSETS

(₹ Lacs)

ASSETS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Upto 01.04.2014	Trf to General Reserve (Note 14.1)	For the Year (Note 14.2)	On Sales	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS											
Land – Freehold	16,20.79	2,80.56	—	19,01.35	—	—	—	—	—	19,01.35	16,20.79
Land – Leasehold	96.52	—	—	96.52	17.14	—	0.97	—	18.11	78.41	79.38
Buildings #	154,23.58	2,36.34	26.24	156,33.68	27,17.88	—	4,38.99	5.37	31,51.50	124,82.18	127,05.70
Leasehold Improvements	3,70.83	2,96.87	—	6,67.70	67.52	—	56.22	—	1,23.74	5,43.96	3,03.31
Plant & Machinery	346,98.96	19,01.28	6,42.05	359,58.19	140,87.05	7.88	28,41.51	3,65.41	165,71.03	193,87.16	206,11.91
Electrical Installations & Equipments	—	9.26	—	9.26	—	—	0.05	—	0.05	9.21	—
Laboratory Equipments	—	35.03	—	35.03	—	—	0.73	—	0.73	34.30	—
Computers	16,78.34	1,55.61	89.18	17,44.77	13,13.48	21.81	2,34.95	89.18	14,81.06	2,63.71	3,64.86
Furniture & Fixtures	11,91.44	1,73.97	17.49	13,47.92	5,59.12	15.43	1,78.56	15.84	7,37.27	6,10.65	6,32.32
Office Equipment	9,21.69	93.46	39.65	9,75.50	3,57.59	2,27.57	1,75.24	38.78	7,21.62	2,53.88	5,64.10
Vehicles	2,03.04	71.05	32.96	2,41.13	1,06.74	0.90	32.12	18.14	1,21.62	1,19.51	96.30
Sub-total	562,05.19	32,53.43	8,47.57	586,11.05	192,26.52	2,73.59	39,59.34	5,32.72	229,26.73	356,84.32	369,78.67
INTANGIBLE ASSETS											
Computer Software	4,96.68	39.12	—	5,35.80	3,01.32	—	86.89	—	3,88.21	1,47.59	1,95.36
Goodwill	3,23.92	—	—	3,23.92	2,42.73	—	32.39	—	2,75.12	48.80	81.19
Technical Know-how	3,54.29	—	—	3,54.29	3,54.29	—	—	—	3,54.29	—	—
Trade Marks	2,03.95	—	—	2,03.95	1,59.58	—	20.40	—	1,79.98	23.97	44.37
Non-Compete Fees & Marketing Network	7,86.69	—	—	7,86.69	5,90.15	—	78.67	—	6,68.82	1,17.87	1,96.54
Sub-total	21,65.53	39.12	—	22,04.65	16,48.07	—	2,18.35	—	18,66.42	3,38.23	5,17.46
Total	583,70.72	32,92.55	8,47.57	608,15.70	208,74.59	2,73.59	41,77.69	5,32.72	247,93.15	360,22.55	
Previous Year's Total	506,42.71	81,51.38	4,23.37	583,70.72	179,32.65	—	31,99.62	2,57.68	208,74.59		374,96.13
Capital Work In Progress										6,73.24	5,52.39
										366,95.79	380,48.52

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

NOTE 14.1 :

The Company has revised the depreciation rate on certain fixed assets as per useful life specified in the Companies Act, 2013. Depreciation of ₹ 180.60 lacs (net of deferred tax ₹ 92.99 lacs) on account of assets whose useful life is already exhausted as on 1st April, 2014 have been adjusted to General Reserve.

NOTE 14.2 :

The Company has revised the depreciation rate on certain fixed assets as per useful life specified in the Companies Act, 2013, consequently the Depreciation expenses for the year ended 31st March, 2015 is higher by ₹ 749.55 lacs.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Nos.	Face Value (₹)	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Note : 15				
NON-CURRENT INVESTMENTS				
AT COST				
<u>TRADE INVESTMENTS</u>				
EQUITY SHARES (fully paid-up)				
Unquoted :				
Andhra Pradesh Gas Power Corporation Ltd.	21,86,880	10	2,73.36	2,73.36
Shivalik Solid Waste Management Ltd.	20,000	10	2.00	2.00
<u>NON TRADE INVESTMENTS</u>				
EQUITY SHARES (fully paid-up)				
Quoted :				
John Oakey & Mohan Ltd.	1,900	10	0.16	0.16
Unquoted :				
<u>In Fellow Subsidiaries :</u>				
Saint-Gobain India Pvt. Ltd. (formerly Saint-Gobain Glass India Ltd.)	25,00,000	10	24,99.99	24,99.99
Saint-Gobain Research India Pvt. Ltd.	27,87,924	10	6,65.11	6,65.11
Saint-Gobain India Foundation	100	10	0.01	0.01
OTHER INVESTMENTS				
Quoted :				
TAX FREE BONDS				
8.20% 10 Years NHAI Tax Free Bonds	7,417	1,000	74.17	74.17
			35,14.80	35,14.80
NOTES :				
1. COST				
Quoted			74.33	74.33
Unquoted			34,40.47	34,40.47
2. MARKET VALUE				
Quoted			81.59	77.37

