



Annual Report 2015-16

*Celebrating 75 Years of
GRINDWELL NORTON LTD.*



Theme for our 75th Anniversary

alive

adjective \ə-ˈlɪv\

- lively, animated, spirited, active
- sensitive, perceptive, responsive
- aware, cognizant, on-the-ball

ALIVE means all of these things and GNO@75 exemplifies this. Grindwell Norton (GNO) is **alive** in every sense of the word. The organization and its people are active, energetic, innovative, spirited, perceptive, responsive and on-the-ball. They are **alive** to what is going on in the organization and its environment, **alive** to the needs of our customers, **alive** to opportunities and threats, **alive** to the exciting future that beckons us, **alive** to making the future happen... And that is why the theme and the logo for our 75th anniversary is:



Anand Mahajan
Managing Director

Bankers

Deutsche Bank
HDFC Bank
ICICI Bank

Statutory Auditors

M/s. Kalyaniwalla & Mistry
Chartered Accountants

Registrars & Transfer Agents

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

Registered Office

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

E-mail id

sharecmpt.gno@saint-gobain.com

Website

www.grindwellnorton.com

Corporate Identity Number

L26593MH1950PLC008163

Factories

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

Directors

Mr. Pradip Shah
(Chairman)

Ms. Marie-Armelle Chupin

Mr. Keki M. Elavia

Mr. Jean-Pierre Floris

Mr. Patrick Millot

Mr. Mikhil Narang

Mr. Shivanand Salgaocar

Mr. Laurent Guillot

Mr. Anand Mahajan
(Managing Director)

Management Committee

Mr. Deepak Chindarkar
(Finance & IT)

Mr. Krishna Prasad
(Ceramics & Plastics)

Mr. Samir Bou Obeid
(Abrasives)

Ms. Anupama Vaidya
(HR)

Company Secretary

Mr. K. Visweswaran

Contents

Notice	2
Board's Report	12
Management Discussion and Analysis Report	38
Corporate Governance Report	43
Auditors' Certificate on Corporate Governance Report	55
Independent Auditor's Report	56
Balance Sheet	62
Statement of Profit & Loss	63
Notes Forming Part of the Financial Statements	64
Cash Flow Statement	86
Salient Features of Financial Statement of Subsidiary	87
Independent Auditor's Report on Consolidated Financial Statements	88
Consolidated Balance Sheet	92
Consolidated Statement of Profit & Loss	93
Notes Forming Part of the Consolidated Financial Statements	94
Consolidated Cash Flow Statement	118

NOTICE

Notice is hereby given that the 66th Annual General Meeting of the Members of Grindwell Norton Limited will be held on Thursday, 28th July 2016 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 2016, 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 2016, together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares as the Final Dividend for the financial year 2015-16.
3. To appoint a Director in place of Mr. Patrick Millot (Director Identification No. 00066275), who retires by rotation, and being eligible, offers himself for re-appointment.
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, proper and expedient to give effect to this resolution.”

SPECIAL BUSINESS

5. Re-appointment of Mr. Anand Mahajan as the Managing Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), as amended or re-enacted from time to time, read with Schedule V to the Act, the Company hereby approves the re-appointment and terms of remuneration of Mr. Anand Mahajan (Director Identification No. 00066320) as the Managing Director of the Company for a period of five years with effect from 1st April 2016 upon the terms and conditions set out in the Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Anand Mahajan.

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

6. Appointment of Mr. Laurent Guillot as a Director of the Company:

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

“RESOLVED THAT Mr. Laurent Guillot (Director Identification No. 07412302) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 2nd February 2016 and who holds office upto the date of this Annual

General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

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, proper and expedient to give effect to this resolution."

7. 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, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, the remuneration payable to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending 31st March 2017, amounting to ₹ 2,00,000/- (Rupees Two Lacs only) plus service tax and out of pocket expenses at actuals incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

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

By Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Mumbai, 30th May 2016

Registered Office:

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

NOTES:

- (a) The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of business set out in Item Nos. 5 to 7 of the accompanying Notice and the relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS 2) issued by The Institute of Company Secretaries of India, of persons seeking appointment/re-appointment as Directors as set out in Item Nos. 3, 5 and 6 of the Notice, are also annexed.
- (b) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by Members at the Annual General Meeting.
- (c) **A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. 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) Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ("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.

- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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.
- (j) 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.
- (k) 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 (final dividend) has been transferred to the IEPF established by the Central Government on 16th June 2015. The unclaimed/unpaid dividend, declared for the financial year ended 31st December 2008 will be due for transfer to IEPF after 28th May 2016.

It may be noted that unclaimed/unpaid dividend for the financial year ended 31st March 2010 shall be due for transfer to IEPF after 28th August 2017. Members who have not yet encashed their dividend warrant(s) for financial year ended 31st March 2010 and all subsequent financial years are requested to make their claims without any delay to TSRDL.

- (l) The Notice of AGM along with the Annual Report 2015-16 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 may note that this Notice and Annual Report 2015-16 will also be available on the Company's website, www.grindwellnorton.com.

Members who have received the Notice of AGM along with the Annual Report 2015-16 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.

- (m) 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 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS 2) issued by The Institute of Company Secretaries of India, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").

- II. The facility for voting through Ballot Paper shall be made available at the AGM and Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through Ballot Paper.
- III. The remote e-voting period shall commence on Sunday, 24th July 2016 (9:00 a.m.) and ends on Wednesday, 27th July 2016 (5:00 p.m.). During this period Members of the Company holding shares either in physical form or in dematerialised form as on the cut-off date, Thursday, 21st July 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL after Wednesday, 27th July 2016 (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., 'GNO 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 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 e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" (E-voting Event Number) of "Grindwell Norton Limited".
 - (viii) Now you are ready for remote e-voting as 'Cast Vote' page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.,) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to grindwell.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
 - B. In case a Member has received physical copy of the Notice of AGM (for Members whose e-mail IDs are not registered with the Company/Depository Participant(s) or requested physical copy):
 - a. EVEN (E-voting Event Number), user ID and password are provided in the Attendance Slip.
 - b. Please follow all steps from Sl. No. A (ii) to Sl. No. A (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or contact the following:

Mr. Amit Vishal, Senior Manager, National Securities Depository Limited, Trade World, "A" Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone no. 022 2499 4360 or toll free no 1800-222-990 or at e-mail ID AmitV@nsdl.co.in.

- 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, Thursday, 21st July 2016.
- X. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date, Thursday, 21st July 2016, 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, however shall not be entitled to cast their vote at the AGM. If a Member casts votes by remote e-voting and at the AGM through Ballot Paper, then vote cast through remote e-voting shall prevail and vote cast through Ballot Paper at the AGM shall be treated as invalid.
- XII. A person, whose name is recorded in the Register of Members as on the cut-off date, Thursday, 21st July 2016, 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 Dhaliwala (Membership No. FCS 8331) 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 the AGM in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions set out in the Notice of AGM, allow voting with the assistance of the Scrutinizer, by use of Ballot Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, www.grindwellnorton.com, and on the website of the NSDL, www.nsdl.co.in, immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges at which the equity shares of the Company are listed.

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:

Mr. Anand Mahajan was first appointed as the Managing Director of the Company on 1st April 1991. The Members had approved the last re-appointment and terms of remuneration of Mr. Anand Mahajan as the Managing Director of the Company for a period of five years from 1st April 2011 to 31st March 2016.

The Board, on the recommendations of the Nomination and Remuneration Committee, re-appointed Mr. Anand Mahajan as the Managing Director of the Company for a further period of five years, with effect from 1st April 2016, on the terms and conditions as specified below, subject to the approval of the Members.

A brief profile of Mr. Anand Mahajan is given below:

Mr. Anand Mahajan graduated from St. Xavier's College, Mumbai, in 1973 with a B.A. (Honours) degree in Economics. He completed his Master's Degree in Economics from the University of Bombay in 1975. In 1983, he received an MBA from Cornell University, USA.

Mr. Anand Mahajan started his career with State Bank of India in 1974 and served the Bank in various positions until 1981. On completion of his MBA in 1983, Mr. Mahajan joined the Company. In 1988, he was elected as a Director on the Board of the Company and, in 1991, he was appointed the Managing Director and, since then, has continued in this position. He is the Chairman and Managing Director of Saint-Gobain India Private Limited and the Chairman of Saint-Gobain India Foundation.

Further details of Mr. Anand Mahajan have been given in the Annexure to this Notice.

The main terms and conditions of the appointment of Mr. Anand Mahajan (hereinafter referred to as “Managing Director”) are given below:

I) Tenure of Appointment:

The appointment of the Managing Director is for a period of five years with effect from 1st April 2016.

II) Nature of Duties:

The Managing Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the supervision, control and directions of the Board with and in the best interests of the Company and the business of one or more of its subsidiaries, including performing duties as assigned to the Managing Director from time to time.

Remuneration:

a) Basic Salary:

Current Basic Salary of ₹ 12,34,877/- per month and Medical Reimbursement of ₹ 1,250/- per month.

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

b) Benefits, Perquisites and Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

- Medclaim / Hospitalisation cover for self and family, two Company-maintained cars with drivers, reimbursement of mobile and telephone expenses and housing loan facility as per the Rules of the Company.
- Other perquisites and allowances including leave travel allowance and/or other allowances, personal accident insurance for self and club membership fees.
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- Leave and encashment of unavailed leaves as per the Rules of the Company.

c) Commission:

In addition to Salary, Benefits, Perquisites and Allowances, the Managing Director would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company, subject to maximum 1% of the net profits of the Company.

III) Minimum Remuneration:

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

IV) Other terms of Appointment:

- i. The Managing Director shall not become interested or otherwise concerned, directly or through his spouse and /or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deems fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.
- iii. The agreement may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- iv. All personnel policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director, unless specifically provided otherwise.
- v. The terms and conditions of appointment of the Managing Director also include a clause pertaining to adherence with the Principles of Conduct and Action and the Company's Code of Conduct, non-solicitation and maintenance of confidentiality.
- vi. No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committees thereof.
- vii. The Managing Director shall not be liable to retire by rotation.

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

None of the Directors or Key Managerial Personnel or their relatives except Mr. Anand Mahajan is concerned or interested in this resolution.

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

Item No. 6:

The Board, on the recommendations of the Nomination and Remuneration Committee, has appointed Mr. Laurent Guillot as an Additional Director with effect from 2nd February 2016.

As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160 of the Act proposing his candidature for the office of Director of the Company along with the requisite deposit.

A brief profile of Mr. Laurent Guillot is given below:

Mr. Laurent Guillot is a graduate of Ecole Polytechnique and Ecole Nationale des Ponts et Chaussees, with a post-graduate degree in Macroeconomics from Universite Paris I.

After serving the Government for a few years, Mr. Guillot joined Compagnie de Saint-Gobain in 2002 as Vice-President, Corporate Planning. Between 2004 and 2007, he held various positions within the High Performance Materials Sector of Saint-Gobain. In 2007, he was appointed General Delegate for Brazil, Argentina and Chile. He was the Saint-Gobain Group's Chief Financial Officer from 2009 to the end of 2015. In January 2016, Mr. Guillot was appointed as the President of High Performance Materials Sector of Saint-Gobain.

Further details of Mr. Laurent Guillot have been given in the Annexure to this Notice.

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

None of the Directors or Key Managerial Personnel or their relatives except Mr. Laurent Guillot is concerned or interested in this resolution.

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

Item No. 7:

The Board, on the recommendations of the Audit Committee, approved the appointment and remuneration of M/s. Rao, Murthy and Associates, Cost Accountants (Firm Registration No. 000065) as "Cost Auditors" of the Company, to conduct the audit of the cost records for the financial year ended 31st March 2017, 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 terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

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

The Board commends the Ordinary Resolution set out at Item No. 7 for approval by the Members.

By Order of the Board of Directors

K. VISWESWARAN
Company Secretary

Mumbai, 30th May 2016

Registered Office:

5th Level, Leela Business Park

Andheri-Kurla Road, Marol, Andheri (East)

Mumbai 400 059

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

E-mail: sharecmpt.gno@saint-gobain.com • Website: www.grindwellnorton.com

Corporate Identity Number: L26593MH1950PLC008163

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

Item Nos. 3, 5 and 6:

Particulars	Mr. Patrick Millot	Mr. Anand Mahajan	Mr. Laurent Guillot
Director Identification Number	00066275	00066320	07412302
Date of Birth	10 th September 1963	3 rd January 1953	5 th September 1969
Age	52 years	63 years	46 years
Date of first appointment on Board	6 th March 2006	6 th December 1988	2 nd February 2016
Qualifications	Graduate Degree in Engineering.	B.A. (Honours) in Economics from St. Xavier's College, Mumbai, Master's degree in Economics from the University of Bombay and MBA from Cornell University, USA.	Graduate Degree in Engineering from Ecole Polytechnique and Ecole Nationale des Ponts et Chaussees and Master Degree in Macroeconomics from Universite Paris I.
Expertise in specific functional area	Wide experience in various businesses of Saint-Gobain.	Wide experience in banking and management.	Wide experience in various businesses of Saint-Gobain and Corporate Planning.
Directorships held in other listed companies (excluding foreign companies and Section 8 companies)	Nil	- Saint-Gobain Sekurit India Limited - Unichem Laboratories Limited	Nil
Memberships/Chairmanships of committees of other listed companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Stakeholders Relationship Committee: Saint-Gobain Sekurit India Limited (Chairman)	Nil
Number of equity shares held in the Company	Nil	4,98,422	Nil

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

For other details such as number of meetings of the board attended during the year and remuneration drawn, please refer to the Corporate Governance Report.

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

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



Landmark: Near Jehangir Art Gallery

BOARD'S REPORT

The Members,

Your Directors present the 66th Annual Report of the Company along with the audited financial statements for the year ended 31st March 2016.

SO ALIVE @75

For seventy five years your Company has been a part of India's industrial development. This journey began in 1941 in the humble surroundings of the fishing village of Mora (across Mumbai's harbour). Over the years, your Company has been through several 'ups' and a few 'downs', has gained strength with each passing year and has witnessed sustained growth and success. This incredible journey was made possible by countless people and organisations who have been associated with Grindwell Norton Limited ("GNO") over the years, including its loyal customers, dealers, suppliers, service providers and, above all, its employees. GNO and its employees are energetic, innovative and spirited and this is reflected in your Company's theme for its 75th Anniversary: SO ALIVE @ 75. The Board believes that, with your continued support, your Company will sustain its growth and success and drive forward towards its centenary and beyond.

FINANCIAL HIGHLIGHTS

	(₹ in crores)			
	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Sale of Products (Gross)	1182.61	1144.06	1206.58	1168.58
Service & Other Operating Income	61.80	50.58	62.09	51.04
Less: Excise Duty	(85.96)	(84.25)	(85.96)	(84.25)
Revenue from Operations	1158.45	1110.39	1182.71	1135.37
Operating Profit	153.31	149.78	160.93	156.70
Interest	0.64	0.55	2.37	2.91
Profit before Tax	152.67	149.23	158.56	153.79
Provision for Tax	51.15	48.21	52.80	49.60
Profit for the year	101.52	101.02	105.76	104.19
Less: Share of Minority Interest	-	-	(1.15)	(0.98)
Profit for the year after Minority Interest	-	-	104.61	103.21
Surplus brought forwards	150.00	120.00	148.81	116.62
	251.52	221.02	253.42	219.83
Appropriations:				
Interim / Final Dividend	35.98	35.98	35.98	35.98
Tax on Interim / Final Dividend	7.33	7.33	7.33	7.33
Transfer to General Reserves	8.21	27.71	8.21	27.71
Surplus Carried to Balance sheet	200.00	150.00	201.90	148.81
	251.52	221.02	253.42	219.83

The Company proposes to transfer an amount of ₹ 8.21 crores to the General Reserve. An amount of ₹ 200 crores is proposed to be retained in the Statement of Profit and Loss.

DIVIDEND

The Board of Directors confirmed an interim dividend of ₹ 6.50 per equity share (previous year ₹ 6.50 per equity share), declared on 16th March 2016, as the final dividend for the financial year 2015-16. The dividend outgo, including dividend distribution of tax, was ₹ 43.31 crores (previous year ₹ 43.31 crores).

BONUS ISSUE

On the occasion of the Company's 75th Anniversary, the Board of Directors, at its meeting held on 30th May 2016, have recommended the issue of Bonus Shares in proportion of one fully paid equity share of ₹ 5/- (Rupees Five only) each for one fully paid equity share of ₹ 5/- (Rupees Five only) each.

OPERATIONS

For the fifth consecutive year, growth of the Index of Industrial Production ("IIP") was under 3%. In fact between 2010-11 and 2015-16, the IIP has increased from 165.5 to 181.6 (a compounded growth rate of barely 2%). Within the IIP, the compounded growth rate of the manufacturing sector has been less than 2% over 5 years (from 175.7 to 190.4), while the index for the mining sector is still below its level in 2010-11 (from 131.0 to 129.4). Your Company's overall sales growth over the last five years has similarly been low relative to earlier years. Decline in inflation over the last two years (thanks mainly to low global oil prices) and a relatively stable Rupee continued to provide respite for the industrial economy. Against this backdrop, during the year under review, your Company's sales and operating profit registered a modest increase of 3% and 2% respectively. The workers' union of the Bengaluru plant went on strike for a period of 20 days in November 2015 due to an impasse in the wage negotiations. The management had taken all steps to meet customer requirements during the strike period and there was no major impact on the financial performance of your Company due to the strike.

- **Abrasives**

The low growth of the manufacturing and mining sectors affected domestic volumes. Exports, however, witnessed strong growth. The business continued to focus on new products and new markets. With volume growth being low and with only a small improvement in price realization, higher manpower costs (partly one-time) and expenses caused a decline in operating margin.