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ Lacs)	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Note : 16			
LONG TERM LOANS AND ADVANCES (Refer Note 21.1)			
(Unsecured and considered good)			
Capital Advances		2,53.80	1,55.25
Loans due from Directors of the Company		60.00	90.00
Deposits		7,71.22	8,39.70
Advances recoverable in cash or in kind		3,88.38	4,22.55
(Unsecured and considered doubtful)			
Advances recoverable in cash or in kind	40.49		55.45
Less: Provision for doubtful advances	(40.49)		(55.45)
		<u>—</u>	<u>—</u>
		<u>14,73.40</u>	<u>15,07.50</u>
Note : 17			
OTHER NON-CURRENT ASSETS			
Trade Receivables			
(Unsecured and considered doubtful)			
Overdue by six months		1,44.53	2,48.68
Others		1,20.26	73.34
		<u>2,64.79</u>	<u>3,22.02</u>
Less: Provision for doubtful debts		(2,64.79)	(3,22.02)
		<u>—</u>	<u>—</u>
Note : 18			
INVENTORIES			
Raw Materials		82,69.51	56,17.54
Raw Materials in Transit		12,48.47	10,43.88
Work-In-Process		54,34.22	54,73.35
Stores and Spare Parts		11,33.74	9,65.63
Finished Goods :			
Manufactured	49,85.46		42,53.44
Trading	14,33.68		10,99.20
		<u>64,19.14</u>	<u>53,52.64</u>
		<u>225,05.08</u>	<u>184,53.04</u>
Note : 19			
TRADE RECEIVABLES			
(Unsecured and considered good)			
Overdue by six months		2,61.86	3,95.34
Others		120,40.84	86,00.60
		<u>123,02.70</u>	<u>89,95.94</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 20

CASH & BANK BALANCES

Cash & Cash Equivalents

Cash and Cheques on hand

With Banks :

Current Account

Deposit Account

With Liquid Mutual Funds

Other Bank Balances

Margin money

Earmarked balances with Banks :

Gratuity Fund

Unpaid dividend

(₹ Lacs)	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
14,41.67		15,16.93
7,17.79		13,12.62
2.50		71.83
90,15.92		53,41.84
	111,77.88	82,43.22
76.57		1,32.44
10.00		10.83
85.82		84.29
	1,72.39	2,27.56
	113,50.27	84,70.78

Note : 21

SHORT TERM LOANS AND ADVANCES (Refer Note 21.1)

(Unsecured and considered good)

Advance Tax (Net of Provision for Income Tax)

Loans due from Directors of the Company

Advances recoverable in cash or in kind

Balances with Government Authorities

Note : 21.1

The Company has not provided any loans and advances in the nature of loans to its Subsidiary during the year (Previous Year – ₹ Nil) and hence disclosure under clause 32 of the listing agreement is not required.

Note : 22

OTHER CURRENT ASSETS

Accrued Interest

Other Receivables

	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
	32.41	40.56
	12,57.52	9,43.80
	12,89.93	9,84.36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 23

TOTAL REVENUE

Revenue from Operations

Sale of Products (Gross) (Refer Note 23.1)

Service Income

Other Operating Revenue

Less: Excise Duty

Other Income

Interest Income

From Long term Investments (Non trade)

From Others

Dividend Income from Liquid Mutual Funds / Shares

Profit on sale of Investments

Other Non-operating income

Note : 23.1

Sale of Products (Gross)

Abrasives

Ceramics & Plastics

Others

(₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
1,168,58.19		997,88.50
43,61.33		35,37.66
7,42.12		7,15.07
	1,219,61.64	1,040,41.23
	(84,24.88)	(74,90.92)
	1,135,36.76	965,50.31
6.08		6.08
89.44		86.70
	95.52	92.78
	14.98	1,25.96
	3,57.93	1,41.52
	13,02.81	9,17.84
	17,71.24	12,78.10
	1,153,08.00	978,28.41
	809,72.74	688,62.73
	323,27.91	279,45.28
	35,57.54	29,80.49
	1,168,58.19	997,88.50

The sales value mentioned above includes sale of trading goods of ₹ 116,28.68 Lacs (Previous Year – ₹ 92,66.99 Lacs).

Note : 23.2

Segment Reporting :

A. Information about Business Segments :

(₹ Lacs)

	Abrasives		Ceramics & Plastics		Others		Unallocated		Total	
	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
REVENUE										
Segment Revenue	736,90.91	633,00.00	321,53.72	271,64.70	82,03.92	65,64.50	—	—	1,140,48.55	970,29.20
Less: Inter-segment Sales	—	—	(12,53.91)	(11,93.96)	—	—	—	—	(12,53.94)	(11,93.96)
Net Sales & Service Income	736,90.91	633,00.00	308,99.81	259,70.74	82,03.92	65,64.50	—	—	1,127,94.64	958,35.24
RESULT										
Segment Result	99,96.15	77,64.00	43,93.31	37,14.00	12,94.03	11,48.00	—	—	156,83.49	126,26.00
Unallocated Income/ (Expenditure) – (Net)							(4,81.20)	(4,90.69)	(4,81.20)	(4,90.69)
Interest Expenses							(2,91.42)	(3,05.35)	(2,91.42)	(3,05.35)
Interest Income							95.52	92.78	95.52	92.78
Dividend Income							14.98	1,25.96	14.98	1,25.96
Profit/(Loss) on sale of Investments							3,57.93	1,41.52	3,57.93	1,41.52
Profit before Tax & after Exceptional Item									153,79.30	121,90.22
Provision for Tax (including Deferred Tax)							(49,60.00)	(37,47.96)	(49,60.00)	(37,47.96)
Profit for the year									104,19.30	84,42.26