- **Ceramics & Plastics**

The Silicon Carbide business had a very disappointing year. While domestic demand continued to be stable, but weak, exports saw a significant decline. Production at your Company's Tirupati Plant was affected due to disruption in power supply from Andhra Pradesh Gas Power Corporation Limited (on account of reduced availability of gas). Low-priced competition from Vietnam and China intensified. Consequently, production, sales and prices witnessed a sharp fall and caused operating profit and margin to decline. The High Performance Refractories business also had a difficult year with domestic demand and order flow being weak and exports being flat. An adverse product mix led to a decline in margins and profits. The Performance Plastics business had an excellent year with strong growth in sales and profits largely due to growth of the auto and life sciences market 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 sub-regulation (1)(c) of Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

FUTURE PROSPECTS

While the long term outlook of the economy is positive, the short term outlook is uncertain. Investment demand remains low. The order inflow, across businesses, is still muted and there is no pull from the channel. With inflation expected to remain low and the Rupee expected to depreciate gradually, there are hopes of a mild recovery. Under the circumstances, your Company's

management will continue to focus on growing exports, improving price realization and containing the rise in manpower costs and expenses even as it continues to invest in new products and new markets to sustain growth. As and when growth accelerates, your Company will benefit from the investments made in capacities and capabilities in recent years.

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, with one exception. The workers' union at your Company's plant at Bengaluru went on strike in November 2015 due to an impasse in the wage negotiations. The workers unconditionally resumed normal operations after 20 days and, subsequently, a new productivity-enhancing wage agreement was concluded. Earlier in the year, a new wage agreement was also concluded with the workers' union at Tirupati. At the end of the financial year, there were 1793 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 process. In order to improve 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 mandatory e-learning courses.

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

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

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

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

PARTICULARS OF EMPLOYEES

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

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

PUBLIC DEPOSITS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Consequent to their transfers to new positions within the Saint-Gobain Group, Mr. Guillaume Texier and Mr. Benoit d'Iribarne (Alternate Director to Ms. Marie-Armelle Chupin), resigned with effect from 2nd February 2016. The Directors place on record their appreciation of the valuable contribution made by them during their tenure as Directors.

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

Mr. Anand Mahajan was first appointed as the Managing Director of the Company on 1st April 1991. The Members had approved the last re-appointment of Mr. Anand Mahajan as the Managing Director of the Company for a period of five years from 1st April 2011 to 31st March 2016.

The Board, on the recommendations of the Nomination and Remuneration Committee, re-appointed Mr. Anand Mahajan as the Managing Director of the Company for a further period of five years with effect from 1st April 2016, subject to the approval of the Members.

On 2nd February 2016, Mr. Laurent Guillot, President, High Performance Materials Sector, was appointed as an Additional Director of your Company. Mr. Laurent Guillot is a graduate of Ecole Polytechnique and Ecole Nationale des Ponts et Chaussees, with a post-graduate degree in Macroeconomics from Universite Paris I. After serving the Government for a few years, Mr. Guillot joined Compagnie de Saint-Gobain in 2002 as Vice-President, Corporate Planning. Between 2004 and 2007, he held various positions within the High Performance Materials Sector of Saint-Gobain. In 2007, he was appointed General Delegate for Brazil, Argentina and Chile. He was the Saint-Gobain Group's Chief Financial Officer from 2009 to the end of 2015. In January 2016, Mr. Guillot was appointed as the President of High Performance Sector of Saint-Gobain.

The resolutions seeking approval of the Members for the appointment of Mr. Anand Mahajan and Mr. Laurent Guillot have been incorporated in the notice of the forthcoming Annual General Meeting of the Company along with brief details about them. The Company has received a notice under Section 160 of the Act along with the requisite deposit proposing the appointment of Mr. Laurent Guillot.

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 Regulation 16 of the Listing Regulations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD

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

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

COMMITTEES OF THE BOARD

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. that in the preparation of the annual financial statements for year ended 31st March 2016, 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 2016, and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual financial statements have been prepared on a 'going concern' basis;
- v. that proper internal financial controls are in place and that such internal financial controls are adequate and are operating effectively;
- vi. that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and are operating effectively.

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

DIRECTORS' APPOINTMENT AND REMUNERATION

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

ANNUAL EVALUATION OF PERFORMANCE BY THE BOARD

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

RELATED PARTY TRANSACTIONS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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 2015-16 is around 0.52% 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 and Analysis Report.

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

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

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

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

AUDITORS

a. Statutory Auditors

M/s. Kalyaniwalla & Mistry, Chartered Accountants, (Registration No 104607W), Statutory Auditors of your Company, who hold office till the conclusion of 66th 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 2016.

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 2016. The Secretarial Audit Report for the financial year ended 31st March 2016 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 Auditors' Report and by M/s. Parikh & Associates, Secretarial Auditor, in their Secretarial Audit Report.

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

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

As per Regulation 34, Schedule V of the Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and the Management Discussion and Analysis Report are annexed and forms 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, 30th May 2016

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

The Company has taken various measures to conserve energy and resources. One example is given below:

Measures	Impact
Second Biomass thermo Pac – fuel savings project	Utilising the heat generated by incineration of waste biomass in the furnace, to reduce the furnace oil consumption.

(B) Technology absorption:

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

- antibacterial scrubber
- premium cutting and grinding wheels

Improvements in:

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

3. Future plans of action:

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

Development and 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 2016:

	(₹ in crores)
(a) Capital	Nil
(b) Recurring	2.80
(c) Total	2.80
(d) Total R&D expenditure as % of Total turnover	0.25%

(C) Foreign exchange earnings and outgo:

Total earnings in foreign exchange for the financial year ended 31st March 2016 were ₹185.19 crores and the total outflow was ₹355.53 crores. Details are given in notes no. 20.2, 30, 32 and 33.

Annexure 2

PARTICULARS OF EMPLOYEES

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

- Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2015-16 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary:

Sr. No.	Name of the Director/ Key Managerial Personnel and Designation	Remuneration for the financial year ended 31 st March 2016 (₹ Lacs)	% of increase in remuneration in the financial year ended 31 st March 2016	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. Pradip Shah Chairman	13.60	25.9%	3
2.	Mr. Keki M. Elavia Non-Executive Independent Director	13.90	27.2%	3
3.	Mr. Mikhil Narang Non-Executive Director	22.70	-10.1%	5
4.	Mr. Shivanand Salgaocar Non-Executive Independent Director	11.80	25.8%	2.6
5.	Mr. Anand Mahajan Managing Director	416.07	11.3%	94
6.	Mr. Deepak Chindarkar Chief Financial Officer	115.46	9.4%	Not Applicable
7.	Mr. K. Visweswaran Company Secretary	49.51	14.9%	Not Applicable

- The percentage increase in the median remuneration of employees in the financial year was 12.5%. It may be noted that in the Company's case, the median remuneration is that of a unionised employee. A unionised employee's remuneration increases significantly in the year that a new wage agreement is concluded and, as such, the increase in median remuneration may vary significantly from year to year.
- The number of permanent employees on the rolls of the Company as on 31st March 2016 : 1793.
- The comparison between the average increase in remuneration of all employees and of the Key Managerial Personnel and the increase in key indicators of the Company performance are given below:

- Increase in Revenue and Profits of the Company:

Growth in Net Revenue	4.5%
Growth in Operating profit	2.3%
Growth in Profit after tax	0.5%

- Increase in remuneration:

Average increase in remuneration all employees	9.5%
Average increase in remuneration of Key Managerial Personnel	11.3%

- The average increase in remuneration is in line with market trends.

5. A few key indicators of the Company's performance and the performance of the Company's stock during last five years are given below:

Particulars	31 st March 2016	31 st March 2015	31 st March 2014	31 st March 2013	31 st March 2012
Revenue growth	4.3%	17.4%	-1.7%	4.1%	13.6%
Operating Profit growth	2.3%	24.5%	-11.9%	-8.5%	18.6%
Change in Market Capitalization	-2.1%	147.2%	21.0%	-15.8%	26.9%
Change in Price Earnings ratio	-2.6%	101.4%	43.6%	-10.7%	4.9%
Return on Capital Employed (ROCE)	22.0%	23.6%	20.8%	25.7%	31.6%

6. The Company's one and only Initial Public Offer ("IPO") was in 1983. An amount of ₹ 1,000/- invested in the said IPO would be worth ₹ 2.73 Lacs as on 31st March 2016 yielding a compounded annual return rate of 18.53%. This is excluding dividend payouts.
7. The key parameters for the variable component of remuneration paid to the Directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration policy.
8. There are no employees of the Company who received remuneration in excess of the highest paid Director of the Company.
9. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration policy of the Company.

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

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

Name	Age	Designation/ Nature of Duties	Remuneration (₹ in Lacs)	Qualification	Commencement of Employment	Last Employment	Total Experience (Years)
Employed throughout the Year							
Anand Mahajan	63	Managing Director	416.07	M.A. (Economics), MBA (USA)	June 1983	Project Consultant – State Bank of India	40
P. Natarajan	60	Head – New Business	133.75	B. Tech, PGDM (IIM)	April 2012	Managing Director – Sanmar Foundries Ltd	36
K. K. Prasad	53	Vice President – Ceramics & Plastics	166.00	B.Sc. (Engg.), PGDM (IIM)	May 1990	Mech. Engineer – Fact Ltd.	30
Hari Singudasu	48	General Manager – Bonded & Thin Wheels	100.41	ICWA, PGDBM – Management, Diploma-Finance	January 1998	Sr. Executive (Finance) – Larsen & Toubro Ltd	19
Anupama Vaidya	45	Vice President – HR	104.62	BCA, MBA (Symbiosis)	June 2012	Vice President – Human Resource Lodha Group	21
Aju Varghese	47	Chief Information Officer	78.59	M.Sc., PGDM, Advance Diploma	November 1993	Programmer – S. M. Dyechem Ltd.	25
Deepak Chindarkar	53	Vice President – Finance & IT	115.46	B.Tech., CWA, MBA	June 1987	None	29
Employed for part of the year							
M. R. Ramarathnam	67	Vice President – Projects	159.37	B.E. (Mech.), PRDN. MGT.	April 1982	Sr. Engineer – Ashok Leyland Ltd.	45
N Sreedhar	46	Vice President – Abrasives	46.97	ICWA, MPM	June 1994	Sr. Accts. Officer – Sunflag Iron & Steel Co. Ltd.	25
Samir Bou Obeid	44	Vice President – Abrasives	279.62	Chemical Engineer, Ecole Centrale Paris	June 2015	SEPR, France	21

Notes:

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

Annexure 3

NOMINATION AND REMUNERATION POLICY

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

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

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

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

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

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

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

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

The Remuneration Policy of the Company recognizes and is based on position and performance. It is aimed at attracting and retaining high-caliber talent. The quantum of an employee’s remuneration and its components varies across grades and is determined by industry practices and comparisons, qualifications, experience, responsibilities and performance. Most employees are covered by an incentive plan which is linked to 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: ₹ 135,05.11 Lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 270.10 Lacs

5. Details of CSR spent during the financial year:

- a. Total amount spent on CSR activities for the financial year was ₹ 70.86 Lacs. 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	70.86 Lacs	70.86 Lacs	–	124.98 Lacs	124.98 Lacs	–
	TOTAL					70.86 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 profit to the corpus of the SGIF. GNO is represented on the Board of SGIF and its management is involved in the working of SGIF.

7. In 2015-16, 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 90 children in three classes of Grade IV, V & VI at D.N. Nagar Municipal School, Mumbai.
- b. Aseema is a Mumbai-based NGO working for the rights of underprivileged children living in the streets and in slum communities. It supports poorly functioning municipal schools and helps improved students' learning. Saint-Gobain India Foundation is working with Aseema to improve education for a pre-primary class of 105 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 Bengaluru.

For **Grindwell Norton Limited**

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

ANAND MAHAJAN
Managing Director

KEKI M. ELAVIA
Chairman

Mumbai, 30th May 2016

Annexure 5

FORM No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

To,
The Members,
GRINDWELL NORTON LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

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

- a. Factories Act, 1948;
- b. Labour Laws and other incidental laws related to labour and employees;
- c. Industries (Development & Regulation) Act, 1991;
- d. Acts and rules prescribed under prevention and control of pollution;
- e. Acts relating to protection of IPR;
- f. Other local laws as applicable to various plants and offices.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, the Company has spent an amount of ₹ 70.86 lakhs against the amount of ₹ 270.10 lakhs to be spent during the year towards Corporate Social Responsibility.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no events have occurred during the year which have a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc referred to above.

For **PARIKH & ASSOCIATES**
COMPANY SECRETARIES

Place: Mumbai
Date: 30th May 2016

MITESH DHABLIWALA
Partner
FCS No: 8331 CP No: 9511

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

Annexure A

To,
The Members,
GRINDWELL NORTON LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **PARIKH & ASSOCIATES**
COMPANY SECRETARIES

Place: Mumbai
Date: 30th May 2016

MITESH DHABLIWALA
Partner
FCS No: 8331 CP No: 9511

Annexure 6

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Abrasives	23993	66.9%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individuals / HUF	4,114,352	0	4,114,352	7.43	4,114,352	0	4,114,352	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.	150,000	0	150,000	0.27	150,000	0	150,000	0.27	0.00
e. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other (Trust)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	4,264,352	0	4,264,352	7.70	4,264,352	0	4,264,352	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.	28,414,000	0	28,414,000	51.33	28,414,000	0	28,414,000	51.33	0.00
d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	28,414,000	0	28,414,000	51.33	28,414,000	0	28,414,000	51.33	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	32,678,352	0	32,678,352	59.03	32,678,352	0	32,678,352	59.03	0.00
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	5,348,383	0	5,348,383	9.66	7,267,197	0	7,267,197	13.13	3.47
b. Banks / FI	2,440	3,400	5,840	0.01	1,022	3,400	4,422	0.01	0.00
c. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. FIs	1,761,286	600	1,761,886	3.18	521,410	600	522,010	0.94	-2.24
h. Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i. Any Other (specify) - FPIs-CORP	425,907	0	425,907	0.77	1,670,316	0	1,670,316	3.02	2.25
Sub-total (B)(1):-	7,538,016	4,000	7,542,016	13.62	9,459,945	4,000	9,463,945	17.10	3.47
(2) Non-Institutions									
a. Bodies Corp.	2,461,916	7,000	2,468,916	4.46	2,273,851	7,000	2,280,851	4.12	-0.34
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b. Individuals			0	0.00					
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,531,396	692,109	4,223,505	7.63	3,422,414	660,485	4,082,899	7.38	-0.25
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6,209,857	43,920	6,253,777	11.30	5,655,112	0	5,655,112	10.22	-1.08
c. Other (specify)									
Non Resident Indian	1,374,008	800	1,374,808	2.48	537,377	5,500	542,877	0.98	-1.50
Trusts	818,626	0	818,626	1.48	655,964	0	655,964	1.18	-0.29
Sub-total (B)(2):-	14,395,803	743,829	15,139,632	27.35	12,544,718	672,985	13,217,703	23.88	-3.47
Total Public Shareholding(B)=(B)(1)+(B)(2)	21,933,819	747,829	22,681,648	40.97	22,004,663	676,985	22,681,648	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)	54,612,171	747,829	55,360,000	100.00	54,683,015	676,985	55,360,000	100.00	0.00

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2015			Shareholding at the end of the year i.e. 31.03.2016			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	% change in share holding during the year
	Saint-Gobain Group							
1.	Saint-Gobain Abrasives Inc.	14,817,760	26.77	0.00	14,817,760	26.77	0.00	0.00
2.	Societe De Participations Financieres et Industrielles	13,596,240	24.56	0.00	13,596,240	24.56	0.00	0.00
3.	Saint-Gobain India Private Limited	150,000	0.27	0.00	150,000	0.27	0.00	0.00
	Indian Promoters							
4.	Mrs. V. A. Mahajan	647,800	1.17	0.00	647,800	1.17	0.00	0.00
5.	Mrs. K. M. Narang	555,000	1.00	0.00	555,000	1.00	0.00	0.00
6.	Mr. Anand Mahajan	498,422	0.90	0.00	498,422	0.90	0.00	0.00
7.	Mrs. A. N. Sidhva	890,272	1.61	0.00	890,272	1.61	0.00	0.80
8.	Mr. Aakil A. Mahajan	402,079	0.73	0.00	402,079	0.73	0.00	0.00
9.	Ms. Ashaita A. Mahajan	381,779	0.69	0.00	381,779	0.69	0.00	0.00
10.	Mr. Mikhil M. Narang	335,500	0.61	0.00	335,500	0.61	0.00	0.00
11.	Mr. Danesh M. Narang	334,500	0.60	0.00	334,500	0.60	0.00	0.00
12.	Mr. Malvinder C. Narang	69,000	0.12	0.00	69,000	0.12	0.00	0.00
	Total	32,678,352	59.03	0.00	32,678,352	59.03	0.00	0.00

(iii) Change in Promoters' Shareholding: (please specify, if there is no change):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2015		Cumulative 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	There is no change in Promoter's Shareholding between 01.04.2015 to 31.03.2016.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)				
	At the end of the year				

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

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01.04.2015		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	SBI Magnum						
	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.,)	22-May-2015	Transfer	366,093	0.66	366,093	0.66
		12-Jun-2015	Transfer	75,000	0.14	441,093	0.80
		14-Aug-2015	Transfer	188,066	0.34	629,159	1.14
		28-Aug-2015	Transfer	58,395	0.11	687,554	1.24
		04-Sep-2015	Transfer	256,711	0.46	944,265	1.71
		11-Sep-2015	Transfer	10,094	0.02	954,359	1.72
		25-Sep-2015	Transfer	15,641	0.03	970,000	1.75
		08-Jan-2016	Transfer	130,000	0.23	1,100,000	1.99
		04-Mar-2016	Transfer	803,438	1.45	1,903,438	3.44
	At the end of the year			-	-	1,903,438	3.44

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01.04.2015		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
2.	HDFC Trustee Company Limited						
	At the beginning of the year			2,412,643	4.36	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	10-Apr-2015	Transfer	(6,825)	(0.01)	2,405,818	4.35
		17-Apr-2015	Transfer	(15,500)	(0.03)	2,390,318	4.32
		24-Apr-2015	Transfer	(5,009)	(0.01)	2,385,309	4.31
		30-Jun-2015	Transfer	(11,991)	(0.02)	2,373,318	4.29
		04-Aug-2015	Transfer	(815)	(0.00)	2,372,503	4.29
		07-Aug-2015	Transfer	(58,185)	(0.11)	2,314,318	4.18
		14-Aug-2015	Transfer	(183,071)	(0.33)	2,131,247	3.85
		11-Sep-2015	Transfer	(2,000)	(0.00)	2,129,247	3.85
		06-Nov-2015	Transfer	(23,500)	(0.04)	2,105,747	3.80
		05-Feb-2016	Transfer	(60,000)	(0.11)	2,045,747	3.70
		19-Feb-2016	Transfer	(35,747)	(0.06)	2,010,000	3.63
		04-Mar-2016	Transfer	(200,000)	(0.36)	1,810,000	3.27
	At the end of the year			-	-	1,810,000	3.27
3.	Sundaram Mutual Fund						
	At the beginning of the year			1,675,905	3.03	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	14-Aug-2015	Transfer	(1,289)	(0.00)	1,674,616	3.02
		28-Aug-2015	Transfer	9,711	0.02	1,684,327	3.04
		04-Sep-2015	Transfer	(20,113)	(0.04)	1,664,214	3.01
		04-Sep-2015	Transfer	20,402	0.04	1,684,616	3.04
		25-Sep-2015	Transfer	823	0.00	1,685,439	3.04
		30-Sep-2015	Transfer	129	0.00	1,685,568	3.04
		02-Oct-2015	Transfer	6,800	0.01	1,692,368	3.06
		09-Oct-2015	Transfer	17,776	0.03	1,710,144	3.09
		20-Nov-2015	Transfer	514	0.00	1,710,658	3.09
		08-Jan-2016	Transfer	(1,898)	(0.00)	1,708,760	3.09
		08-Jan-2016	Transfer	1,898	0.00	1,710,658	3.09
		04-Mar-2016	Transfer	(311,934)	(0.56)	1,398,724	2.53
		04-Mar-2016	Transfer	80,000	0.14	1,478,724	2.67
		11-Mar-2016	Transfer	(131)	(0.00)	1,478,593	2.67
		18-Mar-2016	Transfer	(3,400)	(0.01)	1,475,193	2.66
		24-Mar-2016	Transfer	(14,195)	(0.03)	1,460,998	2.64
		31-Mar-2016	Transfer	(6,590)	(0.01)	1,454,408	2.63
	At the end of the year			-	-	1,454,408	2.63
4.	UTI						
	At the beginning of the year			119,439	0.22	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	10-Apr-2015	Transfer	209	0.00	119,648	0.22
		01-May-2015	Transfer	6,000	0.01	125,648	0.23
		08-May-2015	Transfer	4,000	0.01	129,648	0.23
		15-May-2015	Transfer	1,242	0.00	130,890	0.24
		28-Aug-2015	Transfer	8,417	0.02	139,307	0.25
		04-Sep-2015	Transfer	3,280	0.01	142,587	0.26
		11-Sep-2015	Transfer	14,000	0.03	156,587	0.28
		06-Nov-2015	Transfer	6,000	0.01	162,587	0.29
		04-Dec-2015	Transfer	7,000	0.01	169,587	0.31
		11-Dec-2015	Transfer	24,079	0.04	193,666	0.35
		18-Dec-2015	Transfer	45,028	0.08	238,694	0.43
		25-Dec-2015	Transfer	20,739	0.04	259,433	0.47
		31-Dec-2015	Transfer	11,886	0.02	271,319	0.49
		01-Jan-2016	Transfer	4,832	0.01	276,151	0.50
		08-Jan-2016	Transfer	559,397	1.01	835,548	1.51
		22-Jan-2016	Transfer	60,330	0.11	895,878	1.62
		29-Jan-2016	Transfer	11,948	0.02	907,826	1.64
		05-Feb-2016	Transfer	233,224	0.42	1,141,050	2.06
		12-Feb-2016	Transfer	100,000	0.18	1,241,050	2.24
		19-Feb-2016	Transfer	36,046	0.07	1,277,096	2.31
		26-Feb-2016	Transfer	(21,269)	(0.04)	1,255,827	2.27

Sl. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year i.e. 01.04.2015		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
		26-Feb-2016	Transfer	63,058	0.11	1,318,885	2.38
		04-Mar-2016	Transfer	(311,250)	(0.56)	1,007,635	1.82
		04-Mar-2016	Transfer	5,000	0.01	1,012,635	1.83
		11-Mar-2016	Transfer	15,220	0.03	1,027,855	1.86
		18-Mar-2016	Transfer	574	0.00	1,028,429	1.86
	At the end of the year			-	-	1,028,429	1.86
5.	Goldman Sachs India Fund Limited						
	At the beginning of the year			786,424	1.42	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	05-Jun-2015	Transfer	17,156	0.03	803,580	1.45
		12-Jun-2015	Transfer	17,623	0.03	821,203	1.48
		26-Jun-2015	Transfer	3,885	0.01	825,088	1.49
		30-Jun-2015	Transfer	4,145	0.01	829,233	1.50
		03-Jul-2015	Transfer	12,130	0.02	841,363	1.52
	At the end of the year			-	-	841,363	1.52
6.	Amrit Petroleums Pvt Ltd						
	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.,)	10-Jul-2015	Transfer	626,040	1.13	626,040	1.13
		31-Dec-2015	Transfer	(626,040)	(1.13)	0	0.00
		31-Dec-2015	Transfer	626,040	1.13	626,040	1.13
	At the end of the year			-	-	626,040	1.13
7.	Nina G Bharucha						
	At the beginning of the year			585,568	1.06	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)		Nil movement during the year				
	At the end of the year			-	-	585,568	1.06
8.	Mayank Jashwantal Shah						
	At the beginning of the year			562,000	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				
	At the end of the year			-	-	562,000	1.02
9.	Gagandeep Credit Capital Private Limited						
	At the beginning of the year			523,344	0.95	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)	08-Jan-2016	Transfer	(523,344)	(0.95)	0	0.00
		08-Jan-2016	Transfer	523,344	0.95	523,344	0.95
	At the end of the year			-	-	523,344	0.95
10.	Nemish S Shah						
	At the beginning of the year			501,200	0.91	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.,)		Nil movement during the year				
	At the end of the year			-	-	501,200	0.91

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of theyear		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Anand Mahajan, Managing Director				
	At the beginning of the year	498,422	0.90		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	498,422	0.90
	At the end of the year	498,422	0.90		
2.	Mr. Mikhil Narang, Director				
	At the beginning of the year	335,500	0.61		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	335,500	0.61
	At the end of the year	335,500	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:

(₹ in Lacs)

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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
Change in Indebtedness during the financial year				
• Addition	Nil	299.61	Nil	299.61
• Reduction	Nil	226.55	Nil	226.55
Net Change	Nil	73.06	Nil	73.06
Indebtedness at the end of the financial year				
(i) Principal Amount	Nil	299.61	Nil	299.61
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total [(i)+(ii)+(iii)]	Nil	299.61	Nil	299.61

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Anand Mahajan (Managing Director)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	241.40	241.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22.78	22.78
	(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	151.89	151.89
	• others, specify	—	—
5.	Others, please specify	—	—
	Total (A)	416.07	416.07
	Ceiling as per the Act	5% of net profit	

B. Remuneration to other directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Pradip Shah	Shivanand Salgoacar	Keki M. Elavia	Mikhil Narang	
1.	Independent Directors					
	Fee for attending board/committee meetings	3.60	1.80	3.90	—	9.30
	Commission	10.00	10.00	10.00	—	30.00
	Others, please specify	—	—	—	—	—
	Total (1)	13.60	11.80	13.90	—	39.30
2.	Other Non-Executive Directors					
	Fee for attending board/committee meetings	—	—	—	2.70	2.70
	Commission	—	—	—	20.00	20.00
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	22.70	22.70
	Total (B) = (1+2)					62.00
	Total Managerial Remuneration					478.07
	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, Mr. Benoit d'Iribarne (Alternate Director to Ms. Marie-Armelle Chupin) and Mr. Laurent Guillot, Non-Executive Directors of the Company, who are employees of Saint-Gobain Group.

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

(₹ in 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	110.61	49.51	160.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.85	—	4.85
	(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 (A)	115.46	49.51	164.97

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ in Lacs)

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GENERAL REVIEW

Grindwell Norton Ltd (“GNO”) is one of the subsidiaries of Compagnie de Saint-Gobain (“Saint-Gobain”), a transnational group with its headquarters in Paris and with Sales of Euro 39.6 billion in 2015. Saint-Gobain’s businesses fall into four broad sectors of activity: Construction Products, Flat Glass, High Performance Materials and Building Distribution. GNO’s businesses are 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

In the first half of 2015-16, on a low base, the Index of Industrial Production (“IIP”) witnessed an increase, but this could not be sustained. Consequently, for the fifth consecutive year, the IIP grew by less than 3%. Although there are no signs of an imminent revival of industrial growth, continued low inflation, a relatively stable Rupee and the prospects of a good monsoon may combine to provide the trigger for a cyclical upturn.

ABRASIVES SEGMENT REVIEW

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

Development & Outlook

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

Low growth of the manufacturing and mining sectors over the last five years has significantly affected the Abrasives business. 2015-16 has been another year of sub 3% growth for these sectors. There was little or no improvement in investment demand and in project activity. Consequently, volume growth was much below the previous year and below expectations. The growth was mainly on account of new products and new markets (including export markets). While efforts were made to increase product prices, in a competitive and low-growth market, success was limited and the increase was below expectations. The business is yet to recover the significant cost increases of 2013 and 2014. Under these circumstances, the business delivered a reasonable performance with improvements in several areas.

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

Looking ahead, while there is still no visibility on an industrial revival in India and while the forecast for the global economy is grim, the outlook for the Abrasive business in 2016-17 is somewhat positive. The business will focus on growing volumes (new products, new markets – domestic and export) and on increasing prices while continuing to focus on operational excellence, implementing various marketing programmes and The Next Level initiatives.

Risks & Concerns

- (i) **Industry & Market:** The Abrasives business caters to a number of industries such as Steel, Automobiles, Auto Components, General Metal Fabrication and Woodworking. The dependence on any single industry segment is less than 15%. Demand for Abrasive products can get affected if all sub-segments of the industry perform badly at the same time (as has been the case in the last few years). Normally, this happens in an economic slowdown. There are a number of large customers serviced directly and there are several dealers to service small and medium customers. The largest customer, accounts for less than 3% of the total sales and the largest dealer, 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

The Silicon Carbide business had a very disappointing year. Domestic demand for SiC continued to be stable, but weak. The business lost market share to imports (primarily from Vietnam). Exports also saw a significant decline. This was partly due to weak European demand and also due to the weakness of the Euro. The depreciation of the Euro also had an impact on export margins. The availability of low priced imports from Vietnam and China put increasing downward pressure on domestic prices. On the supply side, production at your Company's Tirupati Plant was affected by the disruption in power supply from Andhra Pradesh Gas Power Corporation Limited (on account of reduced availability of gas). Consequently, production, sales and prices witnessed a sharp fall and caused operating profit and margin to decline.

Although from an external perspective, the outlook for the business in 2016-17 is uncertain, the worst seems to be over. The supply situation should improve, demand and prices are unlikely to fall further and the Euro has gained strength in recent weeks. All this should mean that the business results should improve in 2016-17. The focus in 2016-17 will be on price and cost management. In the medium term, the business needs to find an economically viable source of crude to grow.

Risks & Concerns

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

(ii) HIGH PERFORMANCE REFRACTORIES ("HPR")

Products / Plants

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

Industry

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

Development & Outlook

2015-16 was a difficult year for the business as investment in many sectors remained muted and because the foundry segment (secondary steel making) remained in the doldrums for most of the year. Several growth opportunities (mostly in export markets) have, however, been identified and developed and 2016-17 is expected to be a better year for the business.

Risks & Concerns

The lack of new investments will adversely impact growth. Product acceptance and competitive pricing will be critical in export markets.

(iii) PERFORMANCE PLASTICS ("PPL")

Product, Plant & Industry

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

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

GNO has a plant for ENC and FLS 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 Automotive and Life Sciences segments. The Oil & Gas segment, which saw strong growth in the previous year, declined as the year progressed. One of the key markets for the Plastics business is the automotive passenger vehicle market which witnessed growth in 2015-16. The focus has been on defending our high share in conventional applications, while trying to grow with new applications. The main aim of the business in 2016-17 would be to strengthen its position in existing markets while accelerating growth in new markets in the industrial, life sciences and construction segments. On the operations front, plans are being made to accelerate localization initiatives and to improve the cost position of the business in key growth segments.

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

Risks & Concerns

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

Risks & Concerns – Others

1. Financial

GNO's financial management has always been governed by prudent policies, based on conservative principles. 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 RESOURCE

During the year the focus has been on implementation of HR initiatives in order to promote Employee engagement and People development (for example, "RAINBOW" and "REFLECTIONS" programmes aimed at improving people management and leadership development skills). GNO continued to invest in training people in Environment, Health and Safety and World Class Manufacturing and to provide an environment in which employees can give their best and realize their full potential.

OVERALL PERFORMANCE

For the fifth consecutive year, growth of the Index of Industrial Production was under 3%. Against this backdrop, during the year under review, your Company's sales and operating profit registered a modest increase of 3% and 2% respectively.

INTERNAL CONTROL SYSTEM

GNO has an effective internal control environment which ensures that the businesses and operations are managed efficiently and effectively, assets are safeguarded, regulatory requirements are complied with and transactions are recorded after appropriate 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. The segments are Abrasives and Ceramics & Plastics.

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

Composition:

As on 31st March 2016, the Company has nine directors. Of the nine Directors, eight are non-executive directors and three are independent directors. The Chairman of the Board is an independent, non-executive director.

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

None of the directors on the Board hold directorships in more than twenty companies or in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a director. Necessary disclosures regarding committee positions in other public companies as on 31st March 2016 have been made by the directors. None of the directors are related to each other.

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

Meetings of the Board:

Six 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:

14th May 2015; 4th August 2015; 29th October 2015; 9th December 2015; 2nd February 2016 and 16th March 2016.

Necessary quorum was present for all the meetings.

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

The names and category of the directors, their attendance at Board meetings held during the year and number of directorships and committee chairmanships/memberships held by them in other public and private companies as on 31st March 2016 are given hereafter:

Name of the Director	Category	Number of Board Meetings during the year 2015-16		Whether attended last AGM held on 4 th August 2015	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	6	6	Yes	9	7	1	7
Ms. Marie-Armelle Chupin DIN 00066499	Non-Executive	6	1	No	1	–	–	–
Mr. Keki M. Elavia DIN 00003940	Independent, Non-Executive	6	6	Yes	10	3	5	4
Mr. Benoit d'Iribarne** DIN 01610383	Non-Executive, Alternate Director	5	–	No	1	–	–	–
Mr. Jean-Pierre Floris DIN 02504627	Non-Executive	6	1	No	1	–	–	–
Mr. Patrick Millot DIN 00066275	Non-Executive	6	1	No	1	–	–	–
Mr. Mikhil Narang DIN 02970255	Promoter, Non-Executive	6	6	Yes	1	1	–	1
Mr. Shivanand Salgaocar DIN 00001402	Independent, Non-Executive	6	4	Yes	1	17	1	–
Mr. Guillaume Texier** DIN 05103331	Non-Executive	5	–	No	1	–	–	–
Mr. Laurent Guillot*** DIN 07412302	Non-Executive	2	–	NA	1	–	–	–
Mr. Anand Mahajan DIN 00066320 (Managing Director)	Promoter, Executive	6	6	Yes	4	4	1	2

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

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

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

** Resigned as the director w.e.f 2nd February 2016.

*** Appointed as an additional director w.e.f. 2nd February 2016.

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

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

Terms of Reference:

- To act in accordance with the terms of reference specified in writing by the Board.
- To recommend the appointment, re-appointment and if required, the replacement or removal of the various auditors of the Company and the remuneration and terms of appointment thereof.
- To approve payment to statutory auditors for any other services rendered by the statutory auditors.
- To review and monitor the auditor's independence and performance, and effectiveness of the audit process.
- To examine the financial statement and the auditors' report thereon.

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

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

Composition:

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

Name	Category	Number of meetings during the financial year 2015-16	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	4	4
Mr. Pradip Shah	Independent, Non-Executive	4	4
Mr. Anand Mahajan	Promoter, Executive	4	4

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

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

Mr. Keki M. Elavia, Chairman of the committee was present at the previous Annual General Meeting (“AGM”) of the Company held on 4th August 2015.

Meetings of the Audit Committee:

During the year ended 31st March 2016, four audit committee meetings were held. The dates on which the said meetings were held are as follows:

14th May 2015; 4th August 2015; 29th October 2015 and 2nd February 2016.

Necessary quorum was present for all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

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

Terms of Reference:

- To formulate criteria for appointment of directors and remuneration including criteria for determining qualification, positive attributes and independence of a director.
- To formulate evaluation criteria for assessment of performance of Board and its committees.
- To formulate, review and recommend nomination and remuneration policy to the Board.
- To recommend to the Board, the commission payment to non-whole time directors (other than the nominee directors of Compagnie de Saint-Gobain ("CSG")) and to the executive directors.
- To identify candidates who are qualified to become directors or who may be appointed in senior management positions and recommending to the Board their appointment and/or removal.
- To review and determine all elements of the remuneration package of executive directors.
- Such other matters as the Board may, from time to time, request the committee to examine and recommend/ approve.

Composition:

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

Name	Category	Number of meetings during the financial year 2015-16	
		Held	Attended
Mr. Keki M. Elavia (Chairman)	Independent, Non-Executive	2	2
Mr. Pradip Shah	Independent, Non-Executive	2	2
Mr. Jean-Pierre Floris	Non-Executive	2	–

Meetings of the Nomination and Remuneration Committee:

Two meetings of the Nomination and Remuneration Committee was held during the year on 14th May 2015 and 16th March 2016.

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's Report.

Performance evaluation criteria for Independent Directors:

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

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

Apart from receiving director's sitting fees and commission, the non-executive directors of the Company do not have any pecuniary relationships or transactions with the Company.

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

Details of the Remuneration to the Directors for the financial year ended 31st March 2016 are given below:

Executive Directors:

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

Mr. Anand Mahajan: ₹ 416. 07 Lacs

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

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

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

Services of the Managing Director may be terminated by either party, giving the other party six months' notice or the company paying six months' remuneration in lieu thereof. There is no separate provisions for payment of severance fees.