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Lacs)

	Abrasives		Ceramics & Plastics		Others		Unallocated		Total	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Other Information										
Total Assets (gross)	466,05.64	431,69.04	270,09.20	251,29.76	38,52.02	28,65.33	162,81.56	121,81.39	937,48.42	833,45.52
Less: Revaluation Reserve	(1,70.84)	(1,81.24)	(1,64.50)	(1,70.84)	—	—	—	—	(3,35.34)	(3,52.08)
Net Assets	464,34.80	429,87.80	268,44.70	249,58.92	38,52.02	28,65.33	162,81.56	121,81.39	934,13.08	829,93.44
Total Liabilities	142,92.87	106,93.27	72,04.49	61,68.44	14,28.93	13,12.48	83,79.58	86,19.72	313,05.87	267,93.91
Capital Expenditure (during the year)	21,26.59	17,62.49	5,31.94	5,69.55	4,86.56	1,19.11	2,68.31	81.84	34,13.40	25,32.99
Depreciation/Amortisation (for the year)	23,48.93	17,53.30	13,88.25	11,97.71	2,13.51	1,14.04	2,10.26	1,17.84	41,60.95	31,82.89

B. Information about Geographical Segments :

(a) The Distribution of the company's sales by geographical market is as under :

(₹ Lacs)

Net Sales & Service Income	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
India	951,19.81	823,94.88
Outside India	176,74.83	134,40.36
Total	1,127,94.64	958,35.24

(b) The geographical location of the assets and liabilities is as follows :

(₹ Lacs)

Particulars	Net Assets		Total Liabilities	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
India	884,51.48	784,50.80	291,19.85	247,10.13
Outside India	49,61.60	45,42.64	22,63.02	20,83.78
Total	934,13.08	829,93.44	313,82.87	267,93.91

Notes :

(i) The Company is organised into the following business segments, namely :

- Abrasives
- Ceramics & Plastics
- Others

Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

(ii) The Segment Revenue in each of the above business segments consists of Sales (net of returns, excise duty, sales tax, rebates etc.).

(iii) Segment Revenue, Result, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

(iv) Segment Results are net of corporate overheads aggregating to ₹ 19,06.29 Lacs (Previous Year – ₹ 16,95.42 Lacs), allocated on a reasonable basis.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
Note : 24			
COST OF MATERIALS CONSUMED			
Opening Stock of			
Raw Materials	56,17.54		47,75.33
Raw Materials in Transit	10,43.88		8,85.21
		66,61.42	56,60.54
Add: Purchases		436,68.86	361,27.38
Less: Closing Stock of			
Raw Materials	(82,69.51)		(56,17.54)
Raw Materials in Transit	(12,48.47)		(10,43.88)
		(95,17.98)	(66,61.42)
		<u>408,12.30</u>	<u>351,26.50</u>
Note : 25			
PURCHASES OF TRADING GOODS			
Abrasives		53,40.85	46,05.00
Ceramics & Plastics		16,04.80	11,14.20
Others		14,41.19	19,35.93
		<u>83,86.84</u>	<u>76,55.13</u>
Note : 26			
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND TRADING GOODS			
Opening Stock of			
Finished Goods :			
– Manufactured	42,53.44		38,26.88
– Trading	10,99.20		10,81.95
Work-In-Process	54,73.35		44,33.97
		108,25.99	93,42.80
Less: Closing Stock of			
Finished Goods :			
– Manufactured	(49,85.46)		(42,53.44)
– Trading	(14,33.68)		(10,99.20)
Work-In-Process	(54,34.22)		(54,73.35)
		(118,53.36)	(108,25.99)
		<u>(10,27.37)</u>	<u>(14,83.19)</u>
Note : 27			
EMPLOYEE BENEFITS EXPENSE (Refer Note 27.1)			
Salaries, Wages, Bonus and Gratuity		113,54.19	96,87.99
Contribution to Provident and Other Funds		6,15.45	5,90.39
Staff Welfare		13,15.26	11,44.90
		<u>132,84.90</u>	<u>114,23.28</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 27.1

Disclosure under AS-15 :

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

II. Defined Benefit Plan :

Contribution to Gratuity Fund

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on superannuation, death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy, whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2015 :

Change in present value of obligation

Opening Balance

Interest cost

Service cost

Benefits paid

Cost of plan amendment

Actuarial (gain)/loss on obligation

Closing Balance

Change in plan assets

Opening Balance

Expected return on plan assets

Contributions

Benefits paid

Actuarial gain/(loss) on plan assets

Closing Balance

Net gratuity cost for the year

Current service cost

Interest cost

Expected return on plan assets

Past service cost

Net Actuarial (gain)/loss to be recognised

Net Gratuity Cost

Amount recognised in the Balance Sheet

Present value of obligation

Fair value of plan assets

Net Obligation

Assumptions used in accounting for the gratuity plan

Discount Rate

Salary Escalation Rate

Expected Rate of Return on plan assets

For the
Year Ended
31st March,
2015
(₹ Lacs)

For the
Year Ended
31st March,
2014
(₹ Lacs)

3,49.94
1,29.76

3,64.74
1,17.85

For the
Year Ended
31st March,
2015
(₹ Lacs)

For the
Year Ended
31st March,
2014
(₹ Lacs)

34,51.00
3,21.98
1,95.01
(5,32.18)

30,24.47
2,49.52
1,55.81
(2,74.83)

1,85.81

2,96.03

36,21.62

34,51.00

31,93.88
2,77.87
6,29.27
(5,32.18)
(16.36)

30,83.50
2,68.27
1,19.97
(2,74.83)
(3.03)

35,52.48

31,93.88

1,95.01

1,55.81

3,21.98

2,49.52

(2,77.87)

(2,68.27)

—

—

2,02.17

2,99.07

4,41.29

4,36.13

36,21.62
(35,52.48)

34,51.00
(31,93.88)

69.14

2,57.12

%

%

8.00

9.33

8.00

8.00

8.00

8.70

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
Note : 28			
FINANCE COSTS			
Interest Expense		46.75	44.52
Other Borrowing Costs		2,44.67	2,60.83
		<u>2,91.42</u>	<u>3,05.35</u>
Note : 29			
OTHER EXPENSES			
Consumption of Stores and Spare Parts		28,28.00	21,41.81
Processing Charges		23,99.47	21,00.80
Power and Fuel (Refer Note 9.1)		76,21.41	74,79.59
Freight, Octroi and Packing Expenses		67,69.49	55,79.96
Rent/Lease Payments		7,26.48	5,81.79
Repairs and Maintenance :			
Buildings	1,63.64		94.81
Machinery	5,82.97		5,72.80
Others	3,89.45		3,26.36
		<u>11,36.06</u>	<u>9,93.97</u>
Insurance		1,99.04	2,04.05
Rates and Taxes		2,26.99	2,36.17
Travelling and Conveyance		13,86.88	12,56.47
Commission and Discount on Sales		28,26.55	25,53.59
Royalties		9,31.25	7,37.83
Loss on assets discarded/sold (Net)		35.72	84.85
External Service Charges		25,19.42	20,32.87
Bad Debts & Advances written off		55.35	62.43
Provision for Doubtful Debts & Advances written back		(59.53)	(66.36)
Miscellaneous Expenses (Refer Note 29.1 & 29.2)		44,17.08	34,48.41
		<u>340,19.66</u>	<u>294,28.23</u>

Note : 29.1

Excise duty deducted from turnover represents amount of excise duty collected by the Company on sale of goods manufactured by the Company. Excise duty of ₹ 2,19.43 Lacs (Previous Year – ₹ 1,91.23 Lacs), being the difference between the opening and closing stock of finished goods is debited to Miscellaneous Expenses.

Note: 29.2

Miscellaneous expenses include ₹ 76.17 lacs incurred towards Corporate Social Responsibility.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 30

EARNINGS PER SHARE :

	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Profit for the year after Minority Interest (₹ Lacs)	103,21.71	83,92.37
(b) Weighted average number of Equity Shares outstanding (Nominal value of Shares ₹ 5)	5,53,60,000	5,53,60,000
(c) Earnings per share (Basic & Diluted) in ₹	18.64	15.16

Note : 31

COMMITMENTS :

	As at 31st March, 2015 (₹ Lacs)	As at 31st March, 2014 (₹ Lacs)
Capital Commitments	2,17.30	7,80.21

Note : 32

CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

(a) Excise & Custom Duty demands/show cause notices pending with the appropriate authorities and disputed by the Company	6,83.97	8,61.50
(b) Sales Tax demands pending with the Commissionerate/High Court and disputed by the Company	2,81.87	4,17.85
(c) Claims against the Company under the Labour Laws for disputed cases	1,14.00	1,42.60
(d) Guarantees given by Banks, of which ₹ 6,61.73 Lacs (Previous Year – ₹ 9,91.18 Lacs) are counter guaranteed by the Company	6,61.73	9,91.18
(e) Guarantees given on behalf of Subsidiary against loan taken by Subsidiary	9,44.33	9,44.33
(f) Non-Agricultural Land Cess	37.79	37.79
(g) Other Claims against the Company not acknowledged as debts	1,91.86	1,95.56
(h) Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court	30,06.51	30,04.89
(i) Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)	9,25.09	9,14.53
(j) Demand raised by A.P Transco for fuel surcharge adjustment for Financial years 2008-09 & 2009-10 disputed by the Company & subjudice in Honourable Supreme Court	2,59.80	2,59.80
(k) Income tax liability on account of disputed disallowances	1,65.32	2,26.90

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 33

EXPENDITURE IN FOREIGN CURRENCY :

- (i) Export Sales Commission
- (ii) Foreign Travel
- (iii) Royalties
- (iv) Others

Note : 34

AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF :

- Dividend (₹ Lacs)
- Number of Non-Resident Shareholders
- Number of Shares held
- Year to which Dividend relates

For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
98.16	82.80
77.25	59.16
9,31.33	7,37.83
2,12.54	2,84.44
18,46.91	18,46.91
2	2
2,84,14,000	2,84,14,000
2013-14	2012-13

Note : 35

The Company uses forward contracts to hedge its risk associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The Company does not enter into forward exchange contracts which are intended for speculative purposes.