(iv) Stock Option:

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

Non-Executive Directors:

The non-executive directors other than the nominee directors of CSG are paid a sitting fee of ₹ 30,000/- 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	3.60	10.00	13.60
Mr. Keki M. Elavia	3.90	10.00	13.90
Mr. Shivanand Salgaocar	1.80	10.00	11.80
Mr. Mikhil Narang	2.70	20.00	22.70

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.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Composition:

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

Name	Category	Number of meetings during the financial year 2015-16	
		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:

Two meetings of the stakeholders relationship committee were held during the year on 4th August 2015 and 2nd February 2016.

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 2015-16 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	1	1	0

D. CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

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

Composition:

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

Name	Category	Number of meetings during the financial year 2015-16	
		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 CSR committee was held during the year on 14th May 2015.

E. RISK MANAGEMENT COMMITTEE

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

Composition:

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

Name	Category	Number of meetings during the financial year 2015-16	
		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 2nd February 2016.

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 16th March 2016 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
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
4 th August 2015 at 3:00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001	None

(b) Postal Ballot:

No Postal Ballot was conducted during the year 2015-16. No Special Resolutions was passed by the Company in any of its previous three AGMs.

5. MEANS OF COMMUNICATION

Quarterly Financial Results and Publications:

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

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

6. GENERAL SHAREHOLDERS' INFORMATION

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

Day & Date	:	Thursday, 28 th July 2016
Time	:	3.00 p.m.
Venue	:	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001

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

Calendar of Financial Results for 2016-17:

(i) First Quarter Results	:	July/August 2016
(ii) Half-yearly Results	:	October/November 2016
(iii) Third Quarter Results	:	January/February 2017
(iv) Results for the year ending 31 st March 2017	:	May 2017

(c) Listing on Stock Exchange(s):

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

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

The annual listing fees of BSE and NSE have been paid for the year 2016-2017.

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

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

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

L26593MH1950PLC008163

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

Month	NSE		BSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	Sensex High	Sensex Low
April 2015	756.25	652.65	757.20	646.75	29044.44	27011.31
May 2015	718.85	668.05	715.90	668.30	27957.50	26599.11
June 2015	786.05	693.10	789.45	700.40	27895.97	26370.98
July 2015	774.05	722.55	771.70	720.55	28504.93	27459.23
August 2015	790.90	740.00	796.70	729.05	28298.13	25714.66
September 2015	760.45	723.20	761.80	721.45	26218.91	24893.81
October 2015	813.45	731.00	812.05	728.10	27470.81	26220.95
November 2015	746.00	709.65	744.50	713.65	26590.59	25482.52
December 2015	769.50	710.40	763.75	714.70	26169.41	25036.05
January 2016	750.35	672.85	750.55	671.40	26160.90	23962.21
February 2016	713.25	596.15	719.10	587.35	24824.83	22951.83
March 2016	716.80	595.35	710.30	597.10	25341.86	23779.35

(g) Registrars and Transfer Agents:

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

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

a. Branches of TSRDL:

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

b. Agent of TSRDL:

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

(h) Share Transfer System:

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

(i) Shareholding Pattern as on 31st March 2016:

Category	Number of Shareholders	Number of Shares	Percentage
Promoters:			
Foreign	2	28,414,000	51.33
Indian	18	4,264,352	7.70
Insurance Companies & Banks	8	4,422	0.01
UTI & Mutual Funds	41	7,267,197	13.13
NRIs, OCBs FIIs and FPI	297	2,735,203	4.94
Domestic Companies and Trusts	258	2,936,815	5.30
Resident Individuals	12,345	9,738,011	17.59
Total	12,969	55,360,000	100.00

(j) Distribution of Shareholdings:

Number of Equity Shares	Number of Shares	Percentage of Capital	Number of Shareholders	Percentage of total Shareholders
Upto 250	894,368	1.61	8,913	68.74
251 to 500	997,520	1.80	2,541	19.59
501 to 1000	596,085	1.08	771	5.94
1001 to 5000	1,127,519	2.04	531	4.09
5001 to 10000	471,307	0.85	65	0.50
10001 to 100000	3,614,626	6.53	92	0.71
100001 and above	47,658,575	86.09	56	0.43
Total	55,360,000	100.00	12,969	100.00

(k) Dematerialisation of shares and liquidity:

98.78% of the paid-up capital has been dematerialised as on 31st March 2016.

(l) 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 2016, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

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

(n) Plant Locations:

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

(o) Address for correspondence:

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

7. DISCLOSURES

(a) **Materially Significant Related Party Transactions:**

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. Transactions with related parties, as per the requirements of Accounting Standard (AS) – 18, are disclosed in Note 36 of Notes forming part of financial statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link:

<http://www.grindwellnorton.co.in/PolicyonRelatedPartyTransactions.html>

(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, 2012-13, 2013-14 and 2014-15.

(c) **Whistle Blower Policy and Vigil Mechanism:**

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

(d) **Mandatory and Non-mandatory requirements:**

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

- (i) The financial statements of the Company are unmodified.
 - (ii) The position of Chairman and Managing Director are separate.
 - (iii) The Internal Auditor directly reports to the Audit Committee.
- (e) The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary company. The minutes of the board meetings of the unlisted subsidiary company are periodically placed before the board of directors of the Company. The Company has a subsidiary incorporated in Bhutan. However, it is not a material subsidiary in terms of the Regulation 16(1)(c) of the Listing Regulations.
- (f) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

8. PROMOTERS' GROUP

i. **Indian Promoters:**

- Mrs. 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 India Private Limited (erstwhile Saint-Gobain Glass India Limited)
- (b) Saint-Gobain India Foundation (Section 25 Company)
- (c) Saint-Gobain Sekurit India Limited
- (d) Saint-Gobain Research India Private Limited

9. OTHER INFORMATION

(a) CEO/CFO certification :

Pursuant to the provisions of Regulation 17(8), Part B of Schedule II of Listing Regulations, the Managing Director ("CEO") and the Vice President-Finance & IT ("CFO") have issued a certificate to the Board of directors, for the financial year ended 31st March 2016.

(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 2016.

For **Grindwell Norton Limited**

ANAND MAHAJAN
Managing Director

Mumbai, 30th May 2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
GRINDWELL NORTON LIMITED

We have examined the compliance of conditions of Corporate Governance by Grindwell Norton Limited ("the Company") for the year ended March 31, 2016, as stipulated in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the 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 Obligations and Disclosure Requirements

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

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

Date: 30th May 2016
Place: Mumbai

ERMIN K. IRANI
Partner
(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 Standalone Financial Statements of **GRINDWELL NORTON LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and 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 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 standalone financial position, standalone financial performance and standalone 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone 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 Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone 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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 29 to the Standalone 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 Reg.No. 104607W

Ermin K. Irani
Partner
Membership No.: 35646

Place: Mumbai
Dated: May 30, 2016.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2016.

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the company.
- ii. The Physical Verification of the inventory has been conducted at reasonable intervals by the Management. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. The Company has granted unsecured loans to one party covered in the register maintained under section 189 of the Act.
 - (a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
 - (b) The payment of principal amount and interest are regular.
 - (c) There is no overdue amount in respect of loans granted to the party listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us and the records examined by us, in respect investments and guarantees, provisions of the section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India, for maintenance of cost records under sub section (1) of section 148 of the Act, and are of the opinion that, prima facie the prescribed accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2016, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax outstanding on account of any dispute except:

Name of Statute	Name of Dues	Amount (Rs. Lakh)	Period to which the Amount Relates	Forum where dispute is pending
Central Sales Tax Act, 1956, and State Sales Tax / VAT Acts	Sales Tax	271.05	1995-1996 to 2010 -2011	Deputy Commissioner (Appeals) / Joint Commissioner (Appeals) / Additional Commissioner (Appeals) / Commissioner (Appeals)
Central Excise Act, 1944.	Excise Duty	259.67	1999-2000 to 2014-15	Commission (Appeals) / Tribunal / Supreme Court
Customs Act, 1962	Custom Duty	101.09	2014-15 to 2015-16	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)

- viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions, government or debenture holders.
- ix. The Company has not raised money through initial public offer or further public offer and term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.
- x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company, has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence, the provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of paragraph 3 (xvi) of the Order are not applicable.

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

Ermin K. Irani
Partner
Membership No.: 35646

Place: Mumbai
Dated: May 30, 2016.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2016.

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

We have audited the internal financial controls over financial reporting of **GRINDWELL NORTON LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by “the Institute of Chartered Accountants of India”

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

Ermin K. Irani
Partner
Membership No.: 35646

Place: Mumbai
Dated: May 30, 2016.

BALANCE SHEET AS AT 31st MARCH, 2016

	Notes	(₹ Lacs)	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2	27,68.00		27,68.00
Reserves and Surplus	3	644,19.68	671,87.68	589,34.07
				617,02.07
NON-CURRENT LIABILITIES				
Deferred Tax Liability (Net)	4	20,56.18		21,45.92
Other Long Term Liabilities	5	7,72.69		6,08.35
Long Term Provisions	6	10,48.24	38,77.11	10,70.79
				38,25.06
CURRENT LIABILITIES				
Short Term Borrowings	7	2,99.61		2,26.55
Trade Payables	8	—		6.27
Total outstanding due of Micro Enterprises and Small Enterprises		84,03.43		85,53.40
Total outstanding due of creditors other than Micro Enterprises and Small Enterprises				
Other Current Liabilities	9	158,33.50		113,59.21
Short Term Provisions	10	12,88.70		53,68.94
			258,25.24	255,14.37
			968,90.03	910,41.50
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets	11			
Tangible Assets		313,85.53		323,36.86
Intangible Assets		2,46.39		3,38.23
Capital Work In Progress		13,01.61	329,33.53	6,68.54
				333,43.63
Non-Current Investments	12		60,49.16	55,49.16
Long Term Loans & Advances	13		24,29.65	21,86.73
Other Non-Current Assets	14		—	—
CURRENT ASSETS				
Inventories	15	234,91.22		212,83.77
Trade Receivables	16	142,17.59		125,71.28
Cash & Bank Balances	17	120,63.38		113,11.06
Short-Term Loans & Advances	18	38,36.42		38,19.44
Other Current Assets	19	18,69.08		9,76.43
			554,77.69	499,61.98
			968,90.03	910,41.50
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 and on behalf of Board of Directors of
Grindwell Norton Limited

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

PRADIP SHAH

Chairman

DIN 00066242

ANAND MAHAJAN

Managing Director

DIN 00066320

ERMIN K. IRANI
Partner

DEEPAK CHINDARKAR

Chief Financial Officer

Membership No. 35646

K. VISWESWARAN

Company Secretary

Mumbai: 30th May, 2016

Mumbai: 30th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

	Notes	(₹ Lacs)	(₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
INCOME					
Revenue from Operations (Gross)			1,244,41.20		1,194,64.13
Less: Excise Duty			(85,96.09)		(84,24.88)
				1,158,45.11	1,110,39.25
Other Income				22,84.02	20,02.08
Total Revenue	20			1,181,29.13	1,130,41.33
EXPENSES					
Cost of Materials Consumed	21		443,16.25		428,08.50
Purchases of Trading Goods	22		86,17.19		83,86.84
Changes in Inventories of Finished Goods, Work-In-Process and Trading Goods	23		(14,09.61)		(9,01.80)
Employee Benefits Expense	24		150,53.76		130,60.13
Finance Costs	25		63.98		55.58
Depreciation / Amortisation Expense	11	36,36.26			35,50.72
Less: Transfer from Revaluation Reserve		(16.74)			(16.74)
			36,19.52		35,33.98
Other Expenses	26		326,00.61		311,75.03
				1,028,61.70	981,18.26
Profit Before Tax				152,67.43	149,23.07
Tax Expenses:					
(1) Current Tax			52,05.19		47,38.24
(2) Deferred Tax			(89.74)		82.34
				51,15.45	48,20.58
Profit for the year				101,51.98	101,02.49
Basic & Diluted Earnings Per Share (in ₹)	27			18.34	18.25
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 and on behalf of Board of Directors of
Grindwell Norton Limited

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

PRADIP SHAH

Chairman

DIN 00066242

ANAND MAHAJAN

Managing Director

DIN 00066320

ERMIN K. IRANI
Partner

DEEPAK CHINDARKAR

Chief Financial Officer

Membership No. 35646

K. VISWESWARAN

Company Secretary

Mumbai: 30th May, 2016

Mumbai: 30th May, 2016

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 & 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.

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 are 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 Rs. 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 or fair value.

Inventories:

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

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

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

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

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 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 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 2.3)

As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ 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.

Total

As at 31st March, 2016		As at 31st March, 2015	
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%

Note : 2.2

There is no movement in the number of shares outstanding during the year ended 31st March 2015 & year ended 31st March 2016.

Note : 2.3

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 3

RESERVES & SURPLUS

1. SECURITIES PREMIUM ACCOUNT

As per last Balance Sheet

34,82.82 34,82.82

2. REVALUATION RESERVE

As per last Balance Sheet

3,35.34 3,52.08

Less: Transfer to Depreciation

(16.74) (16.74)

Less: Adjusted against Gross Block of Fixed Assets (Refer note 11.1)

(3,18.60) —

— 3,35.34

3. GENERAL RESERVE

As per last Balance Sheet

401,15.91 375,25.05

Less: Adjustment as per Schedule II of Companies Act, 2013
(Refer note 11.2)

— (1,80.60)

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

8,20.95 27,71.46

409,36.86 401,15.91

4. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS

As per last Balance Sheet

150,00.00 120,00.00

Add: Net Profit for the current year

101,51.98 101,02.49

Less: Appropriations :

Dividend

(35,98.40) (35,98.40)

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

Dividend Distribution Tax

(7,32.63) (7,32.63)

Transfer to General Reserve

(8,20.95) (27,71.46)

200,00.00 150,00.00

644,19.68 589,34.07

Note : 4

DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability:

Depreciation on Fixed Assets

33,54.13 31,29.70

Deferred Tax Asset:

Provision for Doubtful Debts and Advances

(1,25.11) (1,02.85)

Others

(11,72.84) (8,80.93)

20,56.18 21,45.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 5

OTHER LONG TERM LIABILITIES

Trade / Security Deposits	7,47.50	5,94.97
Other Liabilities	25.19	13.38
	7,72.69	6,08.35

Note : 6

LONG TERM PROVISIONS

Compensated Absence (Refer Note 10.1)	10,48.24	10,70.79
---------------------------------------	-----------------	----------

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 an interest rate of 10% per annum as per the terms agreed upon between the Company and the Bank)		
Overdraft from Deutsche Bank	2,99.61	—
(At an interest rate of 9.15% per annum)	2,99.61	2,26.55

Note : 8

TRADE PAYABLES

Total outstanding due of Micro Enterprises and Small Enterprises (Refer Note 8.1)	—	6.27
Total outstanding due of creditors other than Micro Enterprises and Small Enterprises	84,03.43	<u>85,53.40</u>
	84,03.43	85,59.67

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, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
Principal amount due and remaining unpaid	—	6.27
Interest due on above and the unpaid interest	—	0.03
Interest paid	—	—
Payment made beyond the appointed day during the year	1,40.69	69.97
Interest due and payable for the period of delay	2.07	1.11
Interest accrued and remaining unpaid	—	2.93
Amount of further interest remaining due and payable in succeeding years	—	2.93

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 9

OTHER CURRENT LIABILITIES

	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
Trade / Security Deposits	52.05	1,43.36
Unclaimed Dividend *	1,38.96	85.82
Commission due to Directors	2,10.27	1,98.92
Statutory Liabilities	19,07.52	16,61.03
Gratuity Obligation	5,25.90	69.14
Other Liabilities	129,98.80	92,00.94
	158,33.50	113,59.21

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

Note : 10

SHORT TERM PROVISIONS

Income Tax (Net of Advance Tax)	8,65.92	5,98.62
Dividend Distribution Tax	—	7,32.63
Proposed Dividend	—	35,98.40
Compensated Absence (Refer Note 10.1)	4,22.78	4,39.29
	12,88.70	53,68.94

Note : 10.1

Details of Provision for Compensated Absence

Opening Balance - Long Term	10,70.79	10,96.90
Opening Balance - Short Term	4,39.29	3,61.72
Provision made during the year	1,92.19	2,18.46
Utilisation during the year	(2,31.25)	(1,67.00)
Closing Balance - Long Term	10,48.24	10,70.79
Closing Balance - Short Term	4,22.78	4,39.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 11 FIXED ASSETS

(₹ Lacs)

ASSETS	GROSS BLOCK					DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 01.04.2015	Additions	Adjustments (Note 11.1)	Deductions	As at 31.03.2016	Upto 01.04.2015	Trf to General Reserve (Note 11.2)	For the Year	Adjustments (Note 11.1)	On Sales	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS													
Land - Freehold	19,01.35	—	1,52.44	—	17,48.91	—	—	—	—	—	—	17,48.91	19,01.35
Land - Leasehold	96.52	—	—	—	96.52	18.11	—	0.97	—	—	19.08	77.44	78.41
Buildings #	128,65.20	3,43.63	6,25.51	0.14	125,83.18	27,48.05	—	3,70.41	4,60.09	0.14	26,58.23	99,24.95	101,17.15
Leasehold Improvements	6,67.70	0.41	—	—	6,68.11	1,23.74	—	43.61	—	—	1,67.35	5,00.76	5,43.96
Plant & Machinery	325,22.78	19,86.60	2,40.51	3,20.97	339,47.90	140,53.83	—	25,14.98	2,39.77	2,35.09	160,93.95	178,53.95	184,68.95
Electrical Installations Equipments	9.26	27.14	—	—	36.40	0.05	—	2.63	—	—	2.68	33.72	9.21
Laboratory Equipments	35.03	51.95	—	—	86.98	0.73	—	6.12	—	—	6.85	80.13	34.30
Computers	17,23.92	2,77.48	—	0.93	20,00.47	14,66.58	—	1,88.08	—	0.93	16,53.73	3,46.74	2,57.34
Furniture & Fixtures	13,25.70	53.36	—	2.04	13,77.02	7,22.68	—	1,48.04	—	1.91	8,68.81	5,08.21	6,03.02
Office Equipments	8,65.96	90.58	—	22.46	9,34.08	6,52.99	—	1,14.01	—	22.21	7,44.79	1,89.29	2,12.97
Vehicles	2,10.03	61.71	—	50.71	2,21.03	99.83	—	26.26	—	26.49	99.60	1,21.43	1,10.20
Sub-Total	522,23.45	28,92.86	10,18.46	3,97.25	537,00.60	198,86.59	—	34,15.11	6,99.86	2,86.77	223,15.07	313,85.53	323,36.86
INTANGIBLE ASSETS													
Computer Software	5,35.80	1,29.31	—	—	6,65.11	3,88.21	—	89.42	—	—	4,77.63	1,87.48	1,47.59
Goodwill	3,23.92	—	—	—	3,23.92	2,75.12	—	32.46	—	—	3,07.58	16.34	48.80
Technical Know How	3,54.29	—	—	—	3,54.29	3,54.29	—	—	—	—	3,54.29	—	—
Trade Marks	2,03.95	—	—	—	2,03.95	1,79.98	—	20.44	—	—	2,00.42	3.53	23.97
Non-Compete Fees & Marketing Network	7,86.69	—	—	—	7,86.69	6,68.82	—	78.83	—	—	7,47.65	39.04	1,17.87
Sub-Total	22,04.65	1,29.31	—	—	23,33.96	18,66.42	—	2,21.15	—	—	20,87.57	2,46.39	3,38.23
Total	544,28.10	30,22.17	10,18.46	3,97.25	560,34.56	217,53.01	—	36,36.26	6,99.86	2,86.77	244,02.64	316,31.92	
Previous Year's 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
CAPITAL WORK IN PROGRESS												13,01.61	6,68.54
												329,33.53	333,43.63

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 decided to follow the Accounting for Fixed asset at historical cost as per the amended Accounting Standard - 10. Accordingly, Revaluation Reserve of ₹ 3,18.60 lacs is adjusted against the carrying amount of the fixed asset as on 31st March, 2016.

Note : 11.2

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Nos.	Face Value (₹)	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ 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.	25,00,000	10	24,99.99	24,99.99
Saint-Gobain Research India Pvt. Ltd.	40,25,853	10	11,65.11	6,65.11
	(27,87,924)	(10)		
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
			60,49.16	55,49.16
NOTES :				
1. COST				
Quoted			74.33	74.33
Unquoted			59,74.83	54,74.83
2. MARKET VALUE				
Quoted			82.33	81.59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 13

LONG TERM LOANS AND ADVANCES

(Refer Note 18.1)

(Unsecured and considered good)

	(₹ Lacs)	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
Capital Advances		5,50.09	2,53.80
Advance Tax (Net of Provision for Income Tax)		5,99.90	7,27.59
Loan due from Director of the Company		80.00	60.00
Deposits		7,64.51	7,56.96
Advances recoverable in cash or in kind		4,35.15	3,88.38
<u>(Unsecured and considered doubtful)</u>			
Advances recoverable in cash or in kind	40.49		40.49
Less: Provision for doubtful advances	(40.49)		(40.49)
		—	—
		<u>24,29.65</u>	<u>21,86.73</u>

Note : 14

OTHER NON-CURRENT ASSETS

Trade Receivables

(Unsecured and considered doubtful)

Overdue by six months		2,54.55	1,44.53
Others		96.36	1,20.26
		3,50.91	2,64.79
Less: Provision for doubtful debts		(3,50.91)	(2,64.79)
		—	—
		<u>—</u>	<u>—</u>

Note : 15

INVENTORIES

Raw Materials		78,69.67	78,70.96
Raw Materials in Transit		20,56.09	12,48.47
Work-in-Process		54,07.77	49,92.19
Stores and Spare Parts		7,83.28	7,91.77
Finished Goods:			
Manufactured	54,45.22		49,46.70
Trading	19,29.19		14,33.68
		73,74.41	63,80.38
		<u>234,91.22</u>	<u>212,83.77</u>

Note : 16

TRADE RECEIVABLES

(Unsecured and considered good)

Overdue by six months		5,58.90	2,61.86
Others		136,58.69	123,09.42
		<u>142,17.59</u>	<u>125,71.28</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 17

CASH & BANK BALANCES

Cash & Cash Equivalents

	(₹ Lacs)	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
Cash and Cheques on hand	14,63.05		14,43.52
With Banks:			
Current Account	2,10.57		6,89.57
Deposit Account	—		11.77
With Liquid Mutual Funds	96,40.92		90,15.92
		113,14.54	111,60.78
Other Bank Balances			
Margin money	64.46		64.46
With Banks:			
Deposit Account with maturity more than 3 months but less than 12 months	5,45.42		—
Earmarked balances with Banks:			
Unpaid dividend	1,38.96		85.82
		7,48.84	1,50.28
		120,63.38	113,11.06

Note : 18

SHORT TERM LOANS AND ADVANCES

(Refer Note 18.1)

(Unsecured and considered good)

Loan due from Director of the Company	30.00	30.00
Advances recoverable in cash or in kind	17,63.95	20,29.33
Balances with Government Authorities	20,42.47	17,60.11
	38,36.42	38,19.44

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 regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is not required.

Note : 19

OTHER CURRENT ASSETS

	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
Accrued Interest	30.95	32.41
Other Receivables	18,38.13	9,44.02
	18,69.08	9,76.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
Note : 20			
TOTAL REVENUE			
Revenue from Operations			
Sale of Products (Gross) (Refer Note 20.1)	1,182,60.95		1,144,05.84
Service Income	55,17.10		43,61.33
Other Operating Revenue	6,63.15		6,96.96
		1,244,41.20	1,194,64.13
Less: Excise Duty		(85,96.09)	(84,24.88)
		1,158,45.11	1,110,39.25
Other Income			
Interest Income			
From Long term Investments (Non trade)	6.08		6.08
From Others	1,10.93		89.44
		1,17.01	95.52
Dividend Income from Liquid Mutual Funds / Shares		—	14.98
Profit on sale of Investments		6,47.46	3,57.93
Other Non-operating income		15,19.55	15,33.65
		22,84.02	20,02.08
		1,181,29.13	1,130,41.33
Note : 20.1			
Sale of Products (Gross)			
Abrasives		840,49.19	809,72.74
Ceramics & Plastics		303,35.98	298,75.56
Others		38,75.78	35,57.54
		1,182,60.95	1,144,05.84

The sales value mentioned above includes sale of trading goods of ₹ 131,27.62 lacs (Previous Year - ₹ 116,28.68 Lacs).

	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
Note : 20.2		
Earnings in Foreign Exchange :		
(i) Exports of goods on FOB Basis	130,72.11	137,54.67
(ii) Freight on Exports	86.55	1,27.92
(iii) Commission	19.68	22.49
(iv) Export of Services	50,44.09	39,34.09
(v) Other Income	2,97.06	2,38.91

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 21

COST OF MATERIALS CONSUMED

(Refer Notes 21.1 & 21.2)

Opening Stock of

Raw Materials	78,70.96	55,98.95
Raw Materials in Transit	12,48.47	10,43.88

Add: Purchases

Less: Closing Stock of

Raw Materials	(78,69.67)	(78,70.96)
Raw Materials in Transit	(20,56.09)	(12,48.47)
	(99,25.76)	(91,19.43)
	443,16.25	428,08.50

Note : 21.1

Cost of Materials Consumed * :

- (i) Imported Raw Materials
- (ii) Indigenous Raw Materials

For the Year Ended 31st March, 2016		For the Year Ended 31st March, 2015	
%	(₹ Lacs)	%	(₹ Lacs)
39.07	181,18.36	37.23	168,08.13
60.93	282,50.10	62.77	283,40.28
100.00	463,68.46	100.00	451,48.41

Note : 21.2

Cost of Materials Consumed * :

- (i) Abrasive Grains
- (ii) Carbon Materials
- (iii) Others

For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
135,71.91	146,94.05
2,89.40	4,02.47
325,07.15	300,51.89
463,68.46	451,48.41

* Materials consumed include captive consumption.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 22

PURCHASES OF TRADING GOODS

	(₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
Abrasives		37,42.43	53,40.85
Ceramics & Plastics		20,21.48	16,04.80
Others		28,53.28	14,41.19
		<u>86,17.19</u>	<u>83,86.84</u>

Note : 23

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND TRADING GOODS

Opening Stock of			
Finished Goods:			
- Manufactured	49,46.70		42,25.24
- Trading	14,33.68		10,99.20
Work-In-Process	<u>49,92.19</u>		<u>51,46.33</u>
		113,72.57	104,70.77
Less: Closing Stock of			
Finished Goods:			
- Manufactured	(54,45.22)		(49,46.70)
- Trading	(19,29.19)		(14,33.68)
Work-In-Process	<u>(54,07.77)</u>		<u>(49,92.19)</u>
		<u>(127,82.18)</u>	<u>(113,72.57)</u>
		<u>(14,09.61)</u>	<u>(9,01.80)</u>

Note : 24

EMPLOYEE BENEFITS EXPENSE (Refer Note 24.1)

Salaries, Wages, Bonus and Gratuity	130,29.98	111,58.96
Contribution to Provident and Other Funds	6,66.49	6,11.57
Staff Welfare	<u>13,57.29</u>	<u>12,89.60</u>
	<u>150,53.76</u>	<u>130,60.13</u>

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	3,76.17	3,44.49
Employer's Contribution to Superannuation Fund	<u>97.52</u>	<u>1,29.76</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 2016:

	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
Change in present value of obligation		
Opening Balance	36,21.62	34,51.00
Interest cost	2,89.73	3,21.98
Service cost	2,59.35	1,95.01
Benefits paid	(3,31.96)	(5,32.18)
Cost of plan amendment	—	—
Actuarial (gain) / loss on obligation	5,14.70	1,85.81
Closing Balance	43,53.44	36,21.62
Change in plan assets		
Opening Balance	35,52.48	31,93.88
Expected return on plan assets	2,84.19	2,77.87
Contributions	3,09.53	6,29.27
Benefits paid	(3,31.95)	(5,32.18)
Actuarial gain / (loss) on plan assets	13.30	(16.36)
Closing Balance	38,27.55	35,52.48
Net gratuity cost for the year		
Current service cost	2,59.35	1,95.01
Interest cost	2,89.73	3,21.98
Expected return on plan assets	(2,84.19)	(2,77.87)
Past service cost	—	—
Net actuarial (gain) / loss to be recognised	5,01.40	2,02.17
Net gratuity cost	7,66.29	4,41.29
Amount recognised in the Balance Sheet		
Present value of obligation	43,53.44	36,21.62
Fair value of plan assets	(38,27.55)	(35,52.48)
Net obligation	5,25.89	69.14

Assumptions used in accounting for the gratuity plan

	%	%
Discount Rate	7.81	8.00
Salary Escalation Rate	9.00	8.00
Expected Rate of Return on plan assets	7.81	8.00

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 FINANCIAL STATEMENTS

Amounts recognised in current year and previous four years

Particulars	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Obligations at year / period end	43,53.44	36,21.62	34,51.00	30,24.47	26,91.04
Plan assets at year / period end, at fair value	(38,27.55)	(35,52.48)	(31,93.88)	(30,83.50)	(27,15.03)
Funded status	5,25.89	69.14	2,57.12	(59.03)	(23.99)
Experience adjustments:					
Experience adjustments on plan liabilities	1,78.00	(92.34)	3,48.23	64.34	1,66.96
Experience adjustments on plan assets	13.30	(16.35)	(3.03)	13.07	19.51

Note : 25

FINANCE COSTS

Interest Expense

(₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
	63.98	55.58

Note : 26

OTHER EXPENSES

Consumption of Stores and Spare Parts (Refer Note 26.1)

Processing Charges

Power and Fuel (Refer Note 6.1)

Freight, Octroi and Packing Expenses

Rent / Lease Payments

Repairs and Maintenance:

Buildings

Machinery

Others

	25,94.69	27,65.99
	25,38.17	23,99.47
	51,14.97	60,49.05
	66,84.88	65,42.52
	7,16.08	6,92.99
	65.26	1,39.89
	3,61.46	3,30.46
	3,56.21	3,85.85
	7,82.93	8,56.20
Insurance	1,67.83	1,68.05
Rates and Taxes	2,71.69	2,61.19
Travelling and Conveyance	17,38.61	13,75.62
Commission and Discount on Sales	36,35.44	28,43.89
Royalties	15,18.77	9,31.25
Loss on assets discarded / sold (Net)	91.00	17.32
External Service Charges	32,76.45	25,19.42
Bad Debts & Advances written off	38.78	59.72
Provision for Doubtful Debts & Advances	86.11	(63.90)
Miscellaneous Expenses (Refer Note 26.2, 26.3 & 26.4)	33,44.21	37,56.25
	326,00.61	311,75.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 26.1

Value of Stores & Spares Consumed :

- (i) Imported Stores & Spares
- (ii) Indigenous Stores & Spares

For the Year Ended 31st March, 2016		For the Year Ended 31st March, 2015	
%	(₹ Lacs)	%	(₹ Lacs)
6.80	1,76.44	5.91	1,63.55
93.20	24,18.25	94.09	26,02.44
100.00	25,94.69	100.00	27,65.99

Note : 26.2

Miscellaneous Expenses include:

Amounts paid to Auditors :

- (i) Audit Fees
- (ii) Audit under other Statutes
- (iii) Tax representation before Authorities
- (iv) Certification
- (v) Reimbursement of Expenses

For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
17.00	17.00
2.00	2.00
0.10	1.38
8.17	8.34
0.71	1.84

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 ₹ 2,37.08 Lacs (Previous Year - ₹ 2,19.43 Lacs), being the difference between the opening and closing stock of finished goods is debited to Miscellaneous Expenses.

Note : 26.4

- (a) Amount prescribed under the Companies Act, 2013 to be spent during the year on CSR activities is ₹ 2,70.10 Lacs.
- (b) The amount spent on purposes other than construction / acquisition of any assets during the year is ₹ 70.86 Lacs.
- (c) The contribution to Saint-Gobain India Foundation (Related Party as per AS - 18) is ₹ 70.86 Lacs.

Note : 27

EARNINGS PER SHARE :

- (a) Profit for the year (₹ Lacs)
- (b) Weighted average number of Equity Shares outstanding (Nominal value of Shares ₹ 5)
- (c) Earnings per share (Basic & Diluted) in ₹

For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
101,51.98	101,02.49
5,53,60,000	5,53,60,000
18.34	18.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 28

COMMITMENTS:

Capital Commitments

Note : 29

CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
(a) Excise & Custom Duty demands / show cause notices pending with the appropriate authorities and disputed by the Company	8,32.56	6,83.97
(b) Sales Tax demands pending with the Commissionerate / High Court and disputed by the Company	2,80.25	2,81.87
(c) Claims against the Company under the Labour Laws for disputed cases	1,01.16	1,14.00
(d) Guarantees given by Banks, of which ₹ 7,48.73 Lacs (Previous year - ₹ 6,61.73 Lacs) are counter guaranteed by the Company	7,48.73	6,61.73
(e) Guarantees given on behalf of Subsidiary against loan taken by Subsidiary	7,34.57	9,44.33
(f) Non-Agricultural Land Cess	37.79	37.79
(g) Other claims against the Company not acknowledged as debts	2,01.30	1,91.86
(h) Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court	31,24.00	30,06.51
(i) Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)	9,89.00	9,25.09
(j) Demand raised by A.P Transco for fuel surcharge adjustment for Financial years 2008-09 & 2009-10 disputed by the Company & subjudice in Honourable Supreme Court	2,59.80	2,59.80
(k) Income tax liability on account of disputed disallowances	1,65.32	1,65.32

Note : 30

VALUE OF IMPORTS ON CIF BASIS :

(i) Raw Materials & Trading Goods	325,14.09	280,65.64
(ii) Stores & Spare Parts	2,97.65	4,61.30
(iii) Capital Goods	3,05.05	5,39.79
(iv) Others	4,43.82	20,13.40

Note : 31

Exchange difference arising on foreign currency transactions amounting to net gain - ₹ 5,94.77 Lacs (Previous Year - ₹ 5,37.76 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, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
(i) Export Sales Commission	99.15	98.16
(ii) Foreign Travel	1,82.25	77.25
(iii) Royalties	15,03.56	9,31.33
(iv) Others	2,07.90	2,12.54

Note : 33

AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF :

Dividend	18,46.91	18,46.91
Number of Non-Resident Shareholders	2	2
Number of Shares held	2,84,14,000	2,84,14,000
Year to which Dividend relates	2014-15	2013-14
Interim Dividend	18,46.91	—
Number of Non-Resident Shareholders	2	—
Number of Shares held	2,84,14,000	—
Year to which Dividend relates	2015-16	—

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 2016:

Currency	No. of Contracts	Value (in Lacs)	Equivalent (₹ Lacs)
USD	28 (46)	1,09.24 (93.70)	72,42.61 (58,61.38)
EURO	14 (51)	22.59 (49.51)	17,00.74 (33,22.71)
GBP	— (2)	— (0.49)	— (44.89)
JPY	— (5)	— (1,31.94)	— (69.32)
AUD	— (1)	— (0.40)	— (19.02)

Previous year's figures are in brackets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Indian Rupee equivalent is arrived at by converting the forward contracts at the spot rate as at 31st March, 2016. Foreign currency exposure (net) not hedged by forward contracts as at 31st March, 2016 is ₹ 98.21 Lacs (Previous Year - ₹ 36.23 Lacs).

Currency	Year Ending 31.3.2016		Year Ending 31.3.2015	
	Value (in Lacs)	Equivalent (₹ Lacs)	Value (in Lacs)	Equivalent (₹ Lacs)
USD	—	—	—	—
EURO	—	—	—	—
JPY	96.14	57.34	63.01	33.11
AUD	0.31	15.50	0.07	3.12
CAD	—	—	—	—
GBP	0.27	25.37	—	—
Total		98.21		36.23

Note : 35

The segment information is presented under the Notes forming part of the Consolidated Financial Statements Accounts 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
 Certaineed 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 Diamantwerkzeuge GMBH & Co., Germany
 Saint-Gobain Distribution Denmark, Denmark
 Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda.
 Thai Gypsum Products Plc, Thailand
 Saint-Gobain Gelva, BV
 Saint-Gobain Glass Egypt
 Saint-Gobain India Pvt. Ltd.
 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 Construcão Ltda.
 Saint-Gobain Sekurit India Ltd.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued):

Saint-Gobain Abrasives (PTY) Ltd., South Africa	Saint-Gobain Sekurit, Thailand
Saint-Gobain Abrasives (Sea) Pte. Ltd.	Saint-Gobain Sekurit, France
Saint-Gobain Abrasives (Shanghai) Co. Ltd., Shanghai	Saint-Gobain Tech Fab Hongfa (Changzhou) Ltd.
Saint-Gobain Abrasives (Suzhou) Co. Ltd.	Saint-Gobain Technical Fabrics, S.A.
Saint-Gobain Abrasives BV., Netherlands	Saint-Gobain Universal Superabrasives, Inc.
Saint-Gobain Abrasives GMBH (CORA)	Saint-Gobain Vibros S.A.
Saint-Gobain Abrasives GMBH, Gerolzhofen., Germany	SG Isover, France
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, Chaineux, 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 Zirpro
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	

Note: Transactions with SEPR Refractories India Ltd. and Saint-Gobain Crystals and Detectors India Ltd. are grouped under Saint-Gobain India Pvt. Ltd. as these companies are merged into Saint-Gobain India Pvt. Ltd. w.e.f. 1st April, 2014, as per the order of Honorable High Court of judicature of Madras dated 30th November, 2015.