The following are the outstanding forward contracts as at 31st March, 2015 :

Currency	No. of Contracts	Value (in Lacs)	Equivalent (₹ Lacs)
USD	46 (58)	93.70 (47.70)	58,61.38 (28,62.13)
EURO	51 (35)	49.51 (18.84)	33,22.71 (15,45.94)
GBP	2 (1)	0.49 (0.44)	44.89 (43.31)
JPY	5 (3)	1,31.94 (30.11)	69.32 (17.88)
AUD	1 (1)	0.40 (0.19)	19.02 (10.53)

Previous year's figures are in brackets.

The Indian Rupee equivalent is arrived at by converting the forward contracts at the spot rate as at 31st March, 2015. Foreign currency exposure (net) not hedged by forward contracts as at 31st March, 2015 is ₹ 36.23 Lacs (Previous Year – ₹ 3,47.00 Lacs).

Currency	Year Ending 31.3.2015		Year Ending 31.3.2014	
	Value (in Lacs)	Equivalent (₹ Lacs)	Value (in Lacs)	Equivalent (₹ Lacs)
USD	—	—	3.98	2,37.75
EURO	—	—	0.03	8.28
JPY	—	—	1,00.38	59.62
AUD	0.07	3.12	0.31	16.75
CAD	—	—	0.16	8.79
GBP	63.01	33.11	0.16	15.81
Total		36.23		3,47.00



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 36

RELATED PARTY DISCLOSURE :

1. Relationships :

(i) **HOLDING COMPANY :**

Compagnie de Saint-Gobain

(ii) **FELLOW SUBSIDIARIES :**

Saint-Gobain Abrasives Inc; USA
 Societe de Participations Financieres et Industrielles
 ABC Superabrasives, USA
 Certainteed Corporation, USA
 L.M.Van Moppes Diamond Tools India Pvt. Ltd.
 Norton Abrasives PTY Ltd.
 PT Saint-Gobain Norton Hamplas, Indonesia
 PT Saint-Gobain Winter Diamas, Indonesia
 PT Saint-Gobain Abrasives, Indonesia
 Placopatre SA, France
 Point.P Development, France
 Saint-Gobain Ceramics & Plastics Inc., USA
 Saint-Gobain Abrasives, Poland
 Saint-Gobain Ceramiques Informatique Et Organisation, France
 Saint-Gobain DSI Groupe
 Saint-Gobain Industriekeramik Rodental GMBH, Germany
 Saint-Gobain Abrasifs, Dubai
 Saint-Gobain Abrasifs Maroc, Morocco
 Saint-Gobain Abrasifs, France
 Saint-Gobain Abrasifs UAE
 Saint-Gobain Abrasive International Trading (Shanghai)
 Saint-Gobain Abrasives PTY Ltd., Australia
 Saint-Gobain Abrasives (PTY) Ltd., South Africa
 Saint-Gobain Abrasives (Sea) Pte. Ltd.
 Saint-Gobain Abrasives (Shanghai) Co Ltd., Shanghai
 Saint-Gobain Abrasives (Suzhou) Co. Ltd.
 Saint-Gobain Abrasives BV., Netherlands
 Saint-Gobain Abrasives GMBH (CORA)
 Saint-Gobain Abrasives GMBH, Gerolzhofen., Germany
 Saint-Gobain Abrasives International Trading (HK) Ltd.
 Saint-Gobain Abrasives Inc, Worcester USA
 Saint-Gobain Abrasives, Korea
 Saint-Gobain Abrasives Ltd -Stafford-UK
 Saint-Gobain Abrasives Ltd., New Zealand
 Saint-Gobain Abrasives Ltda., Brazil
 Saint-Gobain Abrasives Ltda., Portugal
 Saint-Gobain Abrasives Singapore (PTE) Ltd.
 Saint-Gobain HPM Polska SP.Z O.O., Poland
 Saint-Gobain Abrasives, Thailand
 Saint-Gobain Diamantwerkzeuge GMBH & Co., Germany
 Saint-Gobain Distribution Denmark, Denmark
 Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda
 Thai Gypsum Products Plc, Thailand
 Saint-Gobain Gelva, BV
 Saint-Gobain Glass Egypt
 Societe Europeenne des Produits Refractaires, France
 Saint-Gobain Isover G+H AG, Germany
 Saint-Gobain ICASA S.A., Spain
 Saint-Gobain Industrial Ceramics Pty Ltd.
 Saint-Gobain Industrial Ceramics, UK
 Saint-Gobain Industriekeramik Dusseldorf GMBH, Germany
 Saint-Gobain Materials Ceramicos Ltda., Brazil
 Saint-Gobain Materials Ceramicos, Venezuela
 Saint-Gobain Materiaux Ceramiques, Belgium
 Saint-Gobain PAM, France
 Saint-Gobain Performance Plastics, USA
 Saint-Gobain PPL Shanghai, China
 Saint-Gobain PPL Korean Co. Ltd., South Korea
 Saint-Gobain Produtos Industriais E Para Construc o Ltda.
 Saint-Gobain Sekurit India Ltd.
 Saint-Gobain Sekurit, Thailand
 Saint-Gobain Sekurit, France
 Saint-Gobain Tech Fab Hongfa (Changzhou) Ltd.
 Saint-Gobain Technical Fabrics, S.A.
 Saint-Gobain Universal Superabrasives, Inc.
 Saint-Gobain Vibros S.A.
 SG Isover, France
 SEPR Refractories India Pvt. Ltd.
 Saint-Gobain Advanced Ceramics (Shanghai) Co. Ltd.
 Saint-Gobain Materiaux Ceramiques Benelux SA
 Saint-Gobain Performance Plastics – Bristol
 Saint-Gobain Performance Plastics Corby, UK
 Saint-Gobain Performance Plastics KK, JAPAN
 Saint-Gobain Performance Plastics, Les Macon, France
 Saint-Gobain Performance Plastics, Pampus, GMBH
 Saint-Gobain Performance Plastics Verneret, France
 Saint-Gobain Performance Plastics, Chaineux, Belgium
 Saint-Gobain Performance Plastics, Ireland