(iii) SUBSIDIARY COMPANY:

Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

(iv) KEY MANAGEMENT PERSONNEL

Anand Mahajan - Managing Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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, 2016	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
1.	Sales	—	—	38,98.99	42,46.13	—	—
2.	Agency Commission received	—	—	19.68	22.49	—	—
3.	Service Income	83.30	57.82	51,39.42	39,62.06	30.00	30.00
4.	Other Income	58.50	58.50	4,21.04	4,02.07	2,05.27	1,99.82
5.	Purchase of Goods	—	—	121,95.30	123,00.90	43,69.54	40,68.15
6.	Expenses charged to other companies	43.80	25.35	35,43.72	16,63.30	18.61	5.98
7.	Expenses charged by other companies	2,29.89	2,97.43	1,02.74	4,05.83	—	0.32
8.	Royalty Paid	—	—	15,03.56	9,15.78	—	—
9.	Other Expenses	—	—	18.00	18.00	—	—
10.	Dividend Paid	—	—	37,13.32	18,56.66	—	—
11.	Donation Paid	—	—	70.86	84.16	—	—
12.	Outstanding Receivables (net of payables) *	73.79	(18.13)	18,90.11	8,79.90	42.46	3,47.90
13.	Other Liabilities	—	—	(16,57.39)	(10,69.01)	—	—
14.	Outstanding Deposits *	—	—	39.00	39.00	—	—
15.	Investments made	—	—	5,00.00	—	—	—

*Closing balance

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

(₹ Lacs)

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Remuneration	4,16.07	4,45.77
Outstanding Loan	1,10.00	90.00
Commission Payable	1,51.89	1,50.34

(iii) Significant transactions with related parties:

(₹ Lacs)

Sr. No.	Nature of Transactions	Name of the Companies	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
1.	Sales	Saint-Gobain HPM Polska SP.Z O.O.	4,28.93	5,00.79
		Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda.	10,63.38	5,18.39
		Saint-Gobain India Pvt. Ltd.	—	6,56.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued):

(₹ Lacs)

Sr. No.	Nature of Transactions	Name of the Companies	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
2.	Agency Commission received	Saint-Gobain Adfors, France	19.68	22.49
3.	Service Income	Compagnie de Saint-Gobain (Liaison Office)	83.30	57.82
		Saint-Gobain DSI Groupe	11,93.99	7,65.78
		Saint-Gobain Ceramiques Informatique et Organisation	12,78.50	7,60.70
		Saint-Gobain Weber Netservices	7,85.45	—
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	30.00	30.00
4.	Other Income	Compagnie de Saint-Gobain (Liaison Office)	58.50	58.50
		Saint-Gobain India Pvt. Ltd.	3,01.17	3,25.67
		Saint-Gobain Achats, France	61.24	40.23
		Certainteed Corportion	33.58	—
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	2,05.27	1,99.82
5.	Purchase of Goods	Saint-Gobain Materials Ceramicos Ltda. Brazil	17,40.58	—
		SG Performance Plastic Corporation, USA	20,83.04	—
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	43,69.54	40,68.15
6.	Expenses charged to other companies	Compagnie de Saint-Gobain (Liaison Office)	43.80	25.35
		Saint-Gobain India Pvt. Ltd.	14,69.08	12,22.71
		Saint-Gobain Ceramiques Informatique et Organisation	13,57.42	—
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	18.61	5.98
7.	Expenses charged by other companies	Compagnie de Saint-Gobain (Liaison Office)	2,29.89	2,97.43
		Saint-Gobain India Pvt. Ltd.	46.35	2,78.35
		Saint-Gobain Ceramiques Informatique et Organisation	38.69	—
		SG Performance Plastics Pampus GMBH	17.71	—
		Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	—	0.32
8.	Royalty Paid	Saint-Gobain Abrasives Inc., USA	11,15.31	4,12.00
		Saint-Gobain Abrasifs, France	—	3,69.28
		Societe Europeenne des Produits Refractaires, France	—	1,34.50
		Saint-Gobain Ceramic Materials AS	1,93.94	—
9.	Other Expenses	Saint-Gobain Abrasifs, France	18.00	18.00
10.	Dividend Paid	Saint-Gobain Abrasives Inc., USA	19,26.31	9,63.15
		Societe de Participations Financieres et Industrielles	17,67.51	8,83.76
11.	Donation Paid	Saint-Gobain India Foundation	70.86	84.16
12.	Investment Made	Saint-Gobain India Pvt. Ltd.	5,00.00	—

Note : 37

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

	For the Year Ended 31st March, 2016		For the Year Ended 31st March, 2015	
	(₹ Lacs)	(₹ Lacs)	(₹ Lacs)	(₹ Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before Tax after Exceptional Item		152,67.43		149,23.07
Adjustments for:				
Depreciation / Amortisation Expense	36,19.52		35,33.98	
Unrealised Foreign Exchange (Gain) / Loss (Net)	(66.49)		(17.64)	
Loss on assets discarded / sold (Net)	91.00		17.32	
Profit on Sale of Investments	(6,47.46)		(3,57.93)	
Dividend Received	—		(14.98)	
Interest (Net)	(53.03)	29,43.54	(39.94)	31,20.79
Operating Profit Before Working Capital Changes		182,10.97		180,43.86
Adjustments for:				
Trade and Other Receivables (Current & Non-current)	(25,99.16)		(40,40.29)	
Inventories	(22,07.45)		(34,64.40)	
Trade and Other Payables (Current & Non-current)	43,35.39	(4,71.22)	43,33.66	(31,71.03)
Cash Generated from Operations		177,39.75		148,72.83
Direct Taxes Paid (Net of Tax Refund)		(48,10.20)		(50,63.32)
Net cash from Operating Activities		129,29.55		98,09.51
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(38,62.81)		(36,54.90)	
Proceeds of Sale of Fixed Assets	19.49		2,79.14	
Proceeds of Sale of Investments	6,47.46		3,57.93	
Purchase of Investments	(5,00.00)		—	
Interest Received	1,18.47		1,03.67	
Dividend Received	—		14.98	
Net cash flow used in Investing Activities		(35,77.39)		(28,99.18)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Increase / (Decrease) in Borrowing	73.06		2,26.55	
Interest	(63.98)		(55.58)	
Dividends Paid	(71,96.80)		(35,98.40)	
Tax on Dividend	(14,65.26)		(6,11.55)	
Margin Money and Others	—		65.13	
Deposits with Banks	(5,45.42)		—	
Net cash used in Financing Activities		(91,98.40)		(39,73.85)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,53.76		29,36.48
CASH AND CASH EQUIVALENTS - OPENING BALANCE				
Cash and Bank Balances	21,44.86		28,82.46	
Cash Equivalents (Investment in Liquid Mutual Funds)	90,15.92	111,60.78	53,41.84	82,24.30
CASH AND CASH EQUIVALENTS - CLOSING BALANCE				
Cash and Bank Balances	16,73.62		21,44.86	
Cash Equivalents (Investment in Liquid Mutual Funds)	96,40.92	113,14.54	90,15.92	111,60.78
		1,53.76		29,36.48

As per our Report of even date

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

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

PRADIP SHAH

Chairman

DIN 00066242

ANAND MAHAJAN

Managing Director

DIN 00066320

ERMIN K. IRANI
Partner

DEEPAK CHINDARKAR

Chief Financial Officer

Membership No. 35646

K. VISWESWARAN

Company Secretary

Mumbai: 30th May, 2016

Mumbai: 30th May, 2016

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules 2014)

Statement containing salient features of the Financial Statement of Subsidiaries / Associate companies / Joint ventures

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 2015
3. Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	:	Nugultrum, Exchange rate 1:1
4. Share Capital	:	28,99.42
5. Reserves & Surplus	:	1,50.59
6. Total Assets	:	52,90.40
7. Total Liabilities	:	52,90.40
8. Investments	:	Nil
9. Turnover	:	65,10.11
10. Profit before taxation	:	4,40.54
11. Provision for taxation (incl Deferred Tax)	:	1,32.35
12. Profit after taxation	:	3,08.19
13. Proposed Dividend	:	Nil
14. % of shareholding	:	70%

Note:

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

Part "B"- Associates and Joint ventures

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

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

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

PRADIP SHAH	Chairman	DIN 00066242
ANAND MAHAJAN	Managing Director	DIN 00066320
DEEPAK CHINDARKAR	Chief Financial Officer	
K. VISWESWARAN	Company Secretary	

Mumbai: 30th May, 2016

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 comprises the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

We conducted our audit 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated 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 state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 3,195 Lakh as at March 31, 2016, total revenues of ₹ 6,826 Lakh and net cash flows amounting to ₹ 21 Lakh 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. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, the said order specifically provides that it shall not apply to the auditor's report on the Consolidated Financial Statements.
2. As required by Section 143 (3) of the Act, we report to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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, 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31 to the Consolidated Financial Statements.
 - ii. The Group does 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 Reg.No. 104607W

Ermin K. Irani
Partner
Membership No.: 35646

Place: Mumbai
Dated: May 30, 2016.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Holding Company on the Consolidated Financial Statements for the year ended March 31, 2016.

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

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **GRINDWELL NORTON LIMITED** (hereinafter referred to as "the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by “the Institute of Chartered Accountants of India”

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

Ermin K. Irani
Partner
Membership No.: 35646

Place: Mumbai
Dated: May 30, 2016.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

	Notes	(₹ Lacs)	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	4	27,68.00		27,68.00
Reserves and Surplus	5	646,09.52	673,77.52	588,15.15
			9,74.79	615,83.15
MINORITY INTEREST				8,59.40
NON-CURRENT LIABILITIES				
Long Term Borrowings	6	2,78.24		6,38.23
Deferred Tax Liability (Net)	7	17,38.43		18,73.52
Other Long Term Liabilities	8	7,72.69		6,08.35
Long Term Provisions	9	10,61.12	38,50.48	10,79.02
				41,99.12
CURRENT LIABILITIES				
Short Term Borrowings	10	8,78.55		8,53.20
Trade Payables	11			
Total outstanding due of Micro Enterprises and Small Enterprises		—		6.27
Total outstanding due of creditors other than Micro Enterprises and Small Enterprises		83,56.35		88,65.74
Other Current Liabilities	12	166,00.78		122,32.08
Short Term Provisions	13	14,56.81		54,21.85
			272,92.49	273,79.14
			994,95.28	940,20.81
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets	14			
Tangible Assets		342,01.92		356,84.32
Intangible Assets		2,46.39		3,38.23
Capital Work In Progress		13,58.12	358,06.43	6,73.24
				366,95.79
Non-Current Investments	15		40,14.80	35,14.80
Long Term Loans & Advances	16		24,44.12	22,00.99
Other Non-Current Assets	17		—	—
CURRENT ASSETS				
Inventories	18	245,67.16		225,05.08
Trade Receivables	19	150,06.21		129,16.19
Cash & Bank Balances	20	120,82.40		113,50.27
Short-Term Loans & Advances	21	39,80.56		41,22.87
Other Current Assets	22	15,93.60		7,14.82
			572,29.93	516,09.23
			994,95.28	940,20.81
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 and on behalf of Board of Directors of
Grindwell Norton Limited

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

PRADIP SHAH

Chairman

DIN 00066242

ANAND MAHAJAN

Managing Director

DIN 00066320

ERMIN K. IRANI
Partner

DEEPAK CHINDARKAR

Chief Financial Officer

Membership No. 35646

K. VISWESWARAN

Company Secretary

Mumbai: 30th May, 2016

Mumbai: 30th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

	Notes	(₹ Lacs)	(₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
INCOME					
Revenue from Operations (Gross)			1,268,66.81		1,219,61.64
Less: Excise Duty			(85,96.09)		(84,24.88)
				1,182,70.72	1,135,36.76
Other Income				20,82.96	17,71.24
Total Revenue	23			1,203,53.68	1,153,08.00
EXPENSES					
Cost of Materials Consumed	24		419,68.46		408,12.30
Purchases of Trading Goods	25		86,17.19		83,86.84
Changes in Inventories of Finished Goods, Work-In-Process and Trading Goods	26		(13,87.88)		(10,27.37)
Employee Benefits Expense	27		152,60.56		132,84.90
Finance Costs	28		2,36.54		2,91.42
Depreciation / Amortisation Expense	14	42,09.70			41,77.69
Less: Transfer from Revaluation Reserve		(16.74)			(16.74)
			41,92.96		41,60.95
Other Expenses	29		356,09.43		340,19.66
				1,044,97.26	999,28.70
Profit Before Tax				158,56.42	153,79.30
Tax Expenses:					
(1) Current Tax			54,15.39		48,83.99
(2) Deferred Tax			(1,35.09)		76.01
				52,80.30	49,60.00
Profit for the year				105,76.12	104,19.30
Share of Minority Interest				(1,15.38)	(97.59)
Profit for the year after Minority Interest				104,60.74	103,21.71
Basic & Diluted Earnings Per Share (in ₹)	30			18.90	18.64
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 and on behalf of Board of Directors of
Grindwell Norton Limited

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

PRADIP SHAH

Chairman

DIN 00066242

ANAND MAHAJAN

Managing Director

DIN 00066320

ERMIN K. IRANI
Partner

DEEPAK CHINDARKAR

Chief Financial Officer

Membership No. 35646

K. VISWESWARAN

Company Secretary

Mumbai: 30th May, 2016

Mumbai: 30th May, 2016

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, 2016 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.

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 are 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 or fair value.

Inventories:

Inventories are valued at lower of cost or 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.

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 4.3)

As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ 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.

Total

As at 31st March, 2016		As at 31st March, 2015	
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%

Note : 4.2

There is no movement in the number of shares outstanding during the year ended 31st March 2015 & year ended 31st March 2016.

Note : 4.3

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 5

RESERVES & SURPLUS

1. SECURITIES PREMIUM ACCOUNT

As per last Balance Sheet

34,82.82 34,82.82

2. REVALUATION RESERVE

As per last Balance Sheet

3,35.34 3,52.08

Less: Transfer to Depreciation

(16.74) (16.74)

Less: Adjusted against Gross Block of Fixed Assets (Refer note 14.1)

(3,18.60) —

— 3,35.34

3. GENERAL RESERVE

As per last Balance Sheet

401,15.91 375,25.05

Less: Adjustment as per Schedule II of Companies Act, 2013
(Refer note 14.2)

— (1,80.60)

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

8,20.95 27,71.46

409,36.86 401,15.91

4. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS

As per last Balance Sheet

148,81.08 116,61.86

Add: Net Profit for the current year

104,60.74 103,21.71

Less: Appropriations :

Dividend

(35,98.40) (35,98.40)

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

Dividend Distribution Tax

(7,32.63) (7,32.63)

Transfer to General Reserve

(8,20.95) (27,71.46)

201,89.84 148,81.08

646,09.52 588,15.15

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

1,71.09 1,58.83

(b) Bhutan National Bank

1,07.15 4,79.40

Repayment to be made in quarterly installments with an interest of 12% p.a. as per the terms agreed upon between the Company and the Banks.

2,78.24 6,38.23

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

Others

Note : 8
OTHER LONG TERM LIABILITIES

Trade / Security Deposits

Other Liabilities

Note : 9
LONG TERM PROVISIONS

Compensated Absence (Refer Note 13.1)

Gratuity Obligation

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 an interest rate of 10% per annum as per the terms agreed upon between the Company and the Bank)

Overdraft from Deutsche Bank

(At an interest rate of 9.15% per annum)

Note : 11
TRADE PAYABLES

Total outstanding due of Micro Enterprises and Small Enterprises (Refer Note 11.1)

Total outstanding due of creditors other than Micro Enterprises and Small Enterprises

As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
30,72.53	28,93.29
(1,25.11)	(1,02.85)
(12,08.99)	(9,16.92)
17,38.43	18,73.52
7,47.50	5,94.97
25.19	13.38
7,72.69	6,08.35
10,48.24	10,70.79
12.88	8.23
10,61.12	10,79.02
5,78.94	6,26.65
—	2,26.55
2,99.61	—
8,78.55	8,53.20
—	6.27
83,56.35	88,65.74
83,56.35	88,72.01

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
Principal amount due and remaining unpaid	—	6.27
Interest due on above and the unpaid interest	—	0.03
Interest Paid	—	—
Payment made beyond the appointed day during the year	1,40.69	69.97
Interest due and payable for the period of delay	2.07	1.11
Interest accrued and remaining unpaid	—	2.93
Amount of further interest remaining due and payable in succeeding years	—	2.93

Note : 12

OTHER CURRENT LIABILITIES

Trade / Security Deposits	52.05	1,43.36
Unclaimed Dividend*	1,38.96	85.82
Commission due to Directors	2,10.27	1,98.92
Statutory Liabilities	19,14.60	16,69.94
Gratuity Obligation	5,25.90	69.14
Other Liabilities	137,59.00	100,64.90
	166,00.78	122,32.08

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

Note : 13

SHORT TERM PROVISIONS

Income Tax (Net of Advance Tax)	10,34.03	6,51.53
Dividend Distribution Tax	—	7,32.63
Proposed Dividend	—	35,98.40
Compensated Absence (Refer Note 13.1)	4,22.78	4,39.29
	14,56.81	54,21.85

Note : 13.1

Details of Provision for Compensated Absence:

Opening Balance - Long Term	10,70.79	10,96.90
Opening Balance - Short Term	4,39.29	3,61.72
Provision made during the year	1,92.19	2,18.46
Utilisation during the year	(2,31.25)	(1,67.00)
Closing Balance - Long Term	10,48.24	10,70.79
Closing Balance - Short Term	4,22.78	4,39.29

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 14 FIXED ASSETS

(₹ Lacs)

ASSETS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK		
	As at 01.04.2015	Additions	Adjustments (Note 14.1)	Deductions	As at 31.03.2016	Upto 01.04.2015	Trf to General. Reserve (Note 14.2)	For the Year	Adjustments (Note 14.1)	On Sales	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
TANGIBLE ASSETS													
Land - Freehold	19,01.35	—	1,52.44	—	17,48.91	—	—	—	—	—	—	17,48.91	19,01.35
Land - Leasehold	96.52	—	—	—	96.52	18.11	—	0.97	—	—	19.08	77.44	78.41
Buildings #	156,33.68	3,54.97	6,25.51	0.14	153,63.00	31,51.50	—	4,67.25	4,60.09	0.14	31,58.52	122,04.48	124,82.18
Leasehold Improvements	6,67.70	0.41	—	—	6,68.11	1,23.74	—	43.61	—	—	1,67.35	5,00.76	5,43.96
Plant & Machinery	359,58.19	20,10.60	2,40.51	3,20.97	374,07.31	165,71.03	—	29,67.75	2,39.77	2,35.09	190,63.92	183,43.38	193,87.16
Electrical Installations & Equipments	9.26	27.14	—	—	36.40	0.05	—	2.63	—	—	2.68	33.72	9.21
Laboratory Equipments	35.03	51.95	—	—	86.98	0.73	—	6.12	—	—	6.85	80.13	34.30
Computers	17,44.77	2,78.64	—	2.57	20,20.84	14,81.06	—	1,90.75	—	2.57	16,69.24	3,51.61	2,63.71
Furniture & Fixtures	13,47.92	55.19	—	2.43	14,00.68	7,37.27	—	1,51.06	—	2.29	8,86.04	5,14.64	6,10.65
Office Equipments	9,75.50	94.24	—	22.46	10,47.28	7,21.62	—	1,30.25	—	22.21	8,29.66	2,17.62	2,53.88
Vehicles	2,41.13	62.09	—	59.14	2,44.08	1,21.62	—	28.16	—	34.93	1,14.85	1,29.23	1,19.51
Sub-Total	586,11.05	29,35.23	10,18.46	4,07.71	601,20.11	229,26.73	—	39,88.55	6,99.86	2,97.23	259,18.19	342,01.92	356,84.32
INTANGIBLE ASSETS													
Computer Software	5,35.80	1,29.31	—	—	6,65.11	3,88.21	—	89.42	—	—	4,77.63	1,87.48	1,47.59
Goodwill	3,23.92	—	—	—	3,23.92	2,75.12	—	32.46	—	—	3,07.58	16.34	48.80
Technical Know How	3,54.29	—	—	—	3,54.29	3,54.29	—	—	—	—	3,54.29	—	—
Trade Marks	2,03.95	—	—	—	2,03.95	1,79.98	—	20.44	—	—	2,00.42	3.53	23.97
Non-Compete Fees & Marketing Network	7,86.69	—	—	—	7,86.69	6,68.82	—	78.83	—	—	7,47.65	39.04	1,17.87
Sub-Total	22,04.65	1,29.31	—	—	23,33.96	18,66.42	—	2,21.15	—	—	20,87.57	2,46.39	3,38.23
Total	608,15.70	30,64.54	10,18.46	4,07.71	624,54.07	247,93.15	—	42,09.70	6,99.86	2,97.23	280,05.76	344,48.31	
Previous Year's 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
Capital Work In Progress												1,358.12	6,73.24
												358,06.43	366,95.79

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 decided to follow the Accounting for Fixed asset at historical cost as per the amended Accounting Standard - 10. Accordingly, Revaluation Reserve of ₹ 3,18.60 lacs is adjusted against the carrying amount of the fixed asset as on 31st March, 2016.

Note : 14.2

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 15

NON-CURRENT INVESTMENTS

AT COST

TRADE INVESTMENTS

EQUITY SHARES (fully paid-up)

Unquoted:

	Nos.	Face Value (₹)	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
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

NON TRADE INVESTMENTS

EQUITY SHARES (fully paid-up)

Quoted:

John Oakey & Mohan Ltd.	1,900	10	0.16	0.16
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Unquoted:

In Fellow Subsidiaries :

Saint-Gobain India Pvt. Ltd.	25,00,000	10	24,99.99	24,99.99
Saint-Gobain Research India Pvt. Ltd.	40,25,853	10	11,65.11	6,65.11
	(27,87,924)	(10)		
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
			40,14.80	35,14.80

NOTES:

1. COST

Quoted	74.33	74.33
Unquoted	39,40.47	34,40.47

2. MARKET VALUE

Quoted	82.33	81.59
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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 16

LONG TERM LOANS AND ADVANCES

(Refer Note 21.1)

(Unsecured and considered good)

	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
Capital Advances	5,50.09	2,53.80
Advance Tax (Net of Provision for Income Tax)	5,99.90	7,27.59
Loan due from Director of the Company	80.00	60.00
Deposits	7,78.98	7,71.22
Advances recoverable in cash or in kind	4,35.15	3,88.38
<u>(Unsecured and considered doubtful)</u>		
Advances recoverable in cash or in kind	40.49	40.49
Less: Provision for doubtful advances	(40.49)	(40.49)
	<u>—</u>	<u>—</u>
	<u>24,44.12</u>	<u>22,00.99</u>

Note : 17

OTHER NON CURRENT ASSETS

Trade Receivables

(Unsecured and considered doubtful)

Overdue by six months	2,54.55	1,44.53
Others	96.36	120.26
	<u>3,50.91</u>	<u>2,64.79</u>
Less: Provision for doubtful debts	(3,50.91)	(2,64.79)
	<u>—</u>	<u>—</u>

Note : 18

INVENTORIES

Raw Materials	81,22.14	82,69.51
Raw Materials in Transit	20,56.09	12,48.47
Work-in-Process	58,25.42	54,34.22
Stores and Spare Parts	11,47.69	11,33.74
Finished Goods:		
Manufactured	54,86.63	49,85.46
Trading	19,29.19	14,33.68
	<u>74,15.82</u>	<u>64,19.14</u>
	<u>245,67.16</u>	<u>225,05.08</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 19

TRADE RECEIVABLES

(Unsecured and considered good)

	(₹ Lacs)	As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
Overdue by six months		5,58.90	2,61.86
Others		144,47.31	126,54.33
		<u>150,06.21</u>	<u>129,16.19</u>

Note : 20

CASH & BANK BALANCES

Cash & Cash Equivalents

Cash and Cheques on hand	14,63.35		14,43.84
With Banks:			
Current Account	2,15.51		7,15.61
Deposit Account	—		11.77
With Liquid Mutual Funds	96,40.92		90,15.92
		113,19.78	111,87.14

Other Bank Balances

Margin money	67.31		67.31
With Banks:			
Deposit Account with maturity more than 3 months but less than 12 months	5,45.42		—
Earmarked balances with Banks:			
Gratuity Fund	10.93		10.00
Unpaid dividend	1,38.96		85.82
		7,62.62	1,63.13
		<u>120,82.40</u>	<u>113,50.27</u>

Note : 21

SHORT TERM LOANS AND ADVANCES

(Refer Note 21.1)

(Unsecured and considered good)

Loan due from Director of the Company	30.00	30.00
Advances recoverable in cash or in kind	19,08.09	23,32.76
Balances with Government Authorities	20,42.47	17,60.11
	<u>39,80.56</u>	<u>41,22.87</u>

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 regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is not required.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 22

OTHER CURRENT ASSETS

Accrued Interest

Other Receivables

As at 31st March, 2016	As at 31st March, 2015
30.95	32.41
15,62.65	6,82.41
15,93.60	7,14.82

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

(₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
1,206,57.47		1,168,58.19
54,87.10		43,61.33
7,22.24		7,42.12
	1,268,66.81	1,219,61.64
	(85,96.09)	(84,24.88)
	1,182,70.72	1,135,36.76
6.08		6.08
1,10.93		89.44
	1,17.01	95.52
	—	14.98
	6,47.46	3,57.93
	13,18.49	13,02.81
	20,82.96	17,71.24
	1,203,53.68	1,153,08.00
	840,49.19	809,72.74
	327,32.50	323,27.91
	38,75.78	35,57.54
	1,206,57.47	1,168,58.19

Note : 23.1

Sale of Products (Gross)

Abrasives

Ceramics & Plastics

Others

The sales value mentioned above includes sale of trading goods of ₹ 131,27.62 lacs (Previous Year - ₹ 116,28.68 Lacs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note: 23.2

Segment Reporting :

A. Information about Business Segments:

(₹ Lacs)

	Abrasives		Ceramics & Plastics		Others		Unallocated		Total	
	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015

REVENUE

Segment Revenue	770,62.50	736,90.91	324,30.72	321,53.72	89,54.30	82,03.92	—	—	1,184,47.52	1,140,48.55
Less: Inter-segment Sales	—	—	(8,99.04)	(12,53.91)	—	—	—	—	(8,99.04)	(12,53.91)
Net Sales & Service Income	770,62.50	736,90.91	315,31.68	30,899.81	89,54.30	82,03.92	—	—	1,175,48.48	1,127,94.64

RESULT

Segment Result	100,50.57	99,97.15	41,21.42	43,92.31	15,37.93	12,94.03	—	—	157,09.92	156,83.49
Unallocated Income / (Expenditure) - (Net)							(3,81.43)	(4,81.20)	(3,81.43)	(4,81.20)
Interest Expenses							(2,36.54)	(2,91.42)	(2,36.54)	(2,91.42)
Interest Income							1,17.01	95.52	1,17.01	95.52
Dividend Income							—	14.98	—	14.98
Profit / (Loss) on sale of Investments							6,47.46	3,57.93	6,47.46	3,57.93
Profit before Tax and after Exceptional Item									158,56.42	153,79.30
Provision for Tax (including Deferred Tax)							(52,80.30)	(49,60.00)	(52,80.30)	(49,60.00)
Profit for the year									105,76.12	104,19.30

	Abrasives		Ceramics & Plastics		Others		Unallocated		Total	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015

Other Information

Total Assets (gross)	469,68.99	466,05.64	283,47.17	270,09.20	50,96.03	38,52.02	190,83.09	165,53.95	994,95.28	940,20.81
Less: Revaluation Reserve	—	(1,70.84)	—	(1,64.50)	—	—	—	—	—	(3,35.34)
Net Assets	469,68.99	464,34.80	283,47.17	268,44.70	50,96.03	38,52.02	190,83.09	165,53.95	994,95.28	936,85.47
Total Liabilities	170,62.64	142,92.77	68,33.36	72,04.93	20,72.46	14,29.02	51,74.51	86,51.55	311,42.97	315,78.26
Capital Expenditure (during the year)	31,42.97	21,26.59	3,07.40	5,31.94	11.34	4,86.56	2,87.71	2,68.31	37,49.42	34,13.40
Depreciation / Amortisation (for the year)	24,42.25	23,48.93	13,52.32	13,88.25	1,89.84	2,13.51	2,08.55	2,10.26	41,92.96	41,60.95

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, 2016	For the Year Ended 31st March, 2015
India	994,40.83	95,119.81
Outside India	181,07.65	17,674.83
Total	1,175,48.48	112,794.64

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

(₹ Lacs)

Particulars	Net Assets		Total Liabilities	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
India	945,28.41	887,23.87	293,75.90	293,15.24
Outside India	49,66.87	49,61.60	17,67.07	22,63.02
Total	994,95.28	936,85.47	311,42.97	315,78.26

Notes:

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

- (a) Abrasives
- (b) Ceramics & Plastics
- (c) Others

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

- (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 ₹ 22,49.59 Lacs (Previous Year - ₹ 19,06.29 Lacs), allocated on a reasonable basis.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
Note : 24			
COST OF MATERIALS CONSUMED			
Opening 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
Add: Purchases		426,28.71	436,68.86
Less: Closing Stock of			
Raw Materials	(81,22.14)		(82,69.51)
Raw Materials in Transit	(20,56.09)		(12,48.47)
		(101,78.23)	(95,17.98)
		<u>419,68.46</u>	<u>408,12.30</u>
Note : 25			
PURCHASES OF TRADING GOODS:			
Abrasives		37,42.43	53,40.85
Ceramics & Plastics		20,21.41	16,04.80
Others		28,53.25	14,41.19
		<u>86,17.19</u>	<u>83,86.84</u>
Note : 26			
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND TRADING GOODS			
Opening 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
Less: Closing Stock of			
Finished Goods:			
- Manufactured	(54,86.63)		(49,85.46)
- Trading	(19,29.19)		(14,33.68)
Work-In-Process	(58,25.42)		(54,34.22)
		(132,41.24)	(118,53.36)
		<u>(13,87.88)</u>	<u>(10,27.37)</u>
Note : 27			
EMPLOYEE BENEFITS EXPENSE (Refer Note 27.1)			
Salaries, Wages, Bonus and Gratuity		132,02.51	113,54.19
Contribution to Provident and Other Funds		6,76.69	6,15.45
Staff Welfare		13,81.36	13,15.26
		<u>152,60.56</u>	<u>132,84.90</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

For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
--	--

3,76.17	3,49.94
97.52	1,29.76

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 2016:

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

For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
--	--

36,21.62	34,51.00
2,89.73	3,21.98
2,59.35	1,95.01
(3,31.96)	(5,32.18)
—	—
5,14.70	1,85.81
43,53.44	36,21.62
35,52.48	31,93.88
2,84.19	2,77.87
3,09.53	6,29.27
(3,31.95)	(5,32.18)
13.30	(16.36)
38,27.55	35,52.48
2,59.35	1,95.01
2,89.73	3,21.98
(2,84.19)	(2,77.87)
—	—
5,01.40	2,02.17
7,66.29	4,41.29
43,53.44	36,21.62
(38,27.55)	(35,52.48)
5,25.89	69.14

Assumptions used in accounting for the gratuity plan

Discount Rate

Salary Escalation Rate

Expected Rate of Return on plan assets

%	%
7.81	8.00
9.00	8.00
7.81	8.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Amounts recognised in current year and previous four years

Particulars	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Obligations at year / period end	43,53.44	36,21.62	34,51.00	30,24.47	26,91.04
Plan assets at year / period end, at fair value	(38,27.55)	(35,52.48)	(31,93.88)	(30,83.50)	(27,15.03)
Funded Status	5,25.89	69.14	2,57.12	(59.03)	(23.99)
Experience adjustments:					
Experience adjustments on plan liabilities	1,78.00	(92.34)	3,48.23	64.34	1,66.96
Experience adjustments on plan assets	13.30	(16.35)	(3.03)	13.07	19.51

Note : 28

FINANCE COSTS

Interest Expense

(₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
	2,36.54	2,91.42

Note : 29

OTHER EXPENSES

Consumption of Stores and Spare Parts

Processing Charges

Power and Fuel

Freight, Octroi and Packing Expenses

Rent / Lease Payments

Repairs and Maintenance:

Buildings

Machinery

Others

	76.09	1,63.64
	6,06.56	5,82.97
	3,59.97	3,89.45
	10,42.62	11,36.06
Insurance	2,04.17	1,99.04
Rates and Taxes	2,71.69	2,61.19
Travelling and Conveyance	17,54.72	13,86.88
Commission and Discount on Sales	36,35.44	28,43.89
Royalties	15,18.77	9,31.25
Loss on assets discarded / sold (Net)	91.00	35.72
External Service Charges	32,76.45	25,19.42
Bad Debts & Advances written off	38.78	59.72
Provision for Doubtful Debts & Advances	86.11	(63.90)
Miscellaneous Expenses (Refer Note 29.1 & 29.2)	39,05.80	43,65.54
	356,09.43	340,19.66

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 ₹ 2,37.08 Lacs (Previous Year - ₹ 2,19.43 Lacs), being the difference between the opening and closing stock of finished goods is debited to Miscellaneous Expenses.

Note : 29.2

- (a) Amount prescribed under the Companies Act, 2013 to be spent during the year on CSR activities is ₹ 2,70.10 Lacs
- (b) The amount spent on purposes other than Construction / Acquisition of any assets during the year is ₹ 70.86 Lacs
- (c) The contribution to Saint-Gobain India Foundation (Related Party as per AS - 18) is ₹ 70.86 Lacs.

Note : 30

EARNINGS PER SHARE :

- (a) Profit for the year after Minority Interest (₹ Lacs)
- (b) Weighted average number of Equity Shares outstanding (Nominal Value of Shares ₹ 5)
- (c) Earnings per share (Basic & Diluted) in ₹

Note : 31

COMMITMENTS:

Capital Commitments

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
- (b) Sales Tax demands pending with the Commissionerate / High Court and disputed by the Company
- (c) Claims against the Company under the Labour Laws for disputed cases
- (d) Guarantees given by Banks, of which ₹ 7,48.73 Lacs (Previous year - ₹ 6,61.73 Lacs) are counter guaranteed by the Company
- (e) Guarantees given on behalf of Subsidiary against loan taken by Subsidiary
- (f) Non-Agricultural Land Cess
- (g) Other claims against the Company not acknowledged as debts
- (h) Demand raised by A.P Transco on increase in power cost, disputed by the Company & subjudice in Honourable Supreme Court
- (i) Demand raised by A.P Transco on surplus units allocated, disputed by the Company & subjudice in High Court (Net)
- (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
- (k) Income tax liability on account of disputed disallowances

For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
104,60.74	103,21.71
5,53,60,000	5,53,60,000
18.90	18.64
As at 31st March, 2016 (₹ Lacs)	As at 31st March, 2015 (₹ Lacs)
2,79.29	2,17.30
8,32.56	6,83.97
2,80.25	2,81.87
1,01.16	1,14.00
7,48.73	6,61.73
7,34.57	9,44.33
37.79	37.79
2,01.30	1,91.86
31,24.00	30,06.51
9,89.00	9,25.09
2,59.80	2,59.80
1,65.32	1,65.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 33

EXPENDITURE IN FOREIGN CURRENCY :

	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
(a) Export Sales Commission	99.15	98.16
(b) Foreign Travel	1,82.25	77.25
(c) Royalties	15,03.56	9,31.33
(d) Others	2,07.90	2,12.54

Note : 34

AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF :

Dividend	18,46.91	18,46.91
Number of Non-Resident Shareholders	2	2
Number of Shares held	2,84,14,000	2,84,14,000
Year to which Dividend relates	2014-15	2013-14
Interim Dividend	18,46.91	—
Number of Non-Resident Shareholders	2	—
Number of Shares held	2,84,14,000	—
Year to which Dividend relates	2015-16	—

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 2016:

Currency	No. of Contracts	Value (in Lacs)	Equivalent (₹ Lacs)
USD	28 (46)	1,09.24 (93.70)	72,42.61 (58,61.38)
EURO	14 (51)	22.59 (49.51)	17,00.74 (33,22.71)
GBP	— (2)	— (0.49)	— (44.89)
JPY	— (5)	— (1,31.94)	— (69.32)
AUD	— (1)	— (0.40)	— (19.02)

Previous Year's figures are in brackets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Indian Rupee equivalent is arrived at by converting the forward contracts at the spot rate as at 31st March 2016. Foreign currency exposure (net) not hedged by forward contracts as at 31st March 2016 is ₹ 98.21 Lacs (Previous Year - ₹ 36.23 Lacs).