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued) :

Saint-Gobain Abrasives, Indonesia	Saint-Gobain Performance Plastics, Kontich, Belgium
Saint-Gobain Abrasives Netherlands B.V.	Saint-Gobain Performance Plastics, Rencol., UK
Saint-Gobain Abrasivi S.P.A., Italy	Saint-Gobain Performance Plastics, Taiwan
Saint-Gobain Abrasivos SA, Argentina	Saint-Gobain Performance Plastics, Gembloux, Belgium
Saint-Gobain Achats, France	Saint-Gobain Research India Pvt. Ltd.
Saint-Gobain Adfors, France	Saint-Gobain Technical Fabrics (Changzhou) Co. Ltd.
Saint-Gobain Advanced Ceramics, Niagara	Saint-Gobain Weber Netservices
Saint-Gobain Advanced Materials (M) SDN BHD	Saint-Gobain Zipro
Saint-Gobain Advanced Materials (Taiwan) Co. Ltd.	Universal Superabrasives, USA
Saint-Gobain Building Distribution Deutschland GMBH, Germany	SAP Competence Center Verallia
Saint-Gobain Building Distribution, UK	Saint-Gobain Centre De Recherches Et Detudes, European
Saint-Gobain Ceramic Materials (Zhengzhou) Co. Ltd., China	Saint-Gobain Construction Products, Belgium
Saint-Gobain Ceramic Materials, Inc, Canada	SG Distribution Nordic AB, Sweden
Saint-Gobain Ceramic Materials A/S, Norway	Lapeyre, France
SG, Isover AB, Sweden	Saint-Gobain Ceramics Inc, USA
Saint-Gobain Construction Products, SA	Saint-Gobain India Foundation
Saint-Gobain Ceramics & Plastics, Brazil	Saint-Gobain India Pvt. Ltd.
Saint-Gobain Crystals & Detectors India Ltd.	(Formerly Saint-Gobain Glass India Ltd.)

Note: Transactions with Saint-Gobain Gyproc India Ltd. and Saint-Gobain Seva Engineering India Ltd. are grouped under Saint-Gobain India Pvt. Ltd. as these companies are merged into Saint-Gobain India Pvt. Ltd. w.e.f. from 1st April, 2013, as per the order of Hon'ble High Court of judicature of Madras dated 11th November, 2014.

(iii) KEY MANAGEMENT PERSONNEL

Anand Mahajan – Managing Director

Joseph Pereira – Executive Director – Human Resources & Corporate Services — retired on 10th April, 2014

2. The following transactions were carried out with the related parties in the ordinary course of business :

(i) Details relating to parties referred to in items 1(i) and (ii) above :

(₹ Lacs)

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries	
		For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
1.	Sales	—	—	42,46.13	18,91.29
2.	Agency Commission received	—	—	22.49	15.55
3.	Service Income	57.82	—	39,62.06	32,36.15
4.	Other Income	58.50	62.25	4,02.07	4,01.05
5.	Purchase of Goods	—	—	123,00.90	110,64.66
6.	Expenses charged to other companies	25.35	4.86	16,63.30	16,02.67
7.	Expenses charged by other companies	2,97.43	2,61.50	4,05.83	4,29.16
8.	Royalty Paid	—	—	9,15.78	6,61.70
9.	Other Expenses	—	—	18.00	18.00
10.	Dividend Paid	—	—	18,56.66	18,56.66
11.	Donation Paid	—	—	84.16	—
12.	Outstanding Receivables (net of payables)*	(18.13)	(8.56)	2,26.69	(3,05.87)
13.	Other Liabilities	—	—	(2,68.96)	(7,20.92)
14.	Outstanding Deposits*	—	—	39.00	39.00
15.	Investments made	—	—	—	4,31.36

* Closing balance



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Details relating to persons referred to in item 1(iii) above :

(₹ Lacs)

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Remuneration	4,45.77	5,56.79
Outstanding Loan	90.00	2,05.00
Commission Payable	1,50.34	1,25.81

(iii) Significant transactions with related parties :

(₹ Lacs)