Currency	Year Ending 31.3.2016		Year Ending 31.3.2015	
	Value (in Lacs)	Equivalent (₹ Lacs)	Value (in Lacs)	Equivalent (₹ Lacs)
USD	—	—	—	—
EURO	—	—	—	—
JPY	96.14	57.34	63.01	33.11
AUD	0.31	15.50	0.07	3.12
CAD	—	—	—	—
GBP	0.27	25.37	—	—
Total		98.21		36.23

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 Diamantwerkzeuge GMBH & Co., Germany

Saint-Gobain Distribution Denmark, Denmark

Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda

Thai Gypsum Products Plc, Thailand

Saint-Gobain Gelva, BV

Saint-Gobain Glass Egypt

Saint-Gobain India Pvt Ltd

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued):

Saint-Gobain Abrasifs Maroc, Morocco	Saint-Gobain Performance Plastics, USA
Saint-Gobain Abrasifs, France	Saint-Gobain PPL Shanghai , China
Saint-Gobain Abrasifs UAE	Saint-Gobain PPL Korean Co, Ltd, South Korea
Saint-Gobain Abrasive International Trading (Shanghai)	Saint-Gobain Produtos Industriais E Para Construção Ltda.
Saint-Gobain Abrasives PTY Ltd., Australia	Saint-Gobain Sekurit India Ltd
Saint-Gobain Abrasives (PTY) Ltd., South Africa	Saint-Gobain Sekurit , Thailand
Saint-Gobain Abrasives (Sea) Pte. Ltd.	Saint-Gobain Sekurit, France
Saint-Gobain Abrasives (Shanghai) Co Ltd., Shanghai	Saint-Gobain Tech Fab Hongfa (Changzhou) Ltd.
Saint-Gobain Abrasives (Suzhou) Co. Ltd.	Saint-Gobain Technical Fabrics, S.A.
Saint-Gobain Abrasives BV., Netherlands	Saint-Gobain Universal Superabrasives, Inc.
Saint-Gobain Abrasives GMBH (CORA)	Saint-Gobain Vibros S.A.
Saint-Gobain Abrasives GMBH, Gerolzhofen., Germany	SG Isover, France
Saint-Gobain Abrasives International Trading (HK) Ltd.	Saint-Gobain Advanced Ceramics (Shanghai) Co. Ltd.
Saint-Gobain Abrasives Inc, Worcester USA	Saint-Gobain Matériaux Céramiques 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 Maçon, 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, Chaineux, 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 Zirpro
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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 36 RELATED PARTY DISCLOSURE (Continued):

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	

Note: Transactions with SEPR Refractories India Ltd. and Saint-Gobain Crystals and Detectors India Ltd. are grouped under Saint-Gobain India Pvt. Ltd. as these companies are merged into Saint-Gobain India Pvt. Ltd. w.e.f. 1st April, 2014, as per the order of Honorable High Court of judicature of Madras dated 30th November, 2015.

(iii) KEY MANAGEMENT PERSONNEL

Anand Mahajan - Managing Director

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:

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries	
		For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
1.	Sales	—	—	38,98.99	42,46.13
2.	Agency Commission received	—	—	19.68	22.49
3.	Service Income	83.30	57.82	51,39.42	39,62.06
4.	Other Income	58.50	58.50	4,21.04	4,02.07
5.	Purchase of Goods	—	—	121,95.30	123,00.90
6.	Expenses charged to other companies	43.80	25.35	35,43.72	16,63.30
7.	Expenses charged by other companies	2,29.89	2,97.43	1,02.74	4,05.83
8.	Royalty Paid	—	—	15,03.56	9,15.78
9.	Other Expenses	—	—	18.00	18.00
10.	Dividend Paid	—	—	37,13.32	18,56.66
11.	Donation Paid	—	—	70.86	84.16
12.	Outstanding Receivables (net of payables) *	73.79	(18.13)	18,90.11	8,79.90
13.	Other Liabilities	—	—	(16,57.39)	(10,69.01)
14.	Outstanding Deposits *	—	—	39.00	39.00
15.	Investments made	—	—	5,00.00	—

* Closing balance

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

Particulars	(₹ Lacs)	
	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Remuneration	4,16.07	4,45.77
Outstanding Loan	1,10.00	90.00
Commission Payable	1,51.89	1,50.34

(iii) Significant transactions with related parties:

(₹ Lacs)				
Sr. No.	Nature of Transactions	Name of the Companies	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
1.	Sales	Saint-Gobain HPM Polska SP.Z O.O.	4,28.93	5,00.79
		Saint-Gobain Do Brasil Produtos Ind. E Para Const Ltda	10,63.38	5,18.39
		Saint-Gobain India Pvt. Ltd.	—	6,56.98
2.	Agency Commission received	Saint-Gobain Adfors, France	19.68	22.49
3.	Service Income	Compagnie de Saint-Gobain (Liaison Office)	83.30	57.82
		Saint-Gobain DSI Groupe	11,93.99	7,65.78
		Saint-Gobain Ceramiques Informatique et Organisation	12,78.50	7,60.70
		Saint-Gobain Weber Netservices	7,85.45	—
4.	Other Income	Compagnie de Saint-Gobain (Liaison Office)	58.50	58.50
		Saint-Gobain India Pvt. Ltd.	3,01.17	3,25.67
		Saint-Gobain Achats, France	61.24	40.23
		Certainteed Corportion, USA	33.58	—
5.	Purchase of Goods	Saint-Gobain Materials Ceramicos Ltda. Brazil	17,40.58	—
		SG Performance Plastic Corporation, USA	20,83.04	—
6.	Expenses charged to other companies	Compagnie de Saint-Gobain (Liaison Office)	43.80	25.35
		Saint-Gobain India Pvt. Ltd.	14,69.08	12,22.71
		Saint-Gobain Ceramiques Informatique et Organisation	13,57.42	—
7.	Expenses charged by other companies	Compagnie de Saint-Gobain (Liaison Office)	2,29.89	2,97.43
		Saint-Gobain India Pvt. Ltd.	46.35	2,78.35
		Saint-Gobain Ceramiques Informatique et Organisation	38.69	—
		SG Performance Plastics Pampus GMBH	17.71	—

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Lacs)

Sr. No.	Nature of Transactions	Name of the Companies	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
8.	Royalty Paid	Saint-Gobain Abrasives Inc., USA	11,15.31	4,12.00
		Saint-Gobain Abrasifs, France	—	3,69.28
		SEPR, France	—	1,34.50
		Saint-Gobain Ceramic Materials A/S Norway	1,93.94	—
9.	Other Expenses	Saint-Gobain Abrasifs, France	18.00	18.00
10.	Dividend Paid	Saint-Gobain Abrasives Inc., USA	19,26.31	9,63.15
		Societe de Participations Financieres et Industrielles	17,67.51	8,83.76
11.	Donation Paid	Saint-Gobain India Foundation	70.86	84.16
12.	Investment made	Saint-Gobain Research India Pvt. Ltd.	5,00.00	—

Note : 37

Additional information of the subsidiary required as per Schedule III

Particulars	For the Year Ended 31st March, 2016				For the Year Ended 31st March, 2015			
	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.	98.30%	671,87.68	95.99%	101,51.98	98.81%	617,02.07	96.96%	101,02.49
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.	1.70%	11,64.63	4.01%	4,24.14	1.19%	7,40.48	3.04%	3,16.81
Minority Interest	-1.43%	(9,74.79)	-1.09%	(1,15.38)	-1.38%	(8,59.40)	-0.94%	(97.59)

Note : 38

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	(₹ Lacs)	(₹ Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax after Exceptional Item	158,56.42	153,79.30
Adjustments for:		
Depreciation / Amortisation Expense	41,92.96	41,60.95
Unrealised Foreign Exchange (Gain) / Loss (Net)	(66.49)	(17.64)
Loss on assets discarded / sold (Net)	91.00	35.72
Profit on Sale of Investments	(6,47.46)	(3,57.93)
Dividend Received	—	(14.98)
Interest (Net)	1,19.53	1,95.90
Operating Profit Before Working Capital Changes	195,45.96	193,81.32
Adjustments for:		
Trade and Other Receivables (Current & Non-current)	(28,69.63)	(43,70.46)
Inventories	(20,62.08)	(40,52.04)
Trade and Other Payables (Current & Non-current)	38,74.78	48,18.44
Cash Generated from Operations	184,89.03	157,77.26
Direct Taxes Paid (Net of Tax Refund)	(49,05.20)	(52,25.92)
Net cash from Operating Activities	135,83.83	105,51.34
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(39,56.99)	(37,78.03)
Proceeds of Sale of Fixed Assets	19.48	2,79.14
Proceeds of Sale of Investments	6,47.46	3,57.93
Purchase of Investments	(5,00.00)	—
Interest Received	1,18.47	1,03.67
Dividend Received	—	14.98
Net cash flow used in investing activities	(36,71.58)	(30,22.31)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Borrowing	(3,34.66)	(1,49.70)
Interest	(2,36.54)	(2,91.42)
Dividends Paid	(71,96.80)	(35,98.40)
Tax on Dividend	(14,65.26)	(6,11.55)
Margin Money and Others	(0.93)	65.96
Deposits with Banks	(5,45.42)	—
Net cash used in Financing Activities	(97,79.61)	(45,85.11)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,32.64	29,43.92
CASH AND CASH EQUIVALENTS - OPENING BALANCE		
Cash and Bank Balances	21,71.22	29,01.38
Cash Equivalents (Investment in Liquid Mutual Funds)	90,15.92	53,41.84
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		
Cash and Bank Balances	16,78.86	21,71.22
Cash Equivalents (Investment in Liquid Mutual Funds)	96,40.92	90,15.92
	113,19.78	111,87.14
	1,32.64	29,43.92

As per our Report of even date

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

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

PRADIP SHAH

Chairman

DIN 00066242

ANAND MAHAJAN

Managing Director

DIN 00066320

ERMIN K. IRANI
Partner

DEEPAK CHINDARKAR

Chief Financial Officer

Membership No. 35646

K. VISWESWARAN

Company Secretary

Mumbai: 30th May, 2016

Mumbai: 30th May, 2016

Ten Year Consolidated Financial Highlights

(₹ Lacs)

	2006	2007	2008	Jan 2009 - Mar 2010 (15 Months)	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Sale of Products (Net)	37292	44083	50162	70222	78075	88434	91539	92298	108433	112061
Operating Profit (Profit Before Interest, Tax and Extraordinary Items)	6865	8244	7892	13107	12621	15137	13853	12495	15671	16093
Profit After Tax and Extraordinary Items	4602	13340 ⁺	5421	8605	8274	10284	9715	8442	10419	10576
Share Capital	2768	2768	2768	2768	2768	2768	2768	2768	2768	2768
Reserves and Surplus *	16590	24749	27589	32352	36853	42966	48487	52670	58480	64610
Total Debts	227	227	1647	2611	2105	1891	2237	1641	1491	1157
Net Fixed Assets *	12116	15915	21603	22928	23525	31310	38512	37696	36360	35806
Net Working Capital	4824	7573	8442	12823	16923	15124	14107	18520	25597	31426
Earnings Per Share (₹) #	8.31	10.19 [^]	9.81	15.60	15.10	18.60	17.58	15.16	18.64	18.90
Dividend Per Share (₹) #	3.50	8.00 [□]	4.00	6.00	6.00	6.50	6.50	6.50	6.50	6.50
Book Value Per Share (₹) * #	34.97	49.71	54.84	63.44	71.57	82.61	92.59	100.14	110.64	121.71

KEY RATIOS

Operating Margin (%)	18.41	18.70	15.73	18.67	16.17	17.12	15.13	13.54	14.45	14.36
Asset Turnover	1.87	1.56	1.52	1.43 [@]	1.81	1.79	1.64	1.55	1.66	1.57
Return on Capital Employed (%)	34.48	29.17	23.94	26.77 [@]	29.20	30.71	24.87	20.92	23.93	22.59
Debt Equity Ratio	0.01	0.01	0.05	0.07	0.05	0.04	0.04	0.03	0.02	0.02
Current Ratio	1.43	1.51	1.58	1.78	1.89	1.61	1.63	1.80	1.91	2.11

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

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Brief History of Grindwell Norton (GNO)

Established in 1941, Grindwell Abrasives, as Grindwell Norton was then known, pioneered the manufacturing of Grinding Wheels in India. Since then, GNO has come a long way and has grown from strength to strength. Here are some of the more important milestones in GNO's journey...

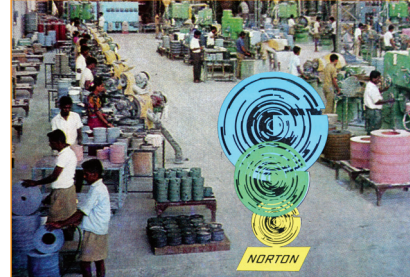
01



GRINDWELL - THE EARLY YEARS

1941: Two Parsi gentlemen set up Grindwell Abrasives at Mora, a small fishing village near Mumbai, and pioneered the manufacturing of Grinding Wheels in India.

02



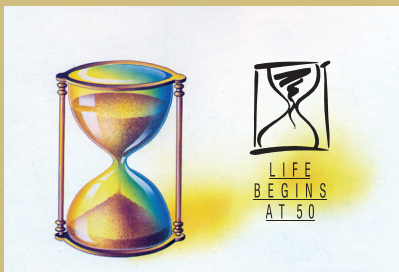
PARTNERING WITH NORTON CO., USA

1967: Grindwell Abrasives enters into a technical collaboration with Norton Co., USA, and in 1971 Norton Co. becomes a partner and GNO comes into being.

05

'LIFE BEGINS AT 50' FOR GNO

1991: GNO celebrates a major milestone in its history - its Golden Jubilee - with the theme: 'LIFE BEGINS AT 50'.



06

EXPANSION AT BANGALORE SITE

1990: High Performance Refractories plant is commissioned.

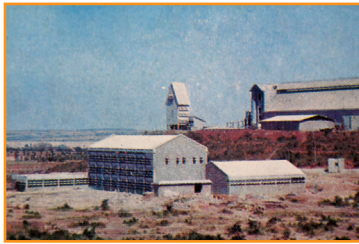
1993: A state of the art Coated Abrasives plant set up to manufacture a full range of Coated Abrasive products.

1995: GNO sets up a new Non-woven Abrasives plant and pioneers its production in India.

1996: Super Abrasives plant set up for manufacturing Diamond and cBN Grinding Wheels.



03



SILICON CARBIDE PLANT

1972: GNO pioneers the manufacturing of Silicon Carbide (SiC) in India at its new site in Bangalore.

1980: The manufacturing of SiC is moved to a new site near Tirupati.

04



GNO GOES PUBLIC

1983: Following an Initial Public Offering, GNO is listed on the Bombay Stock Exchange. Between 1983 and 2016, GNO's share price has yielded a compounded annual rate of return of 18.5%. For many years, GNO's Registered and Head Office was located in the iconic Army & Navy Building (above) in the heritage Fort area of Mumbai.

07

GNO BECOMES A PART OF SAINT-GOBAIN

1996: GNO becomes the first majority-owned subsidiary of Saint-Gobain in India. Earlier, in 1990, Compagnie de Saint-Gobain had acquired Norton Co., USA, and thereby became a stakeholder in GNO.



08

ABRASIVES PLANT - NAGPUR

1997: A state of the art plant set up at Nagpur for the manufacture of Thin Wheels and Bonded Abrasive products.



A New Phase of Growth

09



ABRASIVES PLANT - HIMACHAL PRADESH

2008: GNO commissions a new Abrasives plant near Baddi in Himachal Pradesh for manufacture of Thin Wheels and Coated Abrasive products.

10



PERFORMANCE PLASTICS PLANT - BANGALORE

2008: A state of the art Performance Plastics plant set up on GNO's Bangalore campus.

11



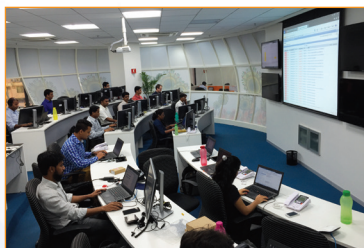
SILICON CARBIDE PLANT - BHUTAN

2009: Saint-Gobain Ceramic Materials Bhutan, a majority-owned subsidiary of GNO, commissions a new plant for manufacturing Silicon Carbide near Phuentsholing.

12

INDEC

2010: GNO launches INDEC, a captive, global IT Development Centre in Mumbai for providing a range of services to the Saint-Gobain Group worldwide.



13

HIGH PERFORMANCE REFRACTORIES PLANT - HALOL (GUJARAT)

2012: GNO commissions a new High Performance Refractories plant at Halol (Gujarat). Also enters a new business - ADFORS - with a plant at Bangalore for manufacturing mine-grids.



14

NEW PLANTS AT BANGALORE & NAGPUR

2012: Upgrades Non-woven Abrasives facility with a new state of the art plant at Bangalore.

2013: Commissions a new Bonded Abrasives plant at Nagpur.



2016



*Celebrating 75 Years of
GRINDWELL NORTON LTD.*