Sr. No.	Nature of Transactions	Name of the Companies	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
1.	Sales	Saint-Gobain Abrasives, Inc. USA	—	3,91.88
		Saint-Gobain HPM Polaska SP. Z.O.O.	5,00.79	4,29.49
		Saint-Gobain Industrial Ceramics Pty Ltd.	—	1,08.34
		Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda.	5,18.39	2,71.68
		Saint-Gobain India Pvt. Ltd.	6,56.98	12.36
2.	Agency Commission received	Certainteed Corporation, USA	—	12.55
		Saint-Gobain Adfors, France	22.49	3.00
3.	Service Income	Compagnie de Saint-Gobain (Liaison Office)	57.82	—
		Saint-Gobain DSI Groupe	7,65.78	7,46.90
		Saint-Gobain Ceramiques Informatique Et Organisation	7,60.70	9,94.03
		Saint-Gobain Weber Netservices	—	3,73.44
4.	Other Income	Compagnie de Saint-Gobain (Liaison Office)	58.50	62.25
		Saint-Gobain India Pvt. Ltd.	3,25.67	2,39.91
		Saint-Gobain Achats, Finance	40.23	—
5.	Expenses charged to other companies	Compagnie de Saint-Gobain (Liaison Office)	25.35	4.86
		Saint-Gobain India Pvt. Ltd.	12,22.71	5,77.67
		Saint-Gobain Building & Distribution	—	2,27.74
		Saint-Gobain PAM, France	—	1,87.84

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued) :

Sr. No.	Nature of Transactions	Name of the Companies	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
6.	Expenses charged by other companies	Compagnie de Saint-Gobain (Liaison Office)	2,97.43	2,61.50
		Saint-Gobain India Pvt. Ltd.	2,78.35	2,62.33
		Saint-Gobain Centre De Recherches Et Detudes Europeen	—	61.96
7.	Royalty Paid	Saint-Gobain Abrasives Inc., USA	4,12.00	4,55.01
		Saint-Gobain Abrasifs, France	3,69.28	1,51.73
		Societe Europeenne des Produits Refractaires, France	1,34.50	—
8.	Other Expenses	Saint-Gobain Abrasifs, France	18.00	18.00
9.	Dividend Paid	Saint-Gobain Abrasives Inc., USA	9,63.15	9,63.15
		Societe de Participations Financieres et Industrielles	8,83.76	8,83.76
10.	Donation Paid	Saint-Gobain India Foundation	84.16	—
11.	Investments made	Saint-Gobain Research India Pvt. Ltd.	—	4,31.36

Note : 37 Additional information of the subsidiary required as per Schedule III

	For the Year Ended 31st March, 2015				For the Year Ended 31st March, 2014			
	Net Assets i.e. total assets minus total liabilities		Share in profit		Net Assets i.e. total assets minus total liabilities		Share in profit	
	% of consolidated net assets	Amount (₹ Lacs)	% of consolidated profit	Amount (₹ Lacs)	% of consolidated net assets	Amount (₹ Lacs)	% of consolidated profit	Amount (₹ Lacs)
Grindwell Norton Ltd.	98.81%	617,02.07	96.96%	101,02.49	99.25%	561,27.95	97.51%	82,32.02
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	1.19%	740.48	3.04%	316.81	0.75%	423.66	2.49%	2,10.24
Minority Interest	-1.38%	(859.40)	-0.94%	(97.59)	-1.35%	(761.80)	0.59%	(49.89)

Note : 38

Previous year's figures have been recast and rearranged wherever necessary.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
	(₹ Lacs)	(₹ Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax after Exceptional Item	153,79.31	121,90.22
Adjustments for :		
Depreciation/Amortisation Expense	41,60.95	31,82.88
Unrealised Foreign Exchange (Gain)/Loss (Net)	(17.65)	21.68
Loss on assets discarded/sold (Net)	35.72	84.85
Profit on Sale of Investments	(3,57.93)	(1,41.52)
Dividend Received	(14.98)	(1,25.96)
Interest (Net)	1,95.90	2,12.57
Operating Profit Before Working Capital Changes	193,81.32	154,24.72
Adjustments for :		
Trade and Other Receivables (Current & Non-current)	(43,70.46)	(4,03.91)
Inventories	(40,52.04)	(25,19.12)
Trade and Other Payables (Current & Non-current)	48,18.44	1,481.97
Cash Generated from Operations	157,77.26	139,83.66
Direct Taxes Paid (Net of Tax Refund)	(52,25.92)	(33,41.42)
Net cash from Operating Activities	105,51.34	106,42.24
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(37,78.01)	(26,34.06)
Proceeds of Sale of Fixed Assets	2,79.12	80.85
Proceeds of Sale of Investments	3,57.93	1,41.52
Purchase of Investments	—	(4,31.36)
Interest Received	1,03.67	78.89
Dividend Received	14.98	1,25.96
Net cash flow used in Investing Activities	(30,22.31)	(26,38.20)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Net Increase/(Decrease) in Borrowing	(1,49.70)	(5,95.74)
Interest	(2,91.42)	(3,05.35)
Dividends Paid	(35,98.40)	(35,98.40)
Tax on Dividend	(6,11.55)	(6,11.55)
Margin Money and Others	56.70	(5.18)
Net cash used in Financing Activities	(45,94.37)	(51,16.22)
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,34.66	28,87.82
CASH AND CASH EQUIVALENTS – OPENING BALANCE		
Cash and Bank Balances	29,01.38	47,97.61
Cash Equivalents (Investment in Liquid Mutual Funds)	53,41.84	5,57.79
CASH AND CASH EQUIVALENTS – CLOSING BALANCE		
Cash and Bank Balances	21,61.96	29,01.38
Cash Equivalents (Investment in Liquid Mutual Funds)	90,15.92	53,41.84
	111,77.88	82,43.22
	29,34.66	28,87.82

As per our Report of even date

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

ERMIN K. IRANI
Partner

Membership No. 35646

Mumbai: 14th May, 2015

For and on behalf of board of directors of
Grindwell Norton Limited

PRADIP SHAH

Chairman

DIN No. 00066242

ANAND MAHAJAN

Managing Director

DIN No. 00066320

DEEPAK CHINDARKAR

Chief Financial Officer

K. VISWESWARAN

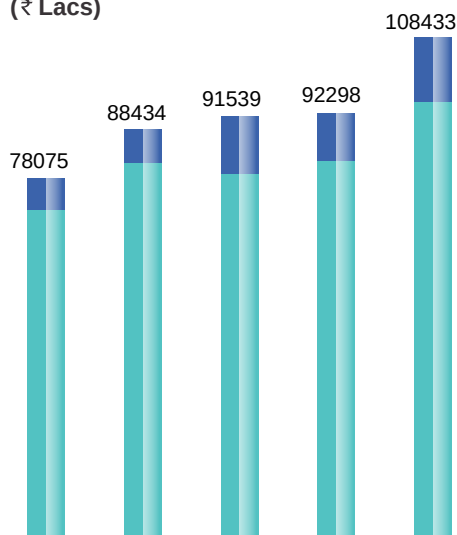
Company Secretary

Mumbai: 14th May, 2015

Financial Performance

Sales of Products (Net)

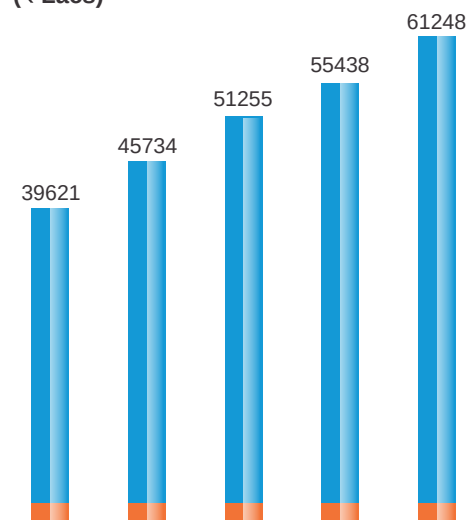
(₹ Lacs)



Year	2010-11	2011-12	2012-13	2013-14	2014-15
Export	7108	7038	12491	10278	13755
Domestic	70967	81396	79048	82020	94678

Net Worth

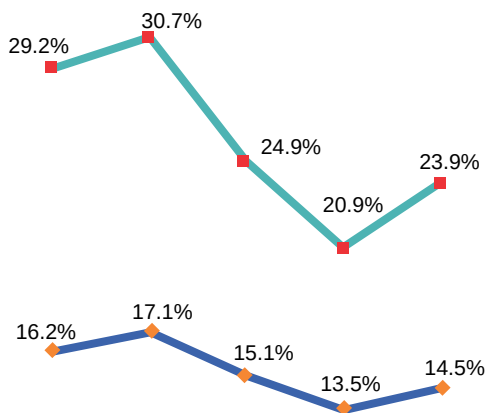
(₹ Lacs)



Year	2010-11	2011-12	2012-13	2013-14	2014-15
Share Capital	2768	2768	2768	2768	2768
Reserves & Surplus*	36853	42966	48487	52670	58480

* Excluding Revaluation Reserve

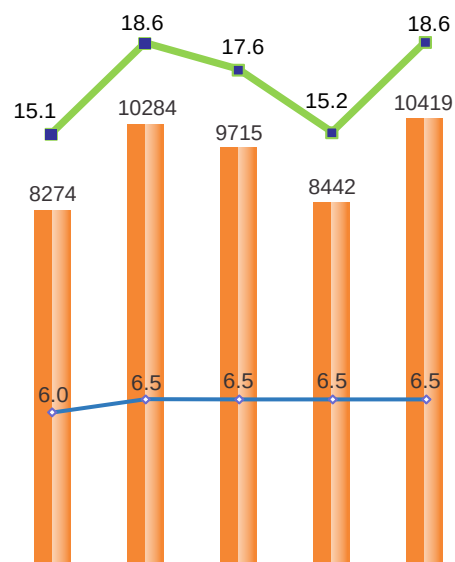
Operating Margin (%), ROCE (%) & Asset Turnover



Year	2010-11	2011-12	2012-13	2013-14	2014-15
Asset Turnover	1.81	1.79	1.64	1.55	1.66

Operating Margin ROCE

Profit After Tax, Earning Per Share[#] & Dividend Per Share[#]



Profit After Tax (₹ Lacs) Earnings Per Share (₹)
Dividend Per Share (₹) # Based on the enhanced & Sub-divided Face Value of ₹ 5 each

NORTON *GRINDWELL NORTON LTD.*

